



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# MEETING OF THE PARLIAMENT

Wednesday 19 May 2010

Session 3

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## Scottish Parliament

*Wednesday 19 May 2010*

[The Presiding Officer *opened the meeting at 14:30*]

### Time for Reflection

**The Presiding Officer (Alex Fergusson):** Good afternoon. The first item of business this afternoon is time for reflection. Our time for reflection leader today is Pastor Ken Bleakley of Larbert Baptist church.

**Pastor Ken Bleakley (Larbert Baptist Church):** Presiding Officer, members of the Scottish Parliament, ladies and gentlemen; good afternoon. As a Baptist pastor, it is my privilege and pleasure to address the Scottish Parliament during today's time for reflection.

In the book of Proverbs, chapter 14, verse 34, the word of God tells us:

"Righteousness exalts a nation, but sin is a reproach to any people."

In 1638, Roger Williams was instrumental in constituting America's first Baptist church in Providence, Rhode Island. He went on to obtain a royal charter in 1644 to establish Rhode Island as a British colony, and so prepared the way for it later to become one of the original 13 states in the newly independent United States of America.

Williams was a man of vision. He called for the complete separation of church and state—a position that undercut the authority of religious and civil leaders but that allowed them both to flourish without interference from each other. That principle is still enshrined in the first amendment to the constitution of the United States of America. It remains an important Baptist principle, and the first usage of the phrase "separation of church and state" can be traced to a letter written in 1802 by Thomas Jefferson to the Danbury Baptists in Connecticut.

Williams helped to build a system of government for Rhode Island that was based on biblical principles of tolerance towards others, justice and equality for all, and freedom to worship without let or hindrance. Under his influence, Rhode Island quickly became a safe haven for all those who suffered persecution for their respective faiths or belief systems. The state prospered.

It is only natural that all Governments wish to see their countries flourish, but what makes any country really great? The book of Proverbs tells us that it is "Righteousness" that "truly exalts a nation". God is telling us that doing what is right takes precedence over everything else, including

economic strength, military might, a rich heritage, celebrated culture and conspicuous wealth. All those things have their place—they all have their own importance—but righteousness truly allows a nation to rise.

That is what Roger Williams had in mind all those years ago by creating an environment in which doing what is righteous was actively encouraged and brought its own reward. I remind members, as they begin this afternoon's business, that Scripture gives us a timeless truth:

"Seek first the kingdom of God and his righteousness, and all these things shall be added to you."

Amen.

## Business Motion

**The Presiding Officer (Alex Fergusson):** The next item of business is consideration of business motion S3M-6347, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, which sets out a revised business programme for this afternoon. I invite Bruce Crawford to move the motion.

14:35

**The Minister for Parliamentary Business (Bruce Crawford):** Before I do so, I say that the reason for the business motion is that the bureau agreed yesterday afternoon to schedule the ministerial statement on 1,000 additional police officers protecting our communities.

*Motion moved,*

That the Parliament agrees the following revision to the programme of business for Wednesday 19 May 2010—

after

2.30 pm                      Time for Reflection – Pastor Ken Bleakley, Larbert Baptist Church

*followed by*                Parliamentary Bureau Motions

insert

*followed by*                Ministerial Statement: 1,000 Additional Police Officers Protecting Our Communities.—[*Bruce Crawford.*]

*Motion agreed to.*

## Police Numbers

**The Presiding Officer (Alex Fergusson):** We now move to the statement by Kenny MacAskill, on 1,000 additional police officers protecting our communities. The cabinet secretary will take questions at the end of his 10-minute statement; I therefore ask that there be no interventions or interruptions.

14:35

**The Cabinet Secretary for Justice (Kenny MacAskill):** This Government's commitment was to provide 1,000 extra police officers during this parliamentary session. That is the pledge that we gave at the Scottish election and we have delivered on it.

The latest published figures show that as at 31 December 2009, there were 17,273 police officers in Scotland, which is an increase of 1,039 since March 2007. A visible police presence is a key part of our drive to make Scotland's communities safer. Those additional officers are working right now to keep our streets safe. Just last week, the chief constable of Strathclyde released figures showing that there has been a decrease of more than 10 per cent in the overall amount of recorded crime in Strathclyde, with significant inroads being made into tackling violent crime. Nationally, recorded crime is now at a near 30-year low and clear-up rates are continuing to improve.

In delivering 1,000 additional police officers we consulted, discussed and agreed with the Association of Chief Police Officers in Scotland that the officers would be phased in over the four years of this parliamentary session: 150 in 2007-08, 462 in 2008-09, 189 in 2009-10 and the final 201 in 2010-11. Those additional officers are being delivered at a time when a large number of officers are retiring from the service due to there having been a recruitment bulge in the late 1970s. Some 3,603 new officers have been trained at the Scottish Police College since March 2007. I am grateful for the efforts of chief constables and the Scottish Police Services Authority in recruiting and training that huge number of officers.

The Scottish Government has already met in full the costs of 801 officers who were recruited by the end of March this year and we are absolutely committed to continuing to pay for those officers during 2010-11. On the final 201 officers who are to be recruited during 2010-11, we have made it clear to police forces that we will provide the funding when the additional officers are in place. Meanwhile, police funding is at a record level of £1.4 billion in 2010-11. Additional calls for funding have been met, including funding fully the new pension arrangements, which means that police

forces no longer have to meet the costs of pensions from their annual running costs. Police funding is now £235 million a year more than the previous Government provided, which is an increase of 20 per cent. All that is at a time when we are facing £500 million cuts in planned expenditure this year.

Let me be clear: this Government is providing the costs of the recruitment, training and salaries of the extra 1,000 officers. That is extra funding specifically to recruit those 1,000 extra officers and it should not be used for any other purpose. That has always been our position. It is the position that we have laid out in each budget that has been passed by this Parliament. It is the position that I have laid out in public, it is the position that I have laid out in private, and it is the position that I laid out when I met chief constables on 18 January. My message to them was simple: we have provided the funding that is needed to recruit 1,000 additional officers, so it should be used to recruit the 1,000 officers that we pledged to deliver.

At that meeting, chief constables also shared their concerns about future budgets. They have heard the dire warnings coming from United Kingdom parties of cuts to come and, like me, they are worried. We have already had to live with cuts of more than £500 million. We will have the Chancellor of the Exchequer's £6 billion cuts programme, which will be announced on Monday; we will have the emergency budget on 22 June; and we will have the comprehensive spending review in the autumn. Decisions on the future size of the budget for the police in Scotland will be taken once we know the scale of the Westminster cuts and the effect that that will have on the overall size of the Scottish budget.

I appreciate the efforts that have been made by police forces in meeting and exceeding efficient government targets in recent years. It is now more important than ever that all opportunities for efficiency are taken and that any waste or duplication is removed. That is why the Scottish policing board is working closely with ACPOS in developing the efficiency agenda.

While we are planning budget stability in 2010-11 with no further cuts in this financial year, we do not yet know what will be delivered for future years by the Westminster Government. What we do know is that we have record numbers of police officers on our streets. We have provided funding for 1,000 additional police officers, and it should continue to be applied for that purpose this year. That is what communities across Scotland want and what they have a right to expect. Obviously, we await the impact of the Westminster cuts to come.

That is what I discussed with chief constables and I want to make it absolutely clear that that was also the message that was delivered by Scottish Government civil servants.

The President of ACPOS, Chief Constable Pat Shearer, has made it clear that

"Civil servants acting in their official capacity and in support of the Minister, advised that the funding had been made available specifically for the purpose of enhancing front line policing services. It was understood that it would be allocated to forces only for that intended purpose."

I agree. That is and remains the position.

I am proud of the achievements of the Scottish police service. I know from my regular meetings with chief constables that excellent work is being done across Scotland in bringing police officers closer to the communities that they serve. The benefits of that are already emerging, with reduced crime rates. With the serious and organised crime task force, we are seeing a renewed focus on the fight against serious and organised crime. Only this morning I was in Haddington to be briefed by and to congratulate Lothian and Borders Police on operation erase—a large-scale operation that has targeting drug dealers operating in the Musselburgh area and beyond. The dealers who were arrested in their homes this morning will be the first of many in East Lothian and further afield.

I will continue to have constructive and straightforward dialogue with the police to ensure that Scottish policing is in good shape to face whatever challenges may lie ahead. This Government is committed to a well-resourced police service and to providing increased police visibility in our communities. We were elected on a pledge to provide 1,000 additional police officers: we have delivered on that pledge. Whatever cuts the UK parties inflict on Scotland, our commitment to our police officers and the safety of our communities will remain. We will continue to work with the police to make Scotland a safer and stronger place to live.

**The Presiding Officer:** The cabinet secretary will now take questions on issues that were raised in the statement. We have around 20 minutes, but not a second longer.

**Richard Baker (North East Scotland) (Lab):** I thank the cabinet secretary for the statement.

The fallout from the now infamous Scottish policing board meeting shows that Scottish National Party ministers have put senior police officers and civil servants in an impossible position. For over a year, our police forces have made it clear that they cannot maintain the SNP pledge to provide 1,000 extra police with the budgets that the Scottish Government has allocated to them. They have said that at a time

when the Scottish Government budget was increasing and before any spending review down south—[*Interruption.*]

**The Presiding Officer:** Order.

**Richard Baker:** How does it help the situation for the Government to withhold funding from police forces, which the cabinet secretary has threatened again today, when forces are already struggling with their budgets? Is it now the cabinet secretary's position—[*Interruption.*]

**The Presiding Officer:** Order. I am sorry to stop you for a moment, Mr Baker. The cabinet secretary will have an opportunity in due course to answer the question. Until then, members should refrain from answering it.

**Richard Baker:** They have the wrong answers, too.

Is it now the cabinet secretary's position that having 1,000 extra police in two different quarters of this session of Parliament means that the SNP's promise has been kept, even if numbers reduce after that? Surely that renders it meaningless. One thousand recruits have been funded, but in order to increase overall police numbers by 1,500 the previous Executive had to recruit some 4,000 officers.

Does the cabinet secretary not recognise that the statement from ACPOS this morning confirmed the fears about the sustainability of police numbers? Instead of getting his excuses in early, will he now agree to publish a new projection of future police numbers to give an accurate independent forecast of what they will be? This sorry episode shows that the Scottish Government has been caught red-handed trying to fiddle the figures on police numbers. The Government has been brought to book by our most senior police officers.

**Kenny MacAskill:** A variety of matters were included in that rather rambling question from Mr Baker. Let me do my best to address them. In referring to the statement that was issued on behalf of Pat Shearer, the ACPOS chair, a man to whom I spoke this morning, Mr Baker spoke of an "infamous meeting". In his statement, Mr Shearer did not speak of an "infamous meeting", but said:

"The meeting referred to in the Herald article ... is one of many meetings involving Ministers, Officials of the Scottish Government and police officers at the highest level. The Cabinet Secretary for Justice hosted this meeting, initiating discussion and listening to Chief Officers' views on a wide range of issues affecting policing. Such frank and open dialogue with the Cabinet Secretary has been most welcome."

Mr Baker's definition of full and frank discussion may be infamy, but that is certainly not the definition of the chief police officers in Scotland.

Mr Baker talked about the 1,000 officers. Let us be clear: you have stood in the chamber and have narrated elsewhere, Mr Baker, that we would never as a Government deliver 1,000 additional officers. We have delivered more than 1,000 officers, which is a target that you said we could not meet and to which you did not even aspire when you sought to be elected—

**The Presiding Officer:** Order. Please speak through the chair, cabinet secretary. I ask all members to speak not directly to each other but through the chair.

**Kenny MacAskill:** Thank you, Presiding Officer.

I turn to cuts. I refer you again to the statement that was issued on behalf of the chief officers in Scotland.

Mr Shearer has described the meeting that has been mentioned not as an "infamous meeting" but as a dinner chaired by the cabinet secretary. He went on to say:

"The situation is exacerbated by the uncertainty of the future budget allocation to Scotland and we have sought and received a firm commitment from the Scottish Government that it will keep the police service advised as to funding implications".

Rather than attacking the Scottish Government, the member should be berating his colleagues south of the border, who got us into this mess and imposed £500 million-worth of cuts, and addressing his complaints to a Tory-Liberal coalition that seeks to impose more.

I finish with the penultimate paragraph of Mr Shearer's statement, in which he says:

"What is clear however is that all parties are working together and share a common interest in providing the best Policing service possible for the communities of Scotland."

If only that applied to the major Opposition political party in Scotland.

**Bill Aitken (Glasgow) (Con):** The meeting in question may or may not have been "infamous", but it certainly evidenced a clear level of mistrust between senior members of the police force and the Scottish Government.

The cabinet secretary will recollect the pressure under which he and his colleagues came from the Conservatives in the negotiations on the 2008-09 budget, in which the provision of an additional 1,000 police officers was a paramount consideration. I accept that the Government has kept its word in that respect, but now we must think of the future. Yesterday I received a report from the divisional commander of Strathclyde Police covering Glasgow city centre and the west end, which made excellent reading. There can be no doubt that, properly deployed, the additional officers have made a significant impact on crime and its detection, and have provided public

reassurance. In the circumstances, it is essential that existing police numbers be maintained.

What action does the cabinet secretary propose to take to break down the atmosphere of mistrust that seems to exist between sections of the police force and the Scottish Government? Will he confirm, without equivocation, that 12 months from today there will be 17,273 police officers in Scotland, which is the current figure?

**Kenny MacAskill:** Bill Aitken has raised a variety of issues. I refer again to the statement by the chair of ACPOS, who makes it clear that the meeting that has been mentioned was one of many meetings and dialogues that take place involving me and others.

I know that Mr Aitken networks, but I should clarify the situation that I inherited. My predecessor, the then Minister for Justice, met chief officers initially, but thereafter regular meetings took place only annually. I meet chief officers twice per year, without officials. I have an open-door policy with them and meet them regularly, which is why the relationship between the Government and senior police officers is such that, on his retiral as senior assistant chief constable for Fife and the acting officer in charge of counter-terrorism, Allan Burnett chose to become a member of the party of Government. I welcome that move, which shows the deep trust in the Government that many officers have.

We should be clear about the current situation. We have the lowest recorded crime in almost 30 years, the lowest murder rate in the city of Edinburgh, Lothian and the Borders for 20 years, and the lowest recorded homicide rate in Glasgow and Strathclyde for 10 years. The Scottish Government has delivered those achievements in a time of financial austerity, with £500 million of cuts from Westminster and £6 billion of cuts due to come online.

Bill Aitken asked what the number of police officers will be next year. It will be 1,000 more than the number when we came into office.

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** Must all of them be SNP members?

**Kenny MacAskill:** What happens thereafter will be dependent on what Mr Rumbles's and Mr Aitken's parties do to preserve the people of Scotland from the deep cuts that were caused by Labour's recession and which will be implemented with some gusto by a Tory-Liberal Democrat coalition.

**Robert Brown (Glasgow) (LD):** I bet the justice secretary did speak to Chief Constable Pat Shearer this morning. I would have liked to have been a fly on that particular wall. The difficulty is

that the ACPOS statement that followed that discussion is not quite the same as the quotations that are in *The Herald*. In that paper's report, the chief constable is quoted as saying:

"we were told to hold off reducing staff numbers until after the autumn and the spending review."

Does the justice secretary accept that as being the position of his Government? Can he explain it? Is not the only explanation that the SNP Government is playing politics with police funding, massaging the time of the spending so as to blame someone else for the problem, in the SNP's usual way? Is the Government interfering in the autonomy of chief constables by preventing them from making sensible provision for next year? What is the current prediction for budget shortfalls in Scotland's police authorities, including Strathclyde Police?

We have so far paid for 800 police officers up until the end of last year, with a further 200 to come this year. Is it expected that the chief constables will recruit a further 200 extra, making the total 1,200? If not, why were civil servants threatening to withhold the money for something that, after all, had already been achieved?

**Kenny MacAskill:** I will deal with the last question first. The Government has agreed to fund 1,000 additional officers. We consulted, we discussed, and we agreed with ACPOS that we would fully fund their recruitment, training and wages for the period. Eight hundred and one officers have come in, and the balance have to be funded. We expect that, if we provide the funding, that is what we will receive. That is perfectly legitimate and reasonable.

Regarding the other points, I did indeed speak to Mr Shearer this morning. It was a deeply enjoyable and lengthy conversation, with a variety of matters to discuss—

**Members:** Including?

**Kenny MacAskill:** Members should just wait, and they should note that the statement by ACPOS was issued not following our discussion, but last night. The conversation was subsequent to that. I do not know what Robert Brown is driving at.

I agree that there should not be ministerial interference in operational police matters. I have frequently had to stand here in the chamber and make that clear—for example to Labour members on the subject of absconds. I also recall that I received a letter from Mr Brown, who wishes me to have operational involvement on the use of Taser guns.

**Robert Brown:** Policy involvement—not operational involvement.

**Kenny MacAskill:** How come I am criticised by Mr Brown, apparently for wishing—

**Mike Rumbles:** Policy.

**The Presiding Officer:** Order.

**Kenny MacAskill:** How come I am criticised by Mr Brown for wishing to direct the police on finance, while at same time he is insisting that I should have operational involvement on firearms? He has no consistency there at all.

Regarding what Mr McKerracher said, he did not make the quote. Mr McKerracher had other matters to say, not that. We are delivering matters.

I am extremely proud of our police officers in Scotland, and I am extremely proud to be a member of a Government that has delivered a record number of police officers in our communities, making Scotland safer and more secure.

**The Presiding Officer:** We come to open questions, and we do not have long, so I ask for questions and answers to be brief.

**Brian Adam (Aberdeen North) (SNP):** Does the cabinet secretary share my concern that we are in danger of not seeing the wood for the trees? Does he agree that Parliament should be uniting to fight the real threat to police budgets, which is the significant cuts to the Scottish block grant that are heading our way from Westminster?

**Kenny MacAskill:** Absolutely. It is for that reason that I regularly meet the chief constables and other stakeholders. They are concerned about what is coming down the line, and they would be better served if Opposition members were to rally with the Government and, indeed, with our police family and with justice departments that face expenditure cuts. It would have been helpful if they had helped us to oppose the £500 million of cuts, but it would be better if they came together now so that we do not get hammered with £6 billion-worth of cuts.

**James Kelly (Glasgow Rutherglen) (Lab):** This afternoon we have heard an isolated view from a cabinet secretary who is locked in his ivory tower in Edinburgh. The reality on the ground is one of SNP budget cuts. Strathclyde Police, for example, has to make up a shortfall of £26.6 million from the 2009-10 baseline. Does the cabinet secretary agree that those are SNP cuts, and that they will undermine effective policing and will put public safety at risk?

**Kenny MacAskill:** No. On Monday this week, in my ivory tower—actually in a committee room in St Andrew's house—I met the police board conveners. I had a pleasant and cordial meeting with Mr Stephen Curran, who has replaced the outgoing Paul Rooney as the Labour-nominated

convener of Strathclyde police authority. I have to say that Stephen Curran made no mention of an apocalypse coming, although we discussed the huge implications for Government and Scottish police boards of the cuts that we have faced from the Labour Government south of the border and the cuts that are coming.

**Nigel Don (North East Scotland) (SNP):** Does the cabinet secretary share my surprise at what is going on in the Parliament, given that Labour did not support the increase in police numbers in the first place and given that Andy Kerr lambasts the SNP in today's *Daily Mail* for not making its cuts fast enough? Does the cabinet secretary share my view that if Labour were in power now, the police would be in a seriously sorry state?

**Kenny MacAskill:** That is certainly the case. As I said in my statement, there was a bulge in recruitment in the 1970s and we have had to ensure that we ramp up our approach. The lengths to which individual chief constables have gone are a great tribute to them. We have delivered 1,000 additional officers. Had we not done that and had we been left with the Labour manifesto commitment that was made during the 2007 election campaign, Scotland would be worse served and I fear that crime would be a greater problem in many of our communities.

**Cathie Craigie (Cumbernauld and Kilsyth) (Lab):** It is sad that the SNP is managing to cut public services even though it has had the largest budget since devolution—[*Interruption.*]

**The Presiding Officer:** Order.

**Cathie Craigie:** This week's press coverage on policing is of concern to me—it is obviously also of concern to the cabinet secretary and his chorus. There is confusion about civil servants instructing chief constables and threatening to reduce their budgets. That is not the normal way of doing business, to my mind. The cabinet secretary has been inconsistent in his answers. I ask again: who is in charge of the Scottish police service?

**Kenny MacAskill:** Ms Craigie will be delighted to know that at least it is not outgoing Labour ministers in London, who appear to have been incurring the ire of senior civil servants down south by doing a variety of things that seemed to benefit their constituencies.

We must ensure that we have a clear recollection of history. Labour fought an election with no commitment on additional police officers; we fought an election on delivery of 1,000 additional officers. Labour said that we could not deliver 1,000 additional officers, but we have delivered them.

Police officers the length and breadth of Scotland and south of the border remember that,

notwithstanding the budget cuts that we have faced—

**Cathie Craigie:** Who is in charge, cabinet secretary? Answer the question.

**The Presiding Officer:** Order.

**Kenny MacAskill:** When a pay award was made, the Scottish Government implemented it in full and backdated it, whereas the Labour Government south of the border reneged on the contractual arrangements and the understanding that had been arrived at at the Advisory, Conciliation and Arbitration Service. Police officers north and south of the border will not forget that.

**Margo MacDonald (Lothians) (Ind):** In common with most people outside the Parliament, I was not terribly interested in that last exchange. I am interested in the question that Cathie Craigie asked: who runs the police service? I thought that the Cabinet Secretary for Justice set the parameters within which the police work operationally.

I suggest to the cabinet secretary that he should forget the width and consider the quality of the service. If he is correct to say that crime figures have fallen and clear-up rates have risen, he should concentrate on that and not on 1,000 policemen. Who cares how many policemen there are, provided that they get the work done?

**Kenny MacAskill:** There is validity to what Margo MacDonald said. However, the driver for and precursor to the matter was the fact that communities welcome a visible police presence, not simply because the police detect and deal with criminals but because, as we know, in Scotland the problem is not just crime but fear of crime. A visible police presence not only deals with criminals who perpetrate crime but helps to reassure good citizens who are worried about crime.

On the constitutional matter, let me explain the historical position on how the police service is dealt with, which the Government has not changed in any way. There is a tripartite agreement. Chief constables are appointed by and accountable to the local police board. As Ms MacDonald knows, the Lothian and Borders Police board is chaired by Iain Whyte, who is a member of Mr Aitken's party. The Cabinet Secretary for Justice might fund matters, but there is a tripartite agreement between the chief constables, who have operational independence, the police boards, to which chief constables are accountable and which therefore must keep a check on chief constables, and the Cabinet Secretary for Justice in central Government, who is required to fund the service and to set broad outlines on policy and parameters.

## “Report on Local Government Finance Inquiry”

**The Presiding Officer (Alex Fergusson):** The next item of business, for which we are extremely tight for time, is a debate on motion S3M-6318, in the name of Duncan McNeil, on the Local Government and Communities Committee report on local government finance. I call Duncan McNeil to speak to and move the motion on behalf of the Local Government and Communities Committee in no more than 11 minutes, please, convener.

15:05

**Duncan McNeil (Greenock and Inverclyde) (Lab):** I am pleased to open this debate on behalf of the Local Government and Communities Committee. The situation facing local government was described by Professor Alan Alexander, one of our witnesses at a round-table event, as the “perfect storm.” We have increasing demand for the services that councils provide, an aging population demanding better social care, higher demand for homelessness and other welfare support services, increased pension contributions and equal pay settlements. If that were not bad enough, it seems that even the weather is against councils, as they have just come through the worst winter that we have seen in many years and have had to endure significant flooding problems in parts of the country. That is set against a situation in which local government is unable to raise council tax and has had little or no increase in funding centrally, with council tax becoming more difficult to collect in a recession and the income raised from building warrants being on a downward spiral.

Against that backdrop, in June last year we announced our inquiry to ensure that there was a wider understanding of and debate on the financial pressures on local government. We began taking evidence for the inquiry in September 2009 and published our report in January of this year. I thank everyone who gave evidence to our inquiry, all the members of the committee and our clerks and researchers for their hard work, patience and support.

During the inquiry, there was a question about whether problems had arisen as a result of the recession or whether the recession had just exaggerated existing financial pressures that should have been addressed. Some of our other work, such as our inquiry into the debacle that is equal pay, suggests that some problems are of the councils' own making. However, whatever the basis for the current situation, it is clear that different choices will have to be made and that there will be no quick fix.

We recently wrote to all 32 local authorities to find out what the up-to-date position is with their finances. The 27 responses that we received showed that the situation is pretty bad at the moment and likely to get worse over the next few years. Our inquiry report anticipated that, so we looked at how those financial challenges could be addressed. I think that everybody realises that the scale of the financial issues is such that they cannot be addressed merely by looking for efficiency savings. However, finding efficiency savings is important, and authorities should constantly strive to be more efficient and provide value for money.

Local authorities and trade unions told the committee that a lot of inefficiency had already been driven out of the system. However, some other witnesses, including Audit Scotland, were more sceptical, with some believing that the necessary scale of efficiencies could be achieved only with greater regulation. The committee nonetheless concluded that the way forward was to undertake more work on benchmarking to improve performance and efficiency. That is now being progressed by the Scottish Government and the Society of Local Authority Chief Executives and Senior Managers—we welcome movement in that area.

The other huge issue relating to efficiency savings is shared services. Just before we concluded our inquiry, Sir John Arbuthnott published his report on joint working and shared services in the Clyde valley, and there was certainly a lot of food for thought in that report. There was concern that local authorities had not done enough of that kind of work in the past and that decisions were being taken now only in response to the financial crisis rather than because of any kind of long-term change in the management process.

In his report, Sir John Arbuthnott said that local authorities

“cannot meet this challenge with short term solutions, such as year on year efficiency savings or ‘salami slicing’ budgets. The Councils and their public and private sector partners need to take a more strategic long term view.”

However, witnesses told us of tensions that can arise when services are shared or centralised. For example, a national scheme to drive efficiencies in procurement might involve a cost to the local economy.

The Arbuthnott report also highlighted a range of supports that the Scottish Government could provide. One suggestion was that the Scottish Government might introduce secondary legislation to smooth the way for interauthority shared services. The Government’s response to our report did not offer a view on that proposal, but it confirmed that work is on-going to see what further

could be done. Perhaps the cabinet secretary will take the opportunity today to outline some of that work.

Public services cannot be delivered without staff, but when budgets are tight, questions are inevitably asked about whether big enough savings can be made without impacting on pay and jobs. Of course, none of that is easy. It is never easy for politicians to cut the wages of their voters or to threaten them with the sack. In local authorities, the big issue is that staffing accounts for about 50 per cent of total budgets, so how we achieve savings is a very pertinent question.

From the local authority responses that we received, it is clear that many authorities are looking to shed jobs to balance their books. In the main, they are trying to avoid going down the route of compulsory redundancies and are trying to manage any job losses by way of turnover and not filling vacancies or by voluntary redundancies. However, several authorities indicated that the scale of future budget deficits is likely to mean that compulsory redundancies cannot be ruled out.

The committee fully appreciates that such decisions are difficult. Like freezing pay, reducing staff numbers might seem an attractive option to achieve savings, but we also appreciate that it is not a good idea to cut capacity to the extent that it will be difficult to deliver services in the future. Like all the other decisions that local authorities need to make, such decisions should be made with a strategic long-term view rather than as part of a short-term, knee-jerk reaction, which could have a detrimental impact in the future.

**Margo MacDonald (Lothians) (Ind):** On the need for a strategic overview, I could not agree more. However, did the committee consider whether that should include the ending of some services or whether the savings should be achieved through percentage cuts across services in order to keep a residue for the future?

**Duncan McNeil:** We did not look at those very detailed discussions, but we believe that it is important that local authorities deal with the issue not just as a response to a financial crisis but as a totality in which they work alongside others.

Using redundancy to achieve savings might deal with one problem by reducing the workforce, but it can lead to increased costs. In fact, one council said in its latest response to us that it would not achieve a new saving for up to two years because of the need to make redundancy payments. That, too, needs to be taken into account. Making public sector workers redundant is a very expensive process.

Another issue that councils need to consider is whether they should charge for services. A number of councils already charge for services,

but there is no uniform charging policy across the country. Although we can see that councils are perhaps being pushed in that direction, we agreed with the Arbuthnott report's recommendation that councils should work together to introduce consistency

"where this does not cut across local priorities, to make this more easily understood by citizens and to avoid a 'postcode lottery' for fees and charges".

The responses that we have received from councils suggest that existing charges are increasing by 2 to 3 per cent and that a number of councils have introduced, or are thinking about introducing, new charges.

As I have said, we wanted to look at how local authorities could deal with a looming budget crisis. As our report outlines, there are various ways in which councils can make—and are making—savings, but in the round-table discussion Professor Alexander highlighted the significant issue of the lack of flexibility that is available to local authorities. He said that when the recession bites, they will have to make economies where they can rather than where they would choose to. Many in the third sector would claim that that is happening already and that they are paying the price. That would be considered a short-term decision.

The committee is acutely aware that the choices on services that local authorities make now will have a significant impact on the people of Scotland, and that we will all have to live with those consequences. As Professor Richard Kerley said:

"until we know what we want local government to do, we cannot know what measure of money it needs to collect in order to do that."—[*Official Report, Local Government and Communities Committee*, 1 September 2009; c 2207.]

**The Deputy Presiding Officer (Alasdair Morgan):** The member will need to conclude.

**Duncan McNeil:** Right.

There is no evidence that local authorities or the Convention of Scottish Local Authorities are having that debate. Do we want local government or local administration? Do we want oversight or regulation, shared services or stealth charges? The debate needs to include the communities that councils serve.

I move,

That the Parliament notes the conclusions and recommendations contained in the Local Government and Communities Committee's 2nd report 2010 (Session 3): *Report on Local Government Finance Inquiry* (SP Paper 377).

15:16

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** I welcome the Local Government and Communities Committee's report, which offers a wide-ranging assessment of the potential impact of the current economic situation on local authority finances and the challenges that now face local government. I am sure that as well as informing today's debate, its conclusions will provide valuable input into the work that is being done by others in preparation for the next spending review. The Government will give careful consideration to the issues that are raised in the report and to the points that Mr McNeil made, some of which I will comment on specifically.

The report also contributes to the wider discussion about the formulation of what I think Mr McNeil called the strategic perspective on public service provision, which will be informed by the Finance Committee's on-going inquiry into public sector efficiency and the independent budget review that I commissioned earlier this year. I see the discussion that we have over the next few months as being fundamental to the creation of an agreed strategic perspective on how to tackle many of the difficult challenges that exist in that area.

I will cover three areas. First, I will comment on the committee's recommendations. Secondly, I will set them in the context of the local government settlement. Thirdly, I will look ahead to the challenges that now face us on public expenditure.

In its report, the committee identified a number of key issues, which I broadly agree represent the major challenges that we face. They include the need for sensible but challenging efficiency savings; the importance of ensuring quality front-line services in the face of challenging budget numbers; the issue of what happens to pay, which makes up such a significant proportion of local government costs; issues around outsourcing, charging and local taxation; the impact on partners, particularly in the third sector; the need for innovative funding solutions to facilitate economic development; and the need to take a long-term strategic view as we consider the way forward. That represents a strong agenda for us to concentrate on. Indeed, in line with the concordat, we are already discussing all those issues with our local government partners.

I note that many of the recommendations that are contained in the committee's report are directed primarily at COSLA and local authorities, so I will concentrate my remarks on those recommendations that are directed at the Scottish Government.

First, the committee drew attention to the risk that minimum efficiency standards could become the norm. Instead, it recommended that greater use should be made of benchmarking and that the Scottish Government and COSLA should undertake a review of benchmarking. Since the first year of formal efficiency programmes, local authorities and the public sector as a whole have exceeded minimum targets. Following joint work with SOLACE, a timetable has been created to establish benchmarking arrangements during June, which will be subject to analysis and review during the rest of the year.

As Mr McNeil mentioned, the committee sought information on what action the Scottish Government intends to take on the suggestion in the Arbuthnott report that secondary legislation could smooth the way for interauthority shared services. We have already met the councils that are involved in that, and they are considering what further action, including legislation, might be required. Once we know that, we will work in partnership with them to address any issues or barriers to collaboration and sharing across the public sector.

The committee recommended that pay parity and best value in the third sector should be examined. The third sector has a vital role to play not only in delivering services but through membership of community planning partnerships. A central point of constructing community planning partnerships was to ensure that third sector organisations are represented on them and have an input into the decisions about the design, delivery and funding of local services. The third sector will have clear and direct access to those deliberations and discussions. We will, of course, continue the partnership that has already been established between COSLA, SOLACE, the third sector and the Scottish Government to assess and consider the involvement of the third sector in many of those aspects of decision making.

The committee asked for better information on public sector employment. Official statistics already provide detailed disaggregated information. We are currently evaluating the results of a consultation that concluded in March 2010 and included a question on the employment of arm's-length organisations that are wholly owned by councils.

The committee asked whether the council tax freeze, which is now in its third year, will continue in 2011-12. The freeze has provided welcome relief to hard-pressed households across Scotland, and we certainly intend to continue to provide relief on that basis in 2011-12. How we do so will be an important part of our deliberations on the 2011-12 Scottish budget.

The committee asked for more flexibility in business gateway contracts in this challenging economic climate. The business gateway board has already agreed in principle to consider proposals that will deliver that sort of flexibility with a view to adopting them shortly. I welcome the progress that has been made on that.

In its recommendations, the committee asked for updates as work progresses on a business rates incentivisation scheme and tax increment financing schemes. On business rates incentivisation, I can report that the Scottish Government and COSLA are producing a scheme that is intended to come into effect from April 2011. On tax increment financing, I can report that a number of schemes are in preparation and the Scottish Futures Trust is in detailed discussion with the councils involved.

In these challenging and difficult economic times, it is important to set the issues that we are considering today in the context of what has been achieved so far in support for local government. The Scottish Government has provided local authorities with funding of £12 billion in the current financial year, and a total of £35 billion during the period 2008 to 2011. In each year between 2003-04 and 2007-08, the share of the Scottish budget going to local government fell. We have delivered on our commitment to reverse that trend. The share now going to local government has risen year-on-year from 33.4 per cent in 2007-08 to 34.1 per cent in 2010-11. On a like-for-like basis, the 2010-11 total is £279 million higher than the equivalent amount was in 2009-10. All that is in spite of the fact that our 2010-11 budget is £500 million less than we anticipated we would have at our disposal.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** The cabinet secretary is aware that councils are asked to make 2 per cent efficiency savings on their budgets, and they are able to retain those savings. If the Government's view changes and councils are no longer able to retain those savings, what will that do to the proportion of local government expenditure in the overall budget?

**John Swinney:** That is, of course, a hypothetical question. The difference between the current Government and the previous Government, in which Mr Purvis's party was a participant, is that this Government allows local government to retain its efficiency savings. Under the Liberal and Labour Executive, efficiency savings that were made by local government were top-sliced and removed from the local government settlement, so I do not think that Mr Purvis is in a terribly strong position to question the Government's commitment to embedding local authority savings at a local level.

In the time that I have left, I will look further ahead at the serious challenges that we face in public and local authority finances. We await the outcome of the comprehensive spending review, but the analysis that the Government's chief economic adviser published last month demonstrated that the likelihood is that the departmental expenditure limit will be cut by 3 per cent per annum over the next four years. That will pose major challenges for the funding arrangements in Scotland, and we will work with our local authority partners to ensure that we take all the steps that we can to protect front-line services; that we deliver the efficiency agenda, which is essential in the public finances at this time; and that we concentrate on designing public services that meet the needs of their users. That is the shared ambition of the Scottish Government and local authorities in Scotland, and it is a task to which we are all entirely committed. In a very challenging financial situation, we will work with local authorities in Scotland, informed by the report of the Local Government and Communities Committee, to deliver the public services that the people of our country have a right to expect and a set of services that they deserve.

15:25

**Michael McMahon (Hamilton North and Bellshill) (Lab):** I congratulate Duncan McNeil and the members of the Local Government and Communities Committee on undertaking an inquiry into local government finance and on producing such a helpful document at the end of their deliberations. I also thank the clerks of the committee for steering the members through to their considered outcome. From identifying benchmarking as the best way in which to improve performance and efficiency to asking the Scottish Government what action it intends to take in relation to the Arbutnott report's suggestions on shared services, and from recognising that there are other ways of holding down costs other than freezing or cutting pay to criticising forcefully the process of e-auctions in the awarding of contracts for social services, the report has been a worthwhile exercise.

Above all, the committee has been helpful in asking for a focus on the priorities that our councils need to set in order to ensure that front-line services for our local areas and vulnerable communities' needs are not endangered. The starting point for that is a time when local government has been given a standstill budget. Although the Scottish Government's own budget is going up by £1 billion this year, the SNP's cuts are happening now. We all know that, as a direct result of Mr Swinney's decisions, jobs are being cut, charges for services are increasing and

previously eligible people are being excluded from services.

On Monday's "Newsnight Scotland", however, the cabinet secretary gave a good impersonation of a deserter fleeing the battlefield, so keen was he to abandon his responsibilities for protecting front-line council jobs in Scotland. Mr Swinney may dodge the questions on "Newsnight Scotland", but everyone knows that the demands on local government have increased and there is not enough funding to meet them because of the cabinet secretary's funding allocations. We saw in his interview that the Scottish Government is in denial about the cuts that are happening now in local government and the role that it has to play in them. Rather than address the actual situation, Mr Swinney continues with the pretence that was established between the Scottish Government and COSLA in their Alice in Wonderland concordat.

In spite of claims to the contrary, there is clearly a mismatch between the Scottish Government's claims that it has provided enough funding and local experiences of classroom assistants being laid off, pensioners being charged more for services and people being told that they no longer qualify for previously free services. The SNP may insist that the council tax freeze is fully funded, but even if that were true—which I contest—the Government is not adequately funding all the additional responsibilities that it has passed on to local government or taking into account the additional pressures and demands that have been created by the recession.

**John Swinney:** Can Mr McMahon explain to Parliament the consistency between the line of argument that he is pursuing and the comments that Andy Kerr made overnight, which called on me to implement the cuts in the 2010-11 budget that will be announced by the Conservative and Liberal Government on Monday?

**Michael McMahon:** I do not believe that there is any inconsistency. Andy Kerr asked the cabinet secretary to be honest about the decisions that must be made now, instead of deferring them, as Mr MacAskill asked his officials to do, until a time that was more beneficial to the SNP.

Aberdeenshire Council, City of Edinburgh Council, Dundee City Council, Falkirk Council, Highland Council and South Ayrshire Council have all asked publicly for the pressures on them to be eased and for the council tax freeze to be reviewed. The fact is that those who are hardest hit by the recession, and by social exclusion generally, are those who benefit least from the council tax freeze, yet Mr Swinney's response to the committee's report shows that he intends to do nothing to address that.

The Institute for Fiscal Studies has said:

"the gains from a freeze in council tax are greatest as a percentage of net income for the middle of the income distribution ... The largest cash gains go to the richest households, however, as they tend to live in larger properties with the largest council tax liabilities."

When I challenged John Swinney that Scottish ministers, rather than people on lower incomes, are among those who benefit most from the council tax freeze, he argued that that was fair enough as ministers' pay had been frozen. Rather than worry about poor Mr Swinney having to make do on a cabinet secretary's meagre frozen salary, I point out that the Chartered Institute of Public Finance and Accountancy believes that another consequence of the council tax freeze is that

"local autonomy has effectively been limited"

and

"accountability has been impaired by this national arrangement".

CIPFA also says:

"Continuation of a national arrangement to freeze local taxation undoubtedly impacts adversely on local accountability."

It estimates that

"the council tax freeze has significantly impacted upon the gearing effect and that the balance of funding between local taxation and Scottish Government grant is now 85% to 15%."

In light of all the information that is available, when every commentator, trade union and financial expert can identify that autonomy has been eroded, and when cuts of more than £300 million are threatening the jobs of more than 3,000 local government employees because of his current budget, let alone what we may face in the future, only in concordat wonderland could the cabinet secretary argue that he has provided a good deal for local government.

Mr Swinney's glib responses to the report's recommendations clearly indicate that he has no grasp of the reality facing our local authorities and no idea of how to address the problems that they face in the future.

**The Deputy Presiding Officer:** The member needs to wind up.

**Michael McMahon:** Like the committee, I welcome the fact that Audit Scotland is undertaking a review of the achievement of efficiency savings, as we may get some hard facts on the true picture in respect of cuts and savings rather than the Scottish Government and COSLA's self-assurances and mutual back-slapping.

The committee is—

**The Deputy Presiding Officer:** I am sorry, but the member is out of time.

15:32

**Derek Brownlee (South of Scotland) (Con):** I congratulate the Local Government and Communities Committee on a very thoughtful report. Given that the Parliament spent the first two years of this session dividing endlessly on local government finance and failing to reach a consensus, it is a tribute that, as far as I can tell, the report was unanimous. Achieving any form of unanimity on local government finance is something that eluded the Conservative Government in the 1980s and the current Government, and I expect that it will not be easy to achieve in the future.

An important issue that has not been touched on in the debate is that, although tax policy and issues such as the appropriate level of allowances and the appropriate tax rates were quite heavily considered in the recent election campaign, the method of taxation was not considered to a great extent. A factor that has bedevilled the debate on local government finance for many years has been that it has been a debate about the system of taxation rather than about the balance between taxation and spending. I wonder whether we will make any progress on local government finance until we can get to a consensus that everyone can be happy will last.

At present, we have no idea whether the current system of local government finance, be it the council tax or the proportion of revenue coming from central Government, will still be in place after the next election, because there is such a significant disagreement between the parties in the Parliament on the appropriate balance. We need at some point to get to a position of stability if we are going to ask local government to take, as the report indicates, a more strategic overview rather than simply reacting in the short term to events.

It is difficult, and I think that the report gives due regard to the fact that it is difficult, to consider local government finance without looking at public finances more broadly. The cabinet secretary mentioned the United Kingdom's public finances, but equally important is the evidence in the report about the public finances at a local authority level; I was struck by the example from the City of Edinburgh Council. The report makes some fair points—I have seen examples of these issues throughout the country—about reduced income from section 75 contributions, on which many councils have become quite reliant; reduced income from building warrants; asset sales raising much less than they did; and, of course, reduced income from interest for cash held on deposit. Those issues have all had a significant impact at local level.

The council tax freeze has been debated at some length and will, I suspect, be debated further. I understand from the cabinet secretary's response that he is committed to extending the council tax freeze to 2011-12, but not necessarily to delivering it in the same manner as it has been delivered for the past three years. It would be interesting to get some detail on the specifics of how a council tax freeze might be delivered next year.

I was struck by Michael McMahon's argument for the equity of the council tax freeze. We have in the past heard arguments against the freeze on that basis from members on different sides of the chamber. If we accept that the main beneficiaries have been the middle earners, and that the biggest beneficiaries in cash terms have been the highest earners, that proves that in some way—not necessarily a perfect way—council tax is related to income. As the council tax benefit system appropriately deals with people at the lower end of the income scale, and as those at the higher end tend to live in higher-value properties, there is an element of progressiveness in the council tax system, which has not always been acknowledged by its opponents. Anyone who chooses to argue against the council tax freeze because of its impact on various income groups should bear that in mind.

An interesting theme in the report is the importance of benchmarking between councils, on which greater emphasis must be placed. We need to ensure that, if there is benchmarking between councils, and perhaps within councils and against other public authorities, the information is not retained solely within councils. To be useful, it must be publicly available so that everyone can assess whether the local authority is sufficiently efficient, or whether the differences that apply throughout the country can be explained away by some of the differences that benchmarking would throw up.

Benchmarking should not be an internal process in local government that the public do not see. It should be used to drive up performance and allow people to ask the difficult questions about why some local authorities seem to be more capable than others of being more efficient and delivering better services at lower cost.

Duncan McNeil ended his contribution on an important point. He said—I think that I am quoting him correctly—that there is no evidence that either local government or COSLA is debating what the role of local government should be. That is fair comment, but I wonder whether it is a debate that we ought to leave to local government or COSLA. The fundamental issue, which we have not addressed since the creation of the Scottish Parliament, is the boundary between the devolved

Government and local government. We cannot simply leave that to local government to determine; there must be a broad and sustained consensus between local and central Government—and, I would hope, between parties—on the appropriate division of powers in that respect.

There are many thoughtful things in the report, and I commend the committee for its work.

15:38

**Jim Tolson (Dunfermline West) (LD):** The Local Government and Communities Committee, of which I am a member, conducted its inquiry in order to assess the potential effects of the current economic situation and other pressures on local authority finances, and to identify the key challenges that local authorities are likely to face. It is essential that the Government properly examines the committee's findings and implements any key recommendations.

I will highlight three key areas in which the Government's centralised programme has detrimentally affected local government finance. The first relates to funding distribution. The funding allocations that were announced in November last year sparked outrage in Aberdeen when senior councillors threatened that they may have to pull out of the concordat agreement.

Alison McInnes and Mike Rumbles argued in the chamber that no council should be allowed to fall below a collar of 90 per cent of the average funding total. In response, the Government merely stated:

"That is not a characteristic of the current distribution formula."—[*Official Report*, 11 February 2009; c 14933.]

Even Brian Adam—whom I do not see in the chamber at the moment—has voiced his concerns about the lack of development on the back of the review of local government funding distribution. He said:

"People in the North-east, including myself, will be bitterly disappointed that this review of the distribution formula has in essence seen no change to the way money is shared between local authorities."

He stressed his concerns about the disparities between local authorities' funding, and called for the fundamental review to be conducted independently of COSLA.

The Liberal Democrats have long argued that such wide variations in funding per head of population cannot be right given that all local authorities have similar duties to provide essential services. As a result of such concerns, the Government agreed to a review of the distribution process in 2008. The cabinet secretary accepted

all the recommendations in the subsequent report and said:

"Those recommendations will be implemented in time to inform the next local government finance settlement, which will cover the 2011-14 period."—[*Official Report*, 26 November 2009; c 21560.]

The second area of the Government's attitude to local government finance that requires greater scrutiny is that which relates to the concordat. The concordat is intended to represent a commitment to local democracy. However, the bare financial essentials increase local government's financial dependence on central Government because they increase the proportion of expenditure that is funded by grants. Exacerbated by the council tax freeze, that results in councils becoming even more reliant on central Government grants.

In 2008, Brian Adam claimed:

"The historic concordat is about respect, not central control. It is about partnership, not diktat."—[*Official Report*, 11 December 2008; c 13392.]

That was followed in February 2009 by John Swinney's claim that local government

"sits alongside the Scottish Government as an equal partner".—[*Official Report*, 11 February 2009; c 14893.]

However, it is clear that the financial and decision-making autonomy of local authorities has been further hampered by the plethora of outcomes, indicators and targets that the Government imposes on them through single outcome agreements. There are 3,599 targets, outcomes and indicators in the single outcome process. In many contexts, local authorities do not have a clue what is expected of them. Ironically, it was only a few months after taking office that Mr Swinney announced that local authorities complain about the blizzard of targets and measures and said that we should move to a simpler system.

The SNP must stop using local authorities and teachers as scapegoats and start to take some responsibility for its own commitments. It cannot centralise policies only to localise the blame as soon as things go wrong. In the wake of the signing of the concordat, the SNP was full of nothing but praise for local government and gave an overarching impression of co-operation and respect.

**John Swinney:** Mr Tolson mentioned 3,000 or so targets that are in the single outcome agreements. Does he accept that not all of those relate to every local authority? He gave a total figure for all the targets that exist in any shape or form in single outcome agreements that have been formulated and agreed by the said local authorities.

**Jim Tolson:** What the cabinet secretary seems to be saying is exactly in agreement with me.

There are all those targets out there in whatever way one wants to look at them.

The final area of the Government's approach to local government finance that causes me great concern is that which affects the voluntary sector. I am not alone in being concerned about that. John Wilson is a member of the committee who worked in the voluntary sector for many years before becoming an MSP and he is often heard voicing his concerns in the committee on behalf of the voluntary sector.

The voluntary sector has a direct impact on the regeneration of Scotland's communities. It encourages the growth of Scotland's economy, the wellbeing of its citizens and the improvement of its public services. The flexible, personal approach that is brought by volunteers, who work within an increasingly professional voluntary sector, holds the key to the improvement of the nation's social and physical environments.

**Margo MacDonald:** Will the member give way?

**Jim Tolson:** I will happily give way.

**The Deputy Presiding Officer:** Sorry—it is too late. You are too near the end of your speech, Mr Tolson.

**Jim Tolson:** All right. Sorry.

In summary, whether in relation to funding distribution, the concordat or the voluntary sector, the Government has failed miserably to perform. One can only wonder what more damage it will do in its final year in office. Ultimately, and unfortunately, it will be those who are most in need in our society—

**The Deputy Presiding Officer:** The member must finish there. We must move on to the rest of the debate.

**Jim Tolson:** —who suffer at the hands of the SNP Government's incompetence and arrogance.

15:44

**Bob Doris (Glasgow) (SNP):** During the current session of Parliament, the Scottish Government has prioritised Government resources to further Scotland and her economic needs in the face of a tight budgetary settlement from Westminster. I am sure that we can all agree on one thing—that budget settlements will become progressively tighter over the next few years. However, there will be varying opinions in the Parliament about the timing and scale of the cuts that are coming.

I will leave the blame for Britain's near bankruptcy for another day and try to build consensus where possible this afternoon. We need to get from the debate a working consensus

across party lines to deal with the realities that we face as a nation. Unfortunately, one or two members have not taken a consensual tone in their speeches. They will have to be held accountable for that.

It is important to provide a little context for the debate. Local government has had a fair deal from the Scottish Government, which has reversed the trend of reducing local government's share of Scottish expenditure that was set by previous Executives. The working arrangement that the SNP Government and COSLA agreed in 2007 has also served local authorities well. I hope that that relationship is now mature and enduring enough to work constructively on the challenges in managing the downward spiral of Scotland's financial settlements that lies ahead.

That is the context in which the Local Government and Communities Committee undertook its finance inquiry. I, too, thank all those who gave evidence in that inquiry, the clerking team and everyone else who helped to produce the report.

There is a great deal of realism in the report. As a Parliament, we must be realistic about expenditure in future years. United Kingdom public sector net borrowing and the UK net debt are overwhelming, but we must manage the consequences in the Scottish Parliament. Scotland will have to take its share of the cuts. As we consider the challenges that our local authorities face, I seek assurances from members on behalf of the people of Scotland that, regardless of the party badge they wear, neither they nor their Westminster MP counterparts will accept cuts that are above and beyond our fair share.

Dr Andrew Goudie's "Outlook for Scottish Government Expenditure" makes frightening reading. It predicts that Scottish Government departmental expenditure limit expenditure may not recover to last year's levels until 2022. We know that the task that we face is enormous, and Scotland's councils have as large a task as any other public body has in dealing with the cuts. Our report makes important points about how the cuts can be managed. We need to make moving towards common ground a priority and work together to help councils to meet the challenges.

**Jeremy Purvis:** I want to ensure that I heard the member correctly before I refer to the *Official Report* of the meeting tomorrow. Did he say that it is justifiable for Scotland to take a per capita share of any reductions in the UK budget, given that we are in a shared crisis?

**Bob Doris:** I am delighted that the member chose to intervene rather than say something misleading. He should read the *Official Report*

tomorrow. I am talking about Scotland taking a fair share of cuts. Now that Mr Purvis's party is in government at Westminster, perhaps he thinks—

**Jeremy Purvis:** Is that a new policy from the SNP?

**Bob Doris:** That is a very good question. We will wait to see what the Lib Dem-Conservative coalition does down south as it brings savage cuts to Scotland. Mr Purvis will have to take his share of the blame should that happen.

Let us consider what local authorities can do. A key issue that we considered and a key aspect of the report was shared services. Michael Cook from COSLA admitted in giving evidence that local authorities could have done more in the past with respect to shared services. He said:

"we may not have waved the flag strongly enough to signal our success in driving forward efficiencies".—[*Official Report, Local Government and Communities Committee*, 23 September 2009; c 2355.]

The committee's convener alluded to that. The committee shared the feeling that the financial crisis may have forced the hand of local authorities, but they should have done much of the work on shared services before they got into the predicament in which they now find themselves.

Sharing services provides many opportunities, but it has pitfalls. On the opportunities that it provides, people in Glasgow will not be aware that, if they phone the Glasgow trading standards department, they will reach a call centre in the Western Isles. Services are being shared at the moment, and they could be shared in a range of areas, such as in council tax collection, bin collection and parking enforcement. Such things should have been considered before, but we must focus on them now.

On the pitfalls of sharing services, we have already heard that explaining things to constituents in different local authority areas will be quite difficult. For example, the same officers may levy different parking fines in different areas, or people in one local authority area may have to pay for domestic refuse uplifts, whereas people in another local authority area may not have to pay for them, although the same lorry may collect the refuse. Messages must be communicated to constituents if services are going to be shared.

The one thing that we should focus on is that any efficiency savings will eventually lead to redundancies, which could be significant. It is the rightful place of trade unions and employers to manage how those redundancies take place but, when they do, we in Parliament must be mature and must achieve consensus. We should avoid party politics. When our local authorities and trade unions try to do the best for their workers, services

and constituents, the people will not accept members playing party politics.

15:50

**Mary Mulligan (Linlithgow) (Lab):** The Local Government and Communities Committee began its inquiry into local government finance with a round-table evidence session that not only allowed committee members to ask questions but allowed expert witnesses to challenge one another. As we have heard, what prompted the committee to focus on local government finance was the financial recession, which was clearly going to reduce the resources that are available to local government. However, as the round-table session established, after almost 10 years of year-on-year increases in funding, there was a need to consider what services local government was providing, how they were funded and at what level, and what was sustainable. The principal question from the session was, "What do we want local government to do and how do we fund it?" At the session, Angela Scott from CIPFA noted that some 50 per cent of most local authorities' budgets goes on salaries. Given that staffing is the most important resource and the biggest single cost in the delivery of services, I intend to spend most of my speech considering staffing issues.

If we accept that staffing is such a big cost, it would be easy to assume that if we reduce pay costs, that will solve the funding problem. However, we know that it is not that simple. For example, the Scottish Government is not involved in pay settlements. Pay is negotiated by the trade unions and local authorities. Further, although a pay freeze can be introduced, it can only ever be a short-term measure. It is not sustainable. A second option, then, is to reduce the numbers of staff. As we have heard, some councils have already started along that path, but there are concerns that there is no strategy behind such reductions. Vacancies will occur and will not be filled, but they will not necessarily be in areas in which the council wants to reduce numbers. Local authorities need to have a framework for their workforce, and non-filling of vacancies needs to fit within that framework.

I will make two further points on vacancies. First, when vacancies arise that a local authority needs to fill, it may be possible to retrain other staff. Unfortunately, though, when budgets are tight, it is often training budgets that are first to be cut. That can be a false economy. Secondly, we all talk—sometimes a little too glibly—about protecting front-line services but, for every staff member on the front line, there is a need for support. It may be possible to reduce administration costs, but they cannot be removed completely or it can be counterproductive. The

Scottish Government has a role to play in ensuring that local authorities have a framework for staff to deliver their services. In further evidence to the Local Government and Communities Committee, in a different session, Audit Scotland suggested that some local authorities may not have the expertise to develop that sound framework. Could the Scottish Government assist with that? So far, there have been no compulsory redundancies but, even where redundancy is voluntary, there is a cost; it is not just the redundancy cost that needs to be weighed against the saving but any on-going pension costs.

The committee held a separate inquiry into equal pay and single status agreements, which we debated in Parliament. I think that I am correct in saying that the whole committee was exceedingly concerned about the picture that unfolded: local authorities not acting but sitting back and waiting for other local authorities to act first; trade unions afraid that if they did not get the best deal they could be open to legal challenge; and all the time the women involved waiting years for the pay to which they were entitled.

What was even more frustrating for the committee was that, when we brought COSLA back to give us an update, almost nothing had changed. Yes, there have been further single status settlements, but we have only to look at the refuse collectors situation in Edinburgh to see that that has not been without its problems. When the cabinet secretary was convener of the Finance Committee, he called on the Scottish Executive to sort it out. I hope that he continues to focus on the issue. I raise it today not just because I believe that the women deserve to receive a settlement but because, in the context of a debate on local government finance, the situation represents a cost that is still unknown and therefore still a problem for local government.

What positive measures does the Scottish Government intend to take to support local government to deliver the services that people want and expect? In 2007, the SNP Government introduced a council tax freeze, about which we have heard much today, on the understanding that it was the precursor to the introduction of a local income tax. It has not materialised and the council tax freeze now seems like a bad idea. The money that was used to secure the freeze could have been better used. What will the Scottish Government do next year? Will there be yet another council tax freeze? Furthermore, if the Scottish Government claims that more money is going into local government, why are we already seeing reductions in services and increased costs?

**The Deputy Presiding Officer:** The member's time is up, I am afraid.

15:56

**John Wilson (Central Scotland) (SNP):** When looking at the Local Government and Communities Committee report on local government finance, it is important that we recognise that the committee spent a significant amount of time examining the issues. Although other members have already said this, it is worth reinforcing that the committee concentrated its scrutiny on five themed evidence-taking sessions on local government finance. There is no doubt that some of the issues that the report identifies and the recommendations that it makes have relevance for other employers and employment sectors.

I will speak in depth later about the committee's detailed findings, but it is important to look carefully at the origins of the public sector budgets problem. The committee agreed that the current economic backdrop is highly challenging, to put it mildly. We could say, in the words of the previous Chief Secretary to the Treasury, Liam Byrne MP,

"I'm afraid there is no money."

In addition, as was the case previously, there is currently an independent budget review in Scotland. I hope that, when the review reports in July, it will provide a detailed overview to help to move the agenda forward on better financial planning arrangements.

**David Whitton (Strathkelvin and Bearsden) (Lab):** While the member is making comments about there being no money, does he recognise that the Scottish Government's budget for 2010-11 is the highest that it has ever been and that there is £1 billion more in the budget than there was last year?

**John Wilson:** There might be more money but, at the same time, there is more Scottish Government expenditure on public-private partnerships and private finance initiatives.

In COSLA's strategic approach to the upcoming spending review, it bases its key assumptions on a 12 per cent real-terms reduction for the whole of the public sector in Scotland over the next spending review period. That period starts in April 2011 and the clock is ticking, with the prospect of a UK Government budget on 22 June this year. There is a clear need to treat some of the funding issues with urgency. The reality of potentially significant cuts ahead could lead to muddled decision making by local government that will impact on most sectors of society, particularly the vulnerable.

**Margo MacDonald:** Earlier speakers talked about the amalgamation of services. Was there any discussion of amalgamating authorities? As we have so much to save, it seems that we should be looking at making savings in that league.

**John Wilson:** Although there was a brief discussion about amalgamating authorities, we did not develop the idea because we did not think that it was important to concentrate on it at this time. However, I will say more later about our lengthy debate on the Arbuthnott report.

In my area of Central Scotland, local councils are placing school closures high on the agenda even though the disconnect between the taxpayer and local government is already genuine, especially as local government officials still receive performance-related pay despite having earnings in excess of £100,000 a year.

There are issues with staffing. Job losses are an increasing prospect, as the committee report highlights and as others have said. On adjusting budgets in the public sector, especially in the short term, Audit Scotland notes that there is little room for manoeuvre.

One of the key issues that arose in the evidence sessions, which the report identifies, is the lack of a detailed level of disaggregated statistics on public sector employment. The committee has asked the cabinet secretary to clarify the situation.

I turn to shared services, the Arbuthnott review of the Clyde valley authorities and discussions that are taking place between local authorities in other regions of Scotland. One of the key pointers is the need for better scenario planning and a review of current local priorities. When we consider the fact that many local authority chief executives got a 14 per cent pay increase in the blink of an eye in 2002-03 on the back of the McIntosh review, perhaps we can understand the rationale behind the current UK Government's proposal to curb executive pay levels and institute a fair pay review, given the on-going delays in the implementation of equal pay and single status agreements, which Mary Mulligan mentioned.

The committee noted that elected members have to take on a higher profile in the management of local authorities. Officers, just like civil servants, do not always know the needs of the communities that they serve. Elected members are politically accountable to the public and they need to take ownership of issues, instead of deferring and referring to the officials.

In order not to disappoint Jim Tolson, I will point out that, in the current financial context, the voluntary sector often bears the burden, so it is no surprise that the committee states in its report that it intends to hold an evidence session on the issue and that it will report back to the Parliament in due course.

There was a great deal of discussion in the committee, which the report reflects, about the need for local authorities to find solutions, especially in the short term—hence, the use of tax

increment financing has come to the fore, although such schemes

“may not be able to provide these short-term solutions.”

As the committee details in its report—Duncan McNeil, the convener, referred to this in his speech—there is concern about the cost to local authorities of potential redundancies, which are not a cost-free option.

I welcome the general principles of the committee’s report and thank committee members, clerks and those who provided evidence, who tried to ensure that we had a meaningful discussion on local government finance. I look forward to hearing the cabinet secretary’s response.

16:02

**Ross Finnie (West of Scotland) (LD):** One of the disappointing features of our moving from a period of economic expansion to a period of economic contraction is the fact that we have received reports of health boards that have met and exceeded savings targets and, in the committee’s report, we see examples of local authorities that have met and exceeded their targets. Of course, there is nothing wrong with that, but it begs the question why they have not done so before. What is it about the pressure of reduced expenditure that suddenly prompts those bodies to be able to operate more efficiently? I find that slightly disappointing. I think that we would all hope that the health service or local government would be able to operate efficiently per se—not only when they are under a particular pressure—because they are expending public funds.

Against that background, I will look at two aspects of the report: shared services and efficiency savings. Margo MacDonald and Derek Brownlee made pertinent comments on shared services. Liberal Democrats are concerned that the boundary between local government and the Scottish Government has not been addressed in the 11 years since devolution. There are local government members who are concerned and nervous about the imprecision of and drift in that definition and the way in which it has changed.

If an authority is invited to share a service, it may feel, as Margo MacDonald alluded to, that it is being placed under threat of being merged or abolished. Those are different debates. As far as Liberal Democrats are concerned, the debate is about the legitimacy of local government and the local democratic element in local government that ought, properly, to be preserved. One can understand those in local government feeling nervous about their situation and not giving themselves whole-heartedly to the arguments in and necessity of the debate on service delivery.

For example, I am thinking of the issues that are raised in the Arbuthnott report and which the Local Government and Communities Committee repeated in the report that we are debating this afternoon. Liberal Democrats are very interested in anything that improves the efficient delivery of a service, but we recognise that there are impediments to the debate that prevent it from being taken forward whole-heartedly.

Bob Doris asked councils to explain why they have different delivery mechanisms for refuse collection if they use the same lorries. The question is a more fundamental one: is the democratic body that has been elected to make those decisions able and capable of explaining the differences? One authority may want to charge for a service that another authority may not charge for. If we are to understand the situation, we first have to understand the democratic difference and who makes the decisions. However, that does not preclude several authorities deciding that it is more efficient to collaborate and get together on the sharing of services.

On efficiencies, in the first eight years of the Parliament, I was for quite a bit of time responsible for the Water Industry Commission for Scotland and its development. I am fascinated by some of the remarks made in the report in that regard. Scottish Water and local government are not entirely analogous, but there are one or two quite important points to be made about Scottish Water. Scottish Water is measured against relevant companies in its sector that demonstrate particular features. That suggests that, in looking at benchmarking our local authorities, we must not compare apples with oranges and pears with bananas; we have to look at the performance of particular authorities that have particular characteristics.

We applied to Scottish Water the principle of picking out the very best of performance from across the whole of the UK. It might be worth bearing that in mind in relation to the measurement that we may want to apply to local government—indeed, one might want to go further. There is no doubt that making those comparisons and insisting that Scottish Water performs against those benchmarks had a huge impact on the company’s performance across a range of indices.

Of course, that approach also raised questions about how Scottish Water delivered—or would or could deliver—a particular service. At that time, we did not have the terrible feature of budgeting in Scottish local government of starting with a budget in 1810 and progressively adding to it. By 1850, it must be better; by 1900, it has got to be bigger—

**The Deputy Presiding Officer (Trish Godman):** You must finish, Mr Finnie.

**Ross Finnie:** —and, by 1950, it is bigger still. Under that scenario, budgets just get bigger. No one ever asks, “What are you delivering, and how are you delivering it?”

That is what benchmarking did for Scottish Water. I commend what was done; it was effective. We should not try to compare the wrong things, but use benchmarking. The two elements of the committee’s report that I have mentioned have much to commend them as we face financial difficulties in our local government services.

16:09

**Elaine Murray (Dumfries) (Lab):** I congratulate the Local Government and Communities Committee on a detailed and thoughtful inquiry and report. I hope that the Scottish Government and COSLA will take on board many of the recommendations and conclusions that the committee produced after several months of hard work.

I offered to speak in the debate not because I have a detailed knowledge of the contents of the report, nor because I am a member of the committee. Thus far in the debate, committee members have gone into considerable detail in explaining the contents of the report. I offered to speak because I want to talk about the consequences of a Tory-Liberal Democrat coalition—not the shiny new Con-Dem coalition that was formed last week, with all those shiny new faces, but one that has been running Dumfries and Galloway Council for the past three years—as that illustrates some of the problems to which the report refers.

Next Monday, Mr Gideon George Osborne, the new Chancellor of the Exchequer, intends to reveal how he will save £6 billion through efficiency savings and waste reduction. In a speech given as recently as 29 March, he confidently told voters:

“Not a single penny will come from the frontline services that people depend on.”

We will see on Monday.

If we look at the record of Dumfries and Galloway Council over the past three years, the story is rather different. The council administration’s budget this year removed £491,000 from the secondary school budget, axing 23 teachers posts. I always thought that delivering education to our young people was a front-line service—an important one that influences both individuals’ futures and our country’s future economic success. The council has taken 49.1 million pennies from a front-line service.

That was not all. Later this year, the council is to consult on cutting a further £133,000 by cutting the

number of primary classroom assistants, who help to free up teachers’ time so that they can teach and who support children’s education. In fact, the politicians in the administration wanted to inflict £545,000 of cuts on secondary schools, but their officials warned them—going with the grain of the committee’s report—that the cost of severances would be so significant that such cuts would not be possible. That must be set against the backdrop of the fact that in the previous year the education maintenance programme was underspent by £5.2 million—money that was not spent on repair of the region’s schools.

Now a new line of attack is opening up, because the school meals service is under attack. Because of poor uptake, councillors are considering reducing secondary school meals provision to a cafe deli-type service in 10 of the region’s schools, including five in my constituency—Langholm academy, Annan academy, Dumfries academy, Dumfries high school and St Joseph’s college, pupils from which were here earlier today. It has been estimated that the proposal will result in the loss of up to 20 council catering posts, as well as reducing the quality and choice of food in schools. I suspect that it is unlikely to reduce the problems of poor uptake.

Not just education is suffering the axe. The community transport fund has been cut by £169,000. Community transport initiatives such as that in Annandale have been invaluable to residents in rural areas, transporting disabled and elderly people to medical appointments and lunch clubs, and providing day trips to other parts of the south of Scotland. For example, recently a group of teachers and pupils from Hightae primary school, a small rural school in my constituency, used the Annandale initiative bus to arrange a trip up to the Scottish Parliament. That small school could not afford the charges that are levied by commercial companies.

In his recent proposed regulation of bus services bill, my colleague Charlie Gordon wanted to strengthen support for community transport by making older and disabled people eligible to use their travel passes on it. It was shameful that no other party represented in the chamber supported the bill. Instead of supporting the fantastic community transport service, Dumfries and Galloway councillors took an axe to it.

**Derek Brownlee:** Can the member remind us how many Labour MSPs supported the proposed bill? I recollect that it was far from the majority.

**Elaine Murray:** I do not know how many signed up to it, but the bill was overwhelmingly supported by Labour members. I am not aware of a single Labour member who did not support it.

Because Dumfries and Galloway Council does not charge for parking, our civic leaders came up with a nice little surprise for disabled people—a tax on parking especially for them, by charging for blue badge applications. The result was that the only people in Dumfries and Galloway to pay for parking were the disabled, because everyone else gets it free. Both the Labour group and the Dumfries and Galloway Coalition of Disabled People challenged the measure under the Disability Discrimination Act 2005, and it has been suspended. Unfortunately, there does not seem to be much chance of the people who paid the charge getting their money back.

Council staff wages have also been reduced. As a result of the single status agreement, community wardens have seen their wages cut. I find that extraordinary, because I thought that people whose jobs were red circled would be kept where they were while everyone else caught up with them. In fact, people in an important service, who assist the police and the public, have seen their wages cut.

Members may ask whether Labour councillors proposed alternatives. They did. Sadly, proposals to cut councillors' salaries, to reduce the use of consultants on council business and to cut the number of trips, conferences and other junkets enjoyed by councillors and officials were thrown out.

Members might also ask what SNP councillors did. I am sorry to tell them that, as usual, SNP councillors voted with the Tories. In fact, they proposed cuts that were even greater than those that the Conservative and Liberal Democrat administration proposed.

I commend the committee's report, which makes an important, valuable contribution. I condemn the cuts that have been inflicted on the people of Dumfries and Galloway by the Con-Dems on the council.

16:15

**Ian McKee (Lothians) (SNP):** I congratulate Duncan McNeil's committee on its report. The relationship between central Government and local government has been an uneasy one in recent years, for obvious reasons. Local government receives nearly 60 per cent of its finance directly from central Government, yet it is the face of democracy that most often impinges on the day-to-day lives of citizens. At least half my postbag is concerned with matters that really fall within the province of local government. The fact that people sometimes feel impelled to seek help from their MSPs or MPs on local government matters illustrates the dichotomy.

Over the years, local government has had its powers subtly and consistently eroded. That cannot be for the public good. I was particularly pleased when the SNP Government started a reversal of that trend, with the establishment of single outcome agreements and a weakening—if not the total abolition—of ring fencing. There is more to be done, but it is a start.

The Local Government and Communities Committee's report draws our attention to the prediction by the Institute for Fiscal Studies

"that real terms reductions across all UK Government Departmental Expenditure Limits (DEL) will be around 2.3 per cent each year between 2011 and 2014."

Whatever figures we study, it is apparent that a period of belt tightening in the public sector is a necessity, whichever Government is in office.

Can vital public services be spared? We have been given numerous ways in which retrenchment can take place in a relatively benign manner, for example through authorities sharing backroom services with other councils and outsourcing some services. Some people have even suggested a drastic reduction in the number of local councils in order to gain efficiencies of scale. Why, they ask, does a small country such as ours need 32 local authorities, each with its own infrastructure? While those options are being considered, we are tempted by other policies—some of which are very desirable—that could add to local government commitments.

The inescapable truth is that the largest financial obligation of all councils is their pay bills, which amount to a massive total of £7 billion a year, with cost-of-living pay increases of 3 per cent for 2008-09 and 2.5 per cent for 2009-10—and all the other additions that we have heard about already. The Arbuthnott review concluded that stratagems such as year-on-year efficiency savings or the salami slicing of budgets would not be enough to survive the expected financial tsunami. I agree.

Staff costs will need to be cut, but the question is how to do that without great pain or large disruption of services. The Local Government and Communities Committee reports that one council has instituted a vacancy freeze. Such a policy will certainly save costs, but what does it say about the value of the posts that are left unfilled by chance?

One way forward is to shift further the balance of power and decision making to communities, to empower local people to take control of the services that they value and to let them make the decisions. Funding for those services could be transferred from central Government to local government by means of a progressive local income tax, with a rate to be set locally. Now that

the Liberal Democrats are in government in the United Kingdom, that might be a realistic option.

I am sure that members are familiar with the important concept of Arnstein's ladder of citizen participation. It was formulated in 1969, and it remains implicitly at the core of approaches to citizen participation. The ladder represents the struggle between citizens who are trying to move up, to gain more power, and organisations, including councils, that kick them down again. Although many citizens do not wish to reach the top of the ladder and have ultimate control—so the ladder is a flawed concept in that respect—I have no doubt that many people wish to have far greater control over their own local services than is the case today. Let us work out ways of giving more such control to local people, and I have no doubt that wise decisions will follow.

16:19

**Sarah Boyack (Edinburgh Central) (Lab):** The committee's report gives an excellent overview of the challenges that face local government.

The current regime in the City of Edinburgh Council could be described as an example of how not to run a coalition. There is a lack of clear priorities, there is no strategic vision, the voluntary sector is being poorly treated and there is a failure to deliver good relations with the workforce.

Duncan McNeil was right to say that local government must set priorities. We are in an extremely tight financial climate. The problem is that councils have had their hands tied behind their backs by the SNP Government for the past three years. Derek Brownlee was right to point out that the council tax freeze has not been cost free. In Edinburgh, the freeze has been paid for through higher council house rents, higher costs for sports facilities and in-year funding cuts to voluntary organisations. In future it will be paid for through the privatisation of thousands of jobs by the SNP-Lib Dem council.

In its first year in office, the SNP-Lib Dem coalition boldly announced a massive schools and community centres closure programme, which was deeply unpopular and for which there was no clear evidence; nor was there any relationship with the SNP's flagship policy on class sizes. The proposals were discredited, unceremoniously dumped and replaced with another programme of school closures, for which different reasons were given. Again, there was a lack of rigour in the proposals.

In the Scottish Parliament we debate the huge cost of the Scottish Futures Trust almost every week. However, Edinburgh is doubly hit by a reduction in Government support and an inadequate programme for replacement.

Moreover, the curriculum for excellence is being implemented without the guidance and resources that teachers and parents tell me are desperately needed.

We have similar problems with regard to flooding investment, in relation to which the council is being forced down a slower and more expensive procurement route in the absence of the previous Scottish Government's funding deal. The council dropped its proposals on the social care tender, after a massive campaign exposed the reduction in quality of service for vulnerable adults and their families.

Lessons must be learned from those decisions. Clear priorities with a sound basis must be established. If there will be losers, we must admit that. We must consider the quality of service, and if the evidence is there for everyone to see we must be honest about that. When difficult decisions have to be made, there needs to be transparency, strong evidence and—this is crucial—consultation with the people who rely on the services.

National policies for local government have to be funded effectively. However, the SNP Government has put a financial straitjacket on Edinburgh. The situation is compounded by the council's lack of political judgment and lack of concern about the impact of its decisions on communities and vulnerable people. Our capital must deliver prosperity and economic success, for the future of not just the city but the whole country. What does it say about the competence of our local coalition that 10 months into the waste dispute there is no resolution to the issue? As the months have passed, residents have submitted complaint after complaint about the poor quality of rubbish collection—and, as Mary Mulligan said, the council has still not sorted out equal pay.

The city must be in competition for an award for worst ever management of a new tram project. There was bound to be some disruption. We were all braced for that. However, the lack of agreement and political management at the heart of the council has not helped. When the Cabinet Secretary for Finance and Sustainable Growth signed off £500 million from his budget, the project had a clean bill of health from Audit Scotland. Yesterday, he visited the M74 northern extension project, which is three years late and is coming in at £692 million. I signed off the project at £177 million—

**John Swinney:** Oh, this is absolutely ridiculous.

**Sarah Boyack:** I say to the cabinet secretary that my point is that major investment projects do not always come in on time or on budget—and that is not a plea for costs to rise further. There must be tight financial management, and we need

more rational discussion and involvement on the part of the Scottish Government. We need grown-up engagement. The tram project must be fixed. It is a major problem for Edinburgh's finances. Big projects reach a point at which whoever is in government has a responsibility to work with the project organisers. Our capital city deserves better from the Scottish Government and from its council coalition.

Last week I called for a new look at business rates. Edinburgh makes a massive contribution to the Scottish Government's coffers and I am delighted that the Government is considering pilots on tax incremental financing. A fairer deal on business rates and tax incremental financing would not sort out all our problems but would make a difference.

I call on the Scottish Government to work constructively with the City of Edinburgh Council. The recommendations in the committee's report that relate directly to what I said about the council need to be considered carefully. We need new solutions for the future. For those reasons, I commend the committee's recommendations.

16:24

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** Reflecting on the speeches made by Sarah Boyack and Dr Murray, I, too, was thinking of local issues in which I have been involved recently as a local member. For example, I have spoken to parents who are concerned about the wrap-around nursery provision that is under threat of being taken away from them by the council. I have also spoken to a headteacher who told me that, for the first time in his career, staff were being made redundant. If I follow the rationale of the two speeches to which I referred, I must point out for accuracy that the latter situation is in Midlothian, which has a majority Labour-controlled council.

However, this debate and, indeed, the thrust of the Local Government and Communities Committee's report go beyond that aspect. There is now a growing recognition that we must see reductions in the budget of the Scottish Parliament, which primarily gets its resources from Westminster, and that of councils, which primarily get their resources from this place. In fact, in Bob Doris's speech, we see a creeping recognition by the SNP that the banking crisis was both US and Scottish in origin, given the performance of the Royal Bank of Scotland and HBOS.

**Bob Doris:** That is ridiculous.

**Jeremy Purvis:** To take out from the banking crisis in the UK the biggest single bank that contributed to it, which has its headquarters in Edinburgh, is ridiculous and naive in the extreme.

**Bob Doris:** Will the member give way?

**Jeremy Purvis:** If I have time, I will do so, because Mr Doris gave way to me. I will make my point first.

I think that the public recognise that the Scottish budget and councils' budgets cannot grow higher than the rate of inflation in perpetuity. Indeed, the SNP today highlighted in a press release a YouGov opinion poll that asked people in Scotland whether they agreed that no cuts were necessary: only 12 per cent agreed with that view. That shows why there is less talk from the Scottish Government now about there never being any cuts; the talk now is more about when they may happen. On that point, I give way to Mr Doris.

**Bob Doris:** On Mr Purvis's ridiculous comments about the worldwide banking crisis having started in Scotland with RBS, can he tell me what powers this place has over banking regulation? If we do not have enough of those powers, which would he give us?

**Jeremy Purvis:** Despite the SNP's mentality, Scotland is not just the SNP. RBS and HBOS, as Scottish banks that are part of the Scottish economy, were partly culpable for the crisis that we are now in. Earlier, Mr Doris seemed to move away from the view that the Scottish budget, which is a devolved spend, should be immune from the crisis. He made an accurate and fair observation.

The debate has partly been about how any reductions will be made and who they will affect—that is the critical aspect of this Parliament's work and, indeed, of councils' work. Of course, the focus must be on ensuring that services for the most vulnerable in society are protected over services for those who have the broadest shoulders. In that respect, there should be no disagreement among any of the parties about some areas—we must move together. For example, last year, we proposed, and the Scottish Government established, a cross-party structure to look at some of the very serious issues that the Local Government and Communities Committee has addressed, such as pensions, pay policy and long-term capital planning. We must have cross-party consensus on those areas, because the decisions that we take now will have long-term consequences—indeed, they will impact on councils.

The debate is also about another key issue. It is about more than the budgets that councils currently have at their disposal; it is about the type of local and central Government services that are delivered overall. In that regard, we have seen piecemeal proposals. For example, at the Finance Committee this week, the cabinet secretary talked about combining directorates, saying that some councils could share directors of education. We

have also had some discussions about the Arbuthnott report. All such suggestions are problematic because they are made in a vacuum: there is no coherent, long-term look at how local services should be configured.

The Liberal Democrats believe in moving towards parity of finance so that local government, which delivers the majority of services in Scotland, is responsible for raising the revenue that is required for those services. Some in this chamber say that that debate is broadly about what they call fiscal autonomy. However, that debate seems irrelevant in the context of the vast majority of services that people, communities and families receive. We must address that issue. On local income tax, I did not hear Ian McKee or other SNP members talk about local rate setting when the Government was consulting on its LIT proposals. Certainly, the Labour Party was absent without leave on that issue.

All those issues must be considered within a context of looking at what powers local government should have and then giving local authorities the appropriate fiscal structure to raise the finance. We know that the council tax is not such a structure or policy, and that it does not provide the ability to raise revenue that could radically increase the powers of local government.

We have a number of choices. We can make long-term decisions now to deal both with the structure and with the key issues of pay, pensions and long-term capital investment, or we can simply wait so that those issues can form part of a campaign for the Scottish Parliament elections next year. I fear that the Government's approach is to leave those choices until next year, but that will not do anyone any favours.

16:31

**David McLetchie (Edinburgh Pentlands)**  
(Con): The issue of local government finance has proved to be one of the most intractable, divisive and complex in modern politics. It has been our equivalent of the 19<sup>th</sup> century Schleswig-Holstein question, the answer to which was known to only three men, of whom one had died, another had gone mad and the third had forgotten it.

In my political lifetime, we have had a property-based system of local taxation in the form of rates, which gave way to a personal tax in the form of the community charge, from which we went back to a property-based tax with personal discounts relating to household size and composition, which is the form taken by the council tax. We also saw the bold declaration by the SNP during the previous Scottish Parliament elections that it would abolish the council tax and replace it with a

local income tax. Of course, that proposal failed to reach first base.

The previous Administration fared no better in that regard after commissioning the Burt committee's local government finance review. The ink was barely dry on that report, which recommended that the council tax be replaced with an annual property tax based on market values, before it was almost instantly dismissed by the then Scottish Executive. Let us not forget that all this controversy and turmoil relates to the appropriate form of local taxation to raise a mere 11 per cent of the total revenue income of all local authorities in Scotland.

Michael McMahon spoke against the council tax freeze, but it is ironic that the council tax freeze of the past three years has served only to make the council tax more acceptable—in so far as any tax is acceptable—and thus to make any reform more difficult to achieve. However, it is fair to ask, as some have done today, whether a freeze policy that was intended only as a stopgap measure is sustainable for much longer, given the difficult financial environment that has resulted from Labour's debt legacy. I suspect from Mr Swinney's hints in his opening speech that the SNP is unlikely to miss the opportunity to trumpet a four-year council tax freeze as one of the few achievements of his Government in the lead-up to next year's elections to this Parliament, but it will be interesting to learn from him the mechanism by which he hopes to achieve that.

It is interesting to consider how issues that have been highlighted in its report on local government finance have been reflected in subsequent evidence sessions of the Local Government and Communities Committee. I will highlight three such topics. The first is the subject of equal pay and single status, progress on which has become something of a mission on the part of the committee, as Mary Mulligan said in her speech. Sadly, the committee's desire is not shared by Scotland's councils, which are not only dragging their feet in reaching settlements but are reluctant to provide information on the scale of their liabilities lest that prejudice their leisurely negotiations.

Recent evidence obtained by the committee demonstrates that the much-maligned no-win, no-fee lawyers—who were castigated in the Parliament not so long ago by, among others, the cabinet secretary—are the ones who are actually resolving cases with councils on behalf of workers. Unfortunately, workers' trade union representatives appear to be paralysed and fearful of reaching any settlement lest it lead to litigation against them.

**John Swinney:** Dear, dear!

**David McLetchie:** Given that Mr Swinney had to apologise for his previous remarks in the chamber on that subject, he should be very careful that he does not need to apologise again.

When one considers that the disclosed estimate of liability of £163 million is a figure that no one seriously believes to be anywhere near the final figure for settling equal pay claims, and sets that against the other financial pressures on local government, it is a scandal that so little has been done after so long.

The second issue relates to shared services, in which much faith has been invested as a way of improving performance. We have had the benefit of the Arbuthnott report, but it was depressing to hear only last week in evidence from the Scottish Council for Voluntary Organisations that the third sector has largely been shut out of discussions on shared services, which have been conducted at an intercouncil level and have not actively involved alternative service providers, who we know have already made such a big contribution to improving standards in services such as care in the community. If we are to go down the route of shared services, a lot more out-of-the-box thinking will need to be done than appears to be going on at present.

Thirdly, we hear a great deal about the great strides that councils are making on efficiency savings. We are told that they were required to make £175 million of savings in 2008-09 and—wonder of wonders—they have apparently achieved £258 million of savings, but, on closer examination, all is not what it seems. Those efficiency savings are not audited; they are self-certifying. When Audit Scotland representatives were asked, during recent evidence to the committee, to give an example of a council that had provided more services for the same money or the same services for less money—a good indicator of what is an efficiency saving—they were at a loss to provide a single such example off the top of their heads. They said that they would get back to us and I hope that they do, because as Ross Finnie and others have said, if benchmarking is to have any meaning or value, successes need the oxygen of publicity. We need to know that one council has achieved a saving in a particular service so that we can challenge all the other councils on why they are not doing the same.

After 11 years in the Parliament, I may have become too cynical, but I cannot help but feel that efficiency savings have more to do with creative accountancy than real-world results. I hope that I am proved wrong, because a great deal has been invested in that concept as a way of getting through the current financial difficulties while sustaining front-line services.

16:37

**David Whitton (Strathkelvin and Bearsden) (Lab):** The remit of the report was

“To assess the potential effect of the current economic situation and other pressures on local authority finances; and to identify the key challenges likely to be faced by local authorities.”

To my mind, there are three main issues on which action requires to be taken. Mr McLetchie and others have mentioned shared services. Only yesterday, in the Finance Committee, the cabinet secretary and I shared some views on how the provision of shared services could be progressed. Recent reports suggest that the councils for Edinburgh, West Lothian, East Lothian, Midlothian, the Borders and Fife will seek to pool a raft of services. If that improves service efficiency and delivery for their customers, it must be welcomed.

As we have heard, guided by Sir John Arbuthnott, who completed a review of shared services in the Clyde valley, the Local Government and Communities Committee asked for further information from the Scottish Government on what action it intended to take on secondary legislation that could smooth the way for inter-authority shared services. Given what Mr Swinney said to me in yesterday's meeting of the Finance Committee, it is fair to say that that is an area in which he believes that radical action could be taken. Therefore, I was pleased to hear him say—at least, I think that I heard him say—that he is to hold further meetings with those who were involved in the Clyde valley review with a view to making progress on the issue.

Increasing the pace of change as we come out of recession is a challenging task, but the Local Government and Communities Committee considers that it is vital that we increase the pace of change in the delivery of shared services if local government is to be successful in meeting the challenges of the changing nature of public sector finances. On that note, I was disturbed to find myself agreeing with what Derek Brownlee said in his thoughtful speech—either he is influencing me or I am influencing him in the Finance Committee; I am not sure which it is. He spoke about the progressive qualities of the council tax. More interestingly, he called for a wider debate on what the future role of local government should be, and I agree with him on that. Perhaps the committee could return to that.

Many members have mentioned the council tax freeze. It is difficult to state categorically what will happen to council tax beyond the current session of Parliament, but a number of witnesses who appeared before the committee questioned whether it was sustainable. Michael McMahon mentioned the joint submission from Dundee,

Falkirk, South Ayrshire and Highland Councils, which said:

"This measure may not be sustainable and reduces the flexibility to local authorities in relation to generation of funding, and puts added pressure on the grant settlement which is providing funding to local authorities in lieu of increasing council tax. Extending the council tax freeze will require additional funding to be allocated by the Scottish Government, which will in turn lead to higher levels of efficiency saving required and additional pressure on pay awards to maintain service levels."

When the Scottish Government announced plans to freeze council tax levels, it was as part of its preparations for replacing the council tax with local income tax, as Mr McLetchie mentioned. That suggests that the freeze was never intended to be sustainable in the longer term. As the committee's report makes clear, the economic situation now is markedly different from what it was in 2007 when the freeze was first announced.

The committee also considered economic development and the business gateway contracts in its report. Concerns have been raised that there is insufficient flexibility within those contracts to deal with the challenges of the economic climate, yet the SNP consistently tells us that economic growth is its main priority. We hear from the cabinet secretary that a review is being held. I hope that the business gateway's focus will now be on helping business survival rather than on the original model for business start-ups. Mr Swinney has said, and I have no reason to disbelieve him, that he is willing to listen to further arguments on the subject, so I hope that that means that the Government will consider the overall policy direction for the business gateway.

David Anderson from the City of Edinburgh made a telling point when he said:

"Economic development has been a bit of a Cinderella function in local authorities outside the major cities."—[*Official Report, Local Government and Communities Committee*, 16 September 2009; c 2313.]

He said that, in Edinburgh, his department had a budget of £83 million, but that the council's economic development service had a budget of only around £5 million, and, as Mr Anderson kindly put it,

"That is not a huge amount of resource ... What councils have available for discretionary spend on economic development is limited."—[*Official Report, Local Government and Communities Committee*, 16 September 2009; c 2302.]

In concluding, I ask the minister to amplify his comments on the committee's recommendation that there should be a business rates incentivisation scheme, to be implemented from 2011-12. I think that the cabinet secretary confirmed that he has accepted that recommendation, although it was a bit strange to see that response. I wonder whether it was given

before many businesses in Scotland found their rates bills increasing dramatically, without consultation or transitional relief.

At the end of the debate, it is vital to look forward. Will local councils adopt a more vigorous shared services format without legal impediments? Will economic development become a major priority for councils, along with a refocused and energetic business gateway that tends to customers' current needs? Surely economic growth is the best antidote to fiscal deficit. Will we see another council tax freeze? Perhaps only Mr Swinney knows the answer to that one, but it leaves many councils unable to balance their books. Alternatively, will we see only more meetings about meetings and precious little action? I hope not, and I hope that the Government will accept the call for action that is included in the report. I commend the report to the Parliament.

16:43

**John Swinney:** I will go through some of the issues that have been raised during the debate. Michael McMahon said that the local government budget is at a standstill. There is just no way that any analysis could substantiate that point. The local government budget is £270 million higher than the equivalent amount in 2009-10, and it would have been £174 million higher than that had we not had to take compensating action to deal with the fact that the budget that we anticipated that we would have at our disposal was reduced by £500 million by the previous UK Government. Those are the bare facts.

**David Whitton:** The minister and his colleagues keep repeating the mantra that there have been £500 million of cuts when they know full well that £347 million of that is accelerated capital and only £129 million is the local health capital budget. The minister has also had the highest budget that any finance minister has ever had, with year-on-year increases every year since the SNP took power. Why can the minister not acknowledge that?

**John Swinney:** I might acknowledge that if there was a scintilla of fact about it. I say gently to Mr Whitton that, yesterday at the Finance Committee, he got the detail of the questions that he asked me hopelessly wrong, and he has just repeated himself. The £500 million has nothing to do with accelerated capital and everything to do with a reduction in the planned spending that Andy Burnham advised me about in the comprehensive spending review in 2007. That is the answer to the question, and I suggest that Mr Whitton checks his facts.

Jim Tolson lamented the distribution formula and argued in favour of a new minimum per capita

floor in relation to the funding formula. That would cost £110 million. Now that Mr Tolson is a supporter of a party of government, I respectfully suggest that he tell me where that £110 million would come from. It could come from two sources. It could come from an expansion of the Scottish block of expenditure. If that is delivered by the new Secretary of State for Scotland, no one will be cheerier than me. Alternatively, it could come from a redistribution among the local authorities in Scotland. However, I imagine that Mr Tolson, in true Liberal Democrat fashion, would not have the consistency to welcome the fact that Fife Council's budget allocation would have to be reduced as a consequence of that.

**Jeremy Purvis:** The cabinet secretary may not have the figure at his disposal, although, as he is a man of figures, I am sure that he has. Can he tell us how much additional rates revenue councils took last year?

**John Swinney:** I do not have the figure for council tax revenue in front of me, I am afraid, but I will confirm it to Mr Purvis. I am sure that I have already confirmed it in a parliamentary answer—I confirm most things to Mr Purvis in response to parliamentary questions. We can come back to that detail in due course.

Mary Mulligan asked what we are doing to support local authorities, which was very much Sarah Boyack's point into the bargain. In her condemnation of the City of Edinburgh Council and the apparent absence of Government support, Sarah Boyack admitted that I have given consent to borrow £25.688 million to support equal pay claims in the City of Edinburgh Council. I would have thought that that featured in the efforts to tackle equal pay. Sarah Boyack also mentioned the fact that we are contributing £500 million to the trams project in Edinburgh. The City of Edinburgh Council must contribute to the trams project, too, and some of the difficulties that the City of Edinburgh Council is about to face perhaps have something to do with that project. I gently remind the Parliament that the Government was not a supporter of that project, although we are certainly having to pay.

**Sarah Boyack:** Does the cabinet secretary not accept the view of many people in the city, particularly in the business community, that major public infrastructure—whether it is roads, trams or trains—needs to be taken on board by whoever is the Government of the day and that it is not good enough for his colleagues on the council to attack the project without being constructive about it? It is a huge project that is critical to our future.

**John Swinney:** Sarah Boyack cannot have it both ways. She is blaming the City of Edinburgh Council for the management of the trams project and then blaming it for not taking a management

role in the trams projects—that is a completely ridiculous proposition.

Sarah Boyack also commented on the M74. She might have signed off the M74 project, but that was probably in 2003 or sometime around then.

**Sarah Boyack:** No, it was in 2001.

**John Swinney:** It was in 2001—even earlier. There is the slight impediment of the fact that the previous Government was taken to court over the M74, which might have contributed to the difference in the cost profile. Having visited the M74 site on Monday, I know that a fantastic amount of controlled work is being done to deliver that project, which will be an excellent investment. We carry responsibility for that project, as it is a strategic trunk road project. The Edinburgh trams project is a local project that is the responsibility of the City of Edinburgh Council.

A substantial point was made about the forward projections for the budget, which is meaningful to the debate and is at the heart of a point that I discussed with the Finance Committee yesterday, on the appropriateness of the reductions in public expenditure that are planned for 2010-11. The chancellor of the new UK Government has confirmed to me that he will set out on Monday the reductions that he intends to make to the 2010-11 budget. He has also confirmed to me that there will be the opportunity to delay the impact of that into 2011-12. The judgment that I have arrived at, which I have articulated publicly, is that there is a consensus view in the Parliament that it is important to maintain public expenditure in the current financial year to support economic recovery. I am saying not that that is a unanimous view, but that it is the majority view of the Parliament.

The approach that I have articulated is not, as Mr Purvis has accused me of doing, to delay things until after the election. As he knows full well, the 2011-12 budget will be set before the parliamentary elections in May 2011. My view is that the right thing to do is to maintain public expenditure to support economic recovery. I am, therefore, mightily confused by the Labour Party's arguments. In the press overnight, Andy Kerr encouraged me to cut public expenditure in 2010-11 to make good the changes that are proposed by the Conservative and Liberal Government in London—indeed, he demanded that I apply those during 2010-11. I have been lectured for months—as has everyone in the Parliament—about the importance of maintaining and contributing to economic recovery, but that position has been undermined by Andy Kerr's comments in the press. Perhaps the Labour Party should think carefully about what it is arguing that the Government should do.

Mr Finnie made another thoughtful speech in the Parliament, in which he asked why on earth, if there was an opportunity to make an efficiency today, it had not been made before. That is a fair point, but I say gently and respectfully to Mr Finnie, because he knows that I say everything to him respectfully, that he was a minister for eight of the past 11 years, so there was an opportunity for him to pursue that efficiency. We are pursuing the agenda of efficiency in as systematic a way as we possibly can.

My final remark is to say to Mr McLetchie that, in 2007, a journalist said to me, "I'll eat my hat if you can implement a council tax freeze." I remind Mr McLetchie that I have done it on three occasions so far.

16:51

**Alasdair Allan (Western Isles) (SNP):** The convener of the Local Government and Communities Committee has comprehensively set out the scope of the committee's inquiry into local government finance and the findings of our report. It is worth saying that our report to the Finance Committee during the budget strategy phase for 2011-12 will inevitably reflect some of the same themes.

On behalf of the committee, I add my thanks to those that were offered by the convener to the committee clerk and her staff, as well as to the Scottish Parliament information centre and the official report for ensuring the production of such a comprehensive report.

As I am speaking on behalf of the committee, I will try to be circumspect and will merely say that, as members and parties, we start from different articles of faith about the funding situation for local government. There is little point in rehearsing those differences; indeed, the report manages to sidestep them to some extent. As has been obvious from the debate, different members will, depending on their political standpoints, make greater or lesser allowance for the role of the UK Government in determining what Scotland has available to spend on its local authorities. In a sense, it would be more interesting to be having this debate after rather than before the UK Government's budget statement next month, to see what that leaves us to divide up, but we will let that be.

I wish to concentrate instead on two areas—first, the impact of the local government financial situation on the voluntary sector and, secondly, the opportunity for local government to carry out its economic development role.

The voluntary sector was the subject of a number of the committee's evidence sessions, firstly on the issue of voluntary sector pay. We

were prompted by petition PE1231, which called for a national framework for public service contracts to ensure equitable wages and conditions for front-line workers in the local government and voluntary sectors. There was acknowledgment from all sides that it was difficult to foresee how complete parity could be achieved in the current financial climate, but the Scottish Government indicated that it was committed to improving the situation.

Incidentally, the issue of the voluntary sector featured in the committee's work a year ago when we undertook the evidence sessions that have been mentioned on home care services for the elderly. Perhaps one of the most important outcomes that the committee has achieved this year was an undertaking from the Scottish Government that the use of so-called reverse e-auctions would be banned in the future when it came to procuring services for such vulnerable people.

More generally, the inquiry provided a chance for the committee to examine the impact of the current economic situation on the voluntary sector. The committee heard evidence on the issue and recommended that there should be better information on the comparison between the services provided by the third sector and those provided by the public sector; again, the Scottish Government responded to that positively.

Other evidence that the committee heard revealed the difficulties that are faced by a number of major charitable trusts, such as the Lloyds TSB Foundation for Scotland. It pointed towards the possibility of what members have referred to as a "perfect storm" for the voluntary sector, in which both public and charitable sources of funding come under pressure.

It is worth focusing on the impact of the current economic situation on local authorities' ability to perform their important role in promoting economic development. In the round-table discussions, some witnesses cast doubt on the ability of local authorities beyond our biggest cities to undertake that role adequately. The Scottish Government responded by indicating its willingness to listen to further arguments and to review the current business gateway contract.

Following further examination of the contracts that were let in 2007, the business gateway Scotland board is now considering the arguments for refocusing the business gateway advisory and specialist support services. The Scottish Government is also considering other options in that area.

Other members have picked up on a wide range of themes in the committee's report. The cabinet secretary mentioned the need for a long-term

strategic view, and responded to the important point that was made in the report and in evidence to the committee about the need to concentrate more firmly on benchmarking than on minimum standards.

Michael McMahon indicated, in a revealing contribution, that he is perhaps not yet fully committed to joining any progressive coalition of forces against UK cuts to the Parliament.

**Michael McMahon:** I would be more than happy to join a progressive alliance if the SNP was actually a progressive party.

**Alasdair Allan:** As I indicated, I intend to rise above the fray, but I remind Mr McMahon who the bad guys are when it comes to cuts.

Derek Brownlee made a case for stability, and pressed for detail on the council tax freeze. Jim Tolson discussed the distribution formula for local authorities and the council tax freeze, and subtracted the number he first thought of. Bob Doris gave some context to the report, particularly regarding the pitfalls of shared services and the need to build a united front on the issue of cuts.

Mary Mulligan, in a considered speech, talked about the whole purpose of local government and the costs that redundancies can bring for local authorities. John Wilson indicated the importance of 22 June as the date for the emergency budget statement, and raised issues around the Arbutnott report. Ross Finnie asked us to consider the boundary between local and national Government, and pursued the comparisons that were often made to the committee in relation to Scottish Water.

Ian McKee talked about the desire for control over a local authority by its citizens, and Sarah Boyack spoke about the City of Edinburgh Council, the curriculum for excellence, motorways and trams.

Today's debate has been insightful, and the report has engaged the Parliament and the Scottish Government in an entirely helpful way. Nobody underestimates the financial pressures that local government is under, but nobody should doubt the external financial pressures that apply to this Parliament—and which will continue to apply for as long as its overall budget is determined elsewhere.

I thank the committee, its convener and staff for all their work during the past three years. I wish my successor as deputy convener of the committee every joy in the future—or at least every joy that it is possible for any well-adjusted person to derive from a subject such as local government finance.

## Business Motion

16:58

**The Presiding Officer (Alex Fergusson):** The next item of business is consideration of business motion S3M-6340, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme. I invite Bruce Crawford to move the motion.

*Motion moved,*

That the Parliament agrees the following programme of business—

Wednesday 26 May 2010

2.30 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Stage 1 Debate: Forth Crossing Bill

*followed by* Financial Resolution: Forth Crossing Bill

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 27 May 2010

9.15 am Parliamentary Bureau Motions

*followed by* Scottish Conservative and Unionist Party Business

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time  
Health and Wellbeing

2.55 pm Scottish Government Debate: Progress  
Towards 18 Week Referral to Treatment

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 2 June 2010

2.30 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Scottish Government Business

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 3 June 2010

9.15 am Parliamentary Bureau Motions

*followed by* Scottish Government Business

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time  
Justice and Law Officers;  
Rural Affairs and the Environment

2.55 pm Scottish Government Business

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business—[*Bruce Crawford.*]

*Motion agreed to.*

## Parliamentary Bureau Motions

16:59

**The Presiding Officer (Alex Fergusson):** The next item of business is consideration of four Parliamentary Bureau motions.

*Motions moved,*

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Automatic Listing) (Specified Criteria) Order 2010 be approved.

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Relevant Offences) (Modification) Order 2010 be approved.

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Modification of Regulated Work with Children) Order 2010 be approved.

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Modification of Regulated Work with Adults) Order 2010 be approved.—  
[*Bruce Crawford.*]

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

## Decision Time

17:00

**The Presiding Officer (Alex Fergusson):** There are two questions to be put as a result of today's business.

The first question is, that motion S3M-6318, in the name of Duncan McNeil, on the Local Government and Communities Committee's report on local government finance, be agreed to.

*Motion agreed to,*

That the Parliament notes the conclusions and recommendations contained in the Local Government and Communities Committee's 2nd report 2010 (Session 3): *Report on Local Government Finance Inquiry* (SP Paper 377).

**The Presiding Officer:** I propose to ask a single question on motions S3M-6341 to S3M-6344. If any member objects to my so doing, they should say so now.

As there are no objections, the question is, that motions S3M-6341 to S3M-6344, in the name of Bruce Crawford, on the approval of Scottish statutory instruments, be agreed to.

*Motions agreed to,*

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Automatic Listing) (Specified Criteria) Order 2010 be approved.

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Relevant Offences) (Modification) Order 2010 be approved.

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Modification of Regulated Work with Children) Order 2010 be approved.

That the Parliament agrees that the Protection of Vulnerable Groups (Scotland) Act 2007 (Modification of Regulated Work with Adults) Order 2010 be approved.

## Lymphoedema Services

**The Deputy Presiding Officer (Alasdair Morgan):** The final item of business is a members' business debate on motion S3M-6180, in the name of Malcolm Chisholm, on lymphoedema services in Scotland. The debate will be concluded without any question being put.

*Motion debated,*

That the Parliament welcomes the increased numbers of women surviving breast cancer in NHS Lothian but is concerned that many survivors are still at risk of developing lymphoedema; recognises the impact that lymphoedema has on quality of life in terms of movement, discomfort and appearance of the arm and other parts of the upper body; is further concerned that access to and provision of high-quality lymphoedema services varies across the country, and believes that a high quality and equitable service that meets the needs of people in Scotland with or at risk of lymphoedema is needed.

17:02

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** As members will know, lymphoedema is swelling that results from an accumulation of fluid in the tissues and is usually due to an inability in part of the lymph system to return fluid to the blood circulation. There can be many causes, not all of which are cancer related by any means, but I lodged the motion as part of Breakthrough Breast Cancer's current campaign on lymphoedema services. I pay tribute to its work on that and many other issues.

It is estimated that at least one patient in five who undergoes surgery for breast cancer goes on to develop lymphoedema in their arm. Because of the good news that more women are surviving breast cancer, more women are now at risk of developing lymphoedema. However, the exact number is not known as information is not collected nationally and scientific estimates vary. It is also not clear how many people develop lymphoedema in other parts of the upper body after breast cancer surgery or other breast cancer treatments.

As the motion states, lymphoedema impacts on quality of life in terms of movement, discomfort and appearance. That can be distressing and can make it difficult to perform everyday tasks, while the complications of lymphoedema such as skin damage can result in serious infections that lead to hospital admissions and long-term dependency on antibiotics. Appropriate treatment and support are vital, not just to avoid the complications but to minimise the impact of a condition that cannot yet be cured.

As the Breakthrough Breast Cancer briefing for the debate emphasises, people with lymphoedema and health care professionals

report that lymphoedema services are not currently meeting the needs of all patients in Scotland. Where services exist, some patients still experience problems with being referred to them. Moreover, there are no national guidelines on lymphoedema management in Scotland.

Some of the problems were illustrated for me when Breakthrough Breast Cancer introduced me to a woman with lymphoedema. She comes from elsewhere in Scotland and not my health board area. She described to me the practical consequences—for example, she cannot lift her grandchild and she has had to give up her job—and she also emphasised the psychological issues and her concerns about treatment. She emphasised the importance of 10-day intensive bandaging, which should be repeated every three to four months, and said that she had had much longer waits of six to seven months, even culminating in a projected wait of 10 months this year, although that was subsequently improved. As she said, if the next treatment is too far off, the increase in swelling between treatments can be greater than the reduction that is provided by the bandaging treatment. She also complained that there was no manual lymphatic drainage, or massage, as it is sometimes called, and no nurse-led support group, which she had experienced with her earlier treatment.

The main problem in that example is staffing. Only one part-time specialist nurse ran the service. It is no criticism of that nurse to say that she quite simply could not cope with the demand on the service. We all recognise that the health service is facing great funding challenges, but the required investment in staff for a lymphoedema service is not very large in the scale of things. We are talking about one or two specialist nurses or physiotherapists, as the case may be. We all know that, in the development of the cancer strategy, there is now an emphasis on living with and beyond cancer. As part of that, the focus on lymphoedema is absolutely central.

Other examples of problems could be given, but there is also plenty good practice. Hence, Breakthrough Breast Cancer emphasises inequity and ensuring that high-quality services exist everywhere. There is an example of recent excellent investment over the past 18 months in the NHS Lothian area, which is my health board area. A new primary-care-based lymphoedema clinic has been established in addition to the excellent services at the Western general cancer centre and St Columba's Hospice. Indeed, the only complaint that I have received recently about lymphoedema services relates to someone who was advised that she would benefit from liposuction surgery, which is available only in Dundee and only for women who live in Tayside. I am told and accept that only a very small number

of women would benefit from that surgery, but it is clear that there would be an issue if one of them did not live in Tayside.

I was pleased to meet someone recently who used to work as a specialist nurse in Lothian, but is currently doing a PhD in lymphoedema services. She informed me that people with primary lymphoedema, which is an intrinsic problem that is not related to cancer treatment, can often wait for many years before they get a correct diagnosis, and she pointed out that those who undergo breast cancer treatment also experience delays in being referred to appropriate treatment and support. She emphasised that more clarity and consistency on referral and treatment pathways for patients with lymphoedema are needed. She also highlighted the importance of providing mainly nurse specialist support for self-management and the need for guidance in Scotland so that best practice is disseminated in an effective way and all relevant health professionals are fully informed.

**Margo MacDonald (Lothians) (Ind):** I, too, have reason to know about the lymphoedema service. As far as I can see, the best way to spread the benefits of self-management would be to teach carers or family members who have patients with lymphoedema, whether or not they got that after a cancer operation.

**Malcolm Chisholm:** Obviously, Margo MacDonald knows far more about the matter than I do. The patient whom I spoke to said that her husband performed that role.

I should emphasise that the director of Breakthrough Breast Cancer in Scotland, Audrey Birt, is currently chairing a group that is considering guidance. I expect that the minister will mention that in her concluding remarks.

In conclusion, I again pay tribute to Breakthrough Breast Cancer and fully support its campaign for equitable lymphoedema services throughout Scotland. All national health service boards should commit themselves to providing a high-quality lymphoedema service so that everyone who is diagnosed with it can access the care that they need. There should be guidance on best practice services, including on referral guidelines and systems, to ensure that patients can access the services that are appropriate for them.

17:08

**Mary Scanlon (Highlands and Islands) (Con):** I welcome this members' business debate on lymphoedema, which has been secured by Malcolm Chisholm: once a health minister, always a health minister. I also congratulate Breakthrough Breast Cancer on the excellent work that it does.

I learned about lymphoedema during a meeting in the Parliament in which a lady from the Western Isles talked about her experience. I admit that I knew nothing about it until then.

The debate is an excellent opportunity to address an issue that is related to breast cancer care, and which could affect more than 9,000 women in Scotland. The motion is about provision in NHS Lothian, but the issues that are raised in it apply equally to the rest of Scotland. There is no doubt that the service needs to be more equitable and of higher quality. Breakthrough Breast Cancer highlighted that, for some people, lymphoedema serves

“as an unwanted, constant reminder of breast cancer.”

It is worth mentioning that point.

In NHS Highland, the main problem is that there appears to be no specific service for lymphoedema management and no one department that provides the service. Although oncology units provide a service to some people, it is patchy. Some staff are trained in lymphoedema management, but they are also trained in the management of many other conditions and their time is split. We need the right guidelines and the right focus on lymphoedema.

In the NHS Highland area, more than 200 women are registered as lymphoedema patients. That might or might not be an underestimate. As Malcolm Chisholm said, the symptoms can range from a small swelling in the hand to full-blown swelling of the arms or legs. Although lymphoedema services are available part time in Inverness, Caithness, Sutherland and Skye, at present no service operates in other areas, including Lochaber.

Following treatment for breast cancer, patients are given a leaflet that offers advice and information on the disease and which details specific exercises to help with lymphoedema. There is also good advice on the National Cancer Institute website, but neither of those is a substitute for high-quality care and advice from an experienced professional who specialises in lymphoedema management. Although light exercise and maintaining a healthy weight are important factors, as stated on the National Cancer Institute website, they are not guaranteed to eradicate lymphoedema.

There is no doubt about the condition's impact on individuals' quality of life. As well as the emotional distress, there is the impact of severe swelling of the arms and legs, and it continually prevents many people from doing simple tasks such as washing the dishes.

I support the motion in the name of Malcolm Chisholm. I hope that the debate will raise

awareness and encourage the production of national guidelines for patients for management of lymphoedema. That is a part of good cancer care. We must get the cancer care right, but it is equally important to get the aftercare right.

17:12

**Michael McMahon (Hamilton North and Bellshill) (Lab):** I congratulate Malcolm Chisholm on securing this debate on an important topic. The motion correctly states that access to and provision of lymphoedema services varies throughout the country. We need a high-quality and equitable service that meets the needs of people in Scotland who have lymphoedema or who are at risk of acquiring it.

My knowledge of lymphoedema comes from the issue having been for several years a standing item on the agenda of the cross-party group in the Scottish Parliament on palliative care, and from family experience. My mother currently benefits from the services that are provided for her by a lymphoedema clinic. However, to access that necessary service—which she obtained only in the past few years, having suffered from the condition for almost 50 years—she has to travel by ambulance from her home in Lanarkshire to a hospital in Glasgow three times per week. Although I appreciate the assistance and treatment that she is receiving, I cannot help but wonder why she cannot receive the service at one of her local hospitals or health centres.

The lymphoedema research report that the University of Glasgow published in 2008 confirms the information that has been provided by Breakthrough Breast Cancer—that there is inequity in provision of lymphoedema treatment in Scotland. The report states that some services actually exclude lymphoedema sufferers who did not acquire the condition because of cancer. My mother suffers from lymphoedema as a result of childbirth, not cancer treatment, but her pain is no less real than that which is suffered by my wife, who contracted lymphoedema as a result of breast cancer. However, their treatment has differed significantly, and that must be addressed.

Patients with primary lymphoedema and those with lymphoedema that has resulted from causes other than breast cancer are least well served. I know of a young boy who fell from his bike and damaged the lymph nodes in his groin, which resulted in lymphoedema. He did not receive treatment for his condition, because the priority at that time went to cancer patients.

The University of Glasgow study concluded that a referral to a specialist lymphoedema service provides patients with a feeling of security and assurance that their condition is taken seriously

and is manageable. It can transform patients' lives, even in cases when the condition is long-standing and less amenable to treatment. However, late referral is causing a burden for our NHS.

It is amazing to see statistics showing just how far the service has to go to provide the service that lymphoedema patients require. A study that was carried out in 2008 showed that there were only three full-time practitioners treating lymphoedema in NHS boards in Scotland at that time. In addition, only 9 per cent of practitioners reported having undertaken comprehensive training to the level of a recognised qualification in lymphoedema management. The study also revealed that at that time the perception was that there was often a mismatch of skills. In some areas practitioners with limited training struggled to manage patients with complicated problems, while in other areas specialists treated fairly routine and uncomplicated patients. I seek assurances from the minister that the situation has now been identified and that it is at least substantially on the way to being rectified, with the appropriate staff carrying out the necessary treatment with the required resources.

Lymphoedema is a growing problem for our NHS as the incidence of this long-term condition increases with age and there is no known cure. Therefore I urge the minister to make adequate funding available to treat all sufferers and to set out a national perspective and approach to planning. I thank Malcolm Chisholm again for giving us the opportunity to raise the issue.

17:16

**Shirley-Anne Somerville (Lothians) (SNP):** I congratulate Malcolm Chisholm on securing the debate on a condition that is still widely misunderstood among the general population. It affects many women who have already had to take on breast cancer and win that battle and, as Michael McMahon said, it affects others as well.

Speaking to a number of my colleagues, friends and family about the issue recently, I have found that there is a great deal of ignorance about what lymphoedema is, how it affects people and what can be done to treat it. That includes many women who have had breast cancer but are still unaware of what could happen to them and what condition they could be in if they do not receive the proper care and treatment.

The impact on the quality of life of individuals is always the most important thing that we should focus on in debates such as this one. There was an interesting piece in the *Scotland on Sunday* last weekend that highlighted the real impact that lymphoedema has on an individual, the discomfort that she suffers on a daily basis, and the problems

that affect her everyday life. When we are talking about statistics, the numbers of nurses and the different ways to treat the condition, such a piece brings home how the condition actually affects the individuals in question.

Malcolm Chisholm also raised the important point about specialist nurses. As someone who used to work for the Royal College of Nursing before entering Parliament, I agree with him on that. The specialist nurse can provide not only excellent clinical care but the emotional support and advice that is very important to people while they undergo treatment.

As Margo MacDonald said, we must go further. We will probably never have enough specialist nurses in lymphoedema or any other condition to treat everyone to the extent and in the locality that they wish. Therefore, we must bear in mind the role of general practitioners, carers in their homes and anyone in the primary care sector. We cannot leave the treatment of lymphoedema to a small number of individuals.

**Margo MacDonald:** I thank Shirley-Anne Somerville for referring to my remarks. The other thing that would be of great help to lymphoedema sufferers is better provision of special compression stockings and other things that they need to control the condition. It can be problematic getting things to fit.

**Shirley-Anne Somerville:** Margo MacDonald raises another excellent point. Given her knowledge of the issue, I would expect no less. It is a question not only of the people who are involved but of ensuring that sufferers are adequately provided for and have what they need available to them at every opportunity. That is still lacking across the country.

In conclusion, I congratulate Malcolm Chisholm again on the event this evening and on ensuring that there is a call for equitable lymphoedema services throughout the country so that people can get the treatment that they deserve, when they deserve it.

17:19

**Margaret Mitchell (Central Scotland) (Con):** I congratulate Malcolm Chisholm on bringing the debate to the Scottish Parliament and join him in welcoming the increase in the number of women throughout Scotland who are surviving breast cancer.

It is indeed a cruel irony that there is a direct correlation between the increase in the number of lymphoedema sufferers and the successful treatment of breast cancer, which we now know can damage the lymphatic system during surgery or radiography or both. Current estimates suggest

that one in five women who undergo treatment for breast cancer go on to develop lymphoedema in their arm. Having fought cancer, those individuals find themselves suffering from a chronic condition for which there is no known cure, which not only affects their quality of life but is a constant reminder of their battle with breast cancer, as Mary Scanlon pointed out.

NHS Lanarkshire has confirmed that if the sufferer is able to access massage and bandaging services on a regular basis, which is considered to be every three to four months, that helps to keep the swelling down to a level of 20 per cent or less, at which the condition is deemed to be under control. Ensuring that patients have access to such services within that timeframe not only makes a huge difference to their lives but prevents the condition from developing into a more serious problem that ultimately claims more extensive NHS resources. For example, according to one of my constituents who suffers from lymphoedema, if she is stung or her skin is cut, there is a 90 per cent chance that it will result in septicaemia.

That same constituent's experience provides a clear insight into how lymphoedema sufferers in Lanarkshire are being badly let down by the NHS. That lady moved to Lanarkshire from Wales, where she had access to treatment every six weeks, which included massage and bandaging. Her experience in Lanarkshire was as follows. Having requested an urgent appointment, she was referred to the clinic in March 2008. On assessment, the swelling in her arm was found to be 26 per cent, which is more than the 20 per cent control limit. Thereafter, the earliest appointment for the multilayer bandaging that she required was some eight months later in November 2008. Even then, the treatment that she required was not available at the Lanarkshire clinic, so a referral letter had to be sent to the Haven centre for manual lymphatic drainage to be carried out by a therapist, which I believe was done at the patient's own cost.

Unfortunately, when bandaging commenced, the swelling volume had increased to 30 per cent, and therefore two weeks of daily bandaging had to be undertaken to reduce her swelling to 23 per cent. By 15 May 2009, her limb swelling volume had reduced to 17.8 per cent, but she was told that she did not come into the category to access services at the Glasgow lymphoedema clinic, with which NHS Lanarkshire has a contract. The upshot was that although the swelling had reduced to 17.8 per cent by May 2009, her next appointment was in January 2010—almost eight months later.

In response to my taking up the issue, NHS Lanarkshire told me that there would be an audit of services and that I would be kept fully informed.

That was in July 2009. To date, I still have not received a response and I have had to contact NHS Lanarkshire to pursue the issue.

It is evident from my constituent's experience alone that there is an issue. Ideally, a universal, comprehensive lymphoedema service that operates at the same standard throughout Scotland for those who suffer from primary and secondary lymphoedema should be established.

I look forward to the minister's response and hope that a system of best practice with effective referral guidelines can be put in place in order to ensure quick diagnosis and swift access to specialist services.

17:24

**Dr Richard Simpson (Mid Scotland and Fife) (Lab):** I congratulate Malcolm Chisholm on securing the debate. I thank Breakthrough Breast Cancer for its helpful briefing. I should declare that one of my staff members works jointly for me and for Breakthrough Breast Cancer, so I am doubly delighted to speak in the debate.

I know that lymphoedema has been mentioned in other debates in the Parliament, but I think that this is the first time that we have discussed it on its own. As we can see from the estimated lymphoedema figures, the condition is becoming much more prevalent throughout Scotland as more people survive breast cancer. We know that the number of people who have breast cancer-related lymphoedema will continue to grow. However, as information is not gathered nationally, it is impossible to know exactly how many people have lymphoedema. As a first step, we need to consider getting that accurate picture. I hope that the minister will give an undertaking to ensure that the data are collected properly.

As a former general practitioner, I have seen at first hand the effects of lymphoedema. As other members have said, it is a swelling or tightness in the skin that is caused by a build-up of excess lymph fluid in the surface tissues. Lymphoedema is, of course, uncomfortable and at times very painful. It can impact on a person's life in a variety of ways: it can limit their movement and make it difficult to perform ordinary tasks. At times, it can lead to further complications such as cellulitis, which is an inflammation of the skin, particularly if the skin becomes infected. As other members have said, lymphoedema is often a reminder of breast cancer or other underlying conditions. When combined with the debilitating nature of the condition, lymphoedema can lead to low self-esteem, which is distressing for individuals and their families.

Again, as other members have said, lymphoedema is a long-term condition that at

present can be managed but not cured, and therein lies the problem. For early identification, people need to be adequately informed and made aware of the potential for developing lymphoedema after treatment for breast cancer. That is also the case for those who have had cervical and prostate cancer. People need to know that lymphoedema is a potential complication of those conditions and that they should seek treatment and advice as soon as the symptoms develop. Once the condition is fully established, it is much more difficult to control. Lymphoedema is not always an immediate complication. The symptoms may present at any point after treatment for a condition—indeed, sometimes years later. It is important that people know that it can present over a period of time.

There are many ways to help those who have lymphoedema, as members have described. I pay tribute to healthy steps, which runs a specialist exercise class in Glenrothes in my constituency. As others have said, we need a combination of initial care and advice, followed by specialist care interventions, after which we need to train people at a lesser level and train families to provide support. We need all of that to be delivered in a comprehensive and integrated service.

It is sad that, once again, we are discussing the postcode prescribing of health care. That is an inevitable consequence of the individuality of local health boards, but it is unacceptable in any discussion of a universal basic standard and quality of care. That postcode prescribing of services must end. I support Malcolm Chisholm's motion, in which he calls for

"a high quality and equitable service that meets the needs of people in Scotland with or at risk of lymphoedema".

I hope that the debate will raise awareness. Again, as in many health debates, a variety of information has been provided, both personal and from our constituents. When she responds to the debate, the minister has the opportunity to consider once again whether national action is required on lymphoedema services and whether the accountability of health boards should be enforced. I support Malcolm Chisholm's motion.

17:28

**The Minister for Public Health and Sport (Shona Robison):** I, too, thank Malcolm Chisholm for bringing the debate to the chamber this evening.

As Scotland's population ages, treatments advance and screening programmes prove to be increasingly effective at detecting cancers earlier. As a result, many more people will find themselves living longer with cancer. For that reason, we are beginning to see cancer being treated increasingly

as a long-term condition. As we know, breast cancer is the most common cancer among women, with incidence rates up 9 per cent over the past decade. We have, of course, seen great improvements in breast cancer survival rates, whether in NHS Lothian or across Scotland more generally, with five-year survival now standing at over 84 per cent. With more people being treated for and surviving breast cancer, the number of people who are affected by lymphoedema is likely to increase.

The Scottish Government recognises lymphoedema as a serious long-term condition. As members have said, lymphoedema is not always caused by cancer; nonetheless, it is a serious long-term condition. As we have heard today, living with lymphoedema is very challenging for individuals, their families and carers because of the physical and emotional impacts of pain, disfigurement, limited mobility and disruption to normal daily life that it can cause.

The Government is concerned that people who are living with lymphoedema that results from breast cancer treatment or any other cause should receive the care and support that they need. I recognise the importance of emotional and psychological support for people living with long-term conditions, especially conditions such as lymphoedema. We know that people living with long-term conditions are more likely to experience psychological problems, stress and depression, which makes recovery more difficult. For that reason, support is an essential aspect of self-management, to which a number of members have referred. That is why we are supporting the work that the Long-Term Conditions Alliance Scotland is doing with our lead clinician for self-management to help NHS boards to adopt models that offer a range of emotional and psychological support to people who are living with long-term conditions. That is just one of the many commitments that we have made in the long-term conditions action plan, which forms an important part of the new health care quality strategy.

A number of concerns have been expressed about variances in lymphoedema service provision. Margaret Mitchell outlined eloquently some of the challenges in that area. As I said, not everyone living with lymphoedema has the condition as a result of cancer. I emphasise that lymphoedema services should be made available to everyone who needs them, whatever the cause and wherever they live. We have some work to do to ensure that there is equity in that respect.

A comprehensive picture of lymphoedema services would help to address the issue and contribute to the improvement of care. A working group of the Scottish Medical and Scientific Advisory Committee is already scoping

lymphoedema services in Scotland. I hope that that work will help to pave the way for wider work by the voluntary sector, lymphoedema practitioners and people who are living with lymphoedema to develop a best-practice model of care, for which a number of members have called this evening. I look forward to hearing about the group's findings and vision for the way forward.

A number of members made the point that better data need to be gathered. The study of Edinburgh breast unit patients with lymphoedema that Queen Margaret University is undertaking and which is nearing completion may yield some insights into incidence. We will look at the study's findings once they are published. A lot of good work is being done and we need to pull all of it together.

We are committed to working collaboratively not just with health care professionals but with the voluntary sector to find new ways of delivering services that can make a real impact and real improvement. One such innovation is the Breakthrough Breast Cancer service pledge for breast cancer. As other members have done, I pay tribute to that organisation for its work. The innovation involves NHS boards and breast units signing a pledge to improve services based on patient feedback, and will include support for women who require services to treat and manage lymphoedema. That partnership approach to service improvement, based on local patient experience, is exactly the kind of initiative that we want to encourage through the new quality strategy. I am pleased to note that Breakthrough Breast Cancer will receive £46,500 of Scottish Government funding over the next three years, through a section 16B grant programme, to support the roll-out of the service pledge across the NHS in Scotland.

I am also pleased that two projects supporting self-management were successful in their applications to the self-management fund, for which the Scottish Government has given £4 million until 2011. One of those projects is the Haven Centre in Lanarkshire. I hope that that will help to support patients after their treatment. Breast Cancer Care has received funding to deliver a range of "moving forward" information sessions across Scotland to support people in adjusting to, and to facing living beyond, breast cancer treatment.

Wearing my public health hat, I say that we want to do what we can to reduce the number of people who develop breast cancer and the number of people who are likely to be affected by lymphoedema, so our actions on prevention are vital.

A number of members mentioned some of the risks that we know can be reduced. Our

programme of encouraging healthy lifestyle choices will, I believe, help to reduce the incidence of cancer and so, I hope, that of lymphoedema.

I wish to highlight the work of the Scottish Government's living with cancer group, which is tasked with overseeing the implementation of the "Better Cancer Care" action plan. The group is holding a workshop at the end of May to discuss its vision for cancer care in Scotland in supporting people who are affected by the long-term consequences of a cancer diagnosis. Lymphoedema will be among the issues that the group will consider.

I hope that people are reassured that a lot is happening. If we bring it all together, it will start to ensure that the best practice that exists in many parts of Scotland, and which members have talked about, extends to the areas in which there are still clearly challenges. That means ensuring equity of service.

I again thank Malcolm Chisholm for focusing attention on an important issue. I have no doubt that this informative and productive debate is another step on the pathway towards achieving better awareness and understanding of the condition, both within the NHS and among the public in general. It has focused attention on the good things, and on areas in which there are still challenges—and it can bring a sharper focus to what we can do about those challenges.

*Meeting closed at 17:36.*

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