



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

PUBLIC AUDIT COMMITTEE

Wednesday 27 October 2010

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PUBLIC AUDIT COMMITTEE

17th Meeting 2010, Session 3

CONVENER

*Hugh Henry (Paisley South) (Lab)

DEPUTY CONVENER

*Murdo Fraser (Mid Scotland and Fife) (Con)

COMMITTEE MEMBERS

*Willie Coffey (Kilmarnock and Loudoun) (SNP)

*George Foulkes (Lothians) (Lab)

*Bill Kidd (Glasgow) (SNP)

*Mr Frank McAveety (Glasgow Shettleston) (Lab)

*Anne McLaughlin (Glasgow) (SNP)

*Nicol Stephen (Aberdeen South) (LD)

COMMITTEE SUBSTITUTES

Derek Brownlee (South of Scotland) (Con)

Linda Fabiani (Central Scotland) (SNP)

James Kelly (Glasgow Rutherglen) (Lab)

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Derek Feeley (Scottish Government Healthcare Policy and Strategy Directorate)

Dr Bill Morrison (NHS Tayside)

Norman Springford (Former Chair, Destination Edinburgh Marketing Alliance Ltd)

Dr Kevin Woods (Scottish Government Director General Health and NHS Scotland)

CLERK TO THE COMMITTEE

Jane Williams

LOCATION

Committee Room 2

Scottish Parliament

Public Audit Committee

Wednesday 27 October 2010

[The Convener *opened the meeting at 09:32*]

Decision on Taking Business in Private

The Convener (Hugh Henry): I welcome members to the 17th meeting in 2010 of the Public Audit Committee and remind them to switch off all electronic devices.

Do members agree to take items 4, 5 and 6 in private?

Members *indicated agreement.*

The Convener: Before we move on, I want to put an issue on the record. Members will be aware that previously a committee report was leaked to the press. We find that our report on the progress on planning for the delivery of the Commonwealth games 2014 was also leaked to the press and some comments were attributed to sources close to the committee. I remind members that unauthorised disclosure of confidential committee material constitutes a breach of section 7.4.2 of the code of conduct and it undermines the committee's work. It is disappointing that we have had to return to this matter and I hope that it will not occur again.

Section 23 Reports

"The Gathering 2009"

09:33

The Convener: Agenda item 2 is the section 23 report, "The Gathering 2009". I remind members that the liquidation procedures are still on-going and that the points that we discussed previously about sub judice still apply, so members will have to exercise their discretion on that, as advised by the Presiding Officer.

Our witness today is Mr Norman Springford, the former chair of Destination Edinburgh Marketing Alliance Ltd, known as DEMA. Mr Springford, thank you very much for making yourself available to the committee. We are particularly interested to hear your perspective on some of the events that unfolded. Before we ask questions, is there anything that you would like to say to us on the record?

Norman Springford (Former Chair, Destination Edinburgh Marketing Alliance Ltd): No, there is nothing yet. I await questions with interest.

The Convener: Concern has been expressed about the way in which the matter has developed. I do not know whether you have followed any of the evidence that has been given to the committee so far, but it has emerged in that evidence that there was an expectation on the part of the Scottish Government—officials and ministers—that the City of Edinburgh Council and DEMA would take on liability for the debt.

It would also appear that the press release that was issued in the name of the City of Edinburgh Council was written by Government officials and given to the council, which contributed its own comments. After that was issued, the council decided that it could not take over The Gathering 2009 Ltd and that it would not take responsibility for any of the liabilities and for payment to the creditors.

As chairman of the organisation that was intended to take on responsibility for all those liabilities, you are a key figure in those events. When did you first become aware that DEMA was emerging as a vehicle for purchasing the company and taking over responsibilities?

Norman Springford: It is a two-part answer. First, about a day before the press release, I received a call from Dave Anderson, the director of economic development at the City of Edinburgh Council. He imparted to me that the council had been approached by the Scottish Government, which had identified DEMA—if I can call it that

rather than use its full title—as a suitable vehicle for promoting a future event. As a result, a discussion took place about whether DEMA would be in a position to accept that appointment.

It was decided that that was something that Edinburgh should support, given its likely economic benefits to the city. At no time was it suggested that DEMA would be obligated for the payment of any debt that The Gathering 2009 Ltd had incurred. Dave Anderson and I were clear on that point. There was never any mention of that. The only mention was in the press release, of which I received a copy on 14 October.

The Convener: So you became aware of what was emerging only the day before the press release came out.

Norman Springford: As far as I am aware, it happened reasonably quickly. The approach was possibly made at a late date. As I say, I received a telephone call. I cannot recollect the exact date, but I am pretty certain that it was 13 October.

The Convener: And at that point there were no discussions about the council or DEMA taking responsibility for the creditors.

Norman Springford: None at all. The only condition or caveat that was put upon it was that DEMA may need to be aware of the obligations for the running of the future event and would therefore be obligated to produce a business plan, which was clearly in everyone's interest.

The Convener: And, to the best of your recollection, Mr Anderson similarly was of a view that there would be no responsibility for the creditors.

Norman Springford: Nothing came up in the conversation, which would indicate to me that Dave Anderson was not aware of it. Otherwise, he would have mentioned it.

The Convener: When the press release was issued the following day, what was your reaction when you saw the terms?

Norman Springford: I have had the opportunity to look at the notes that I made at the time of the press release. A copy of the press release was sent to me by e-mail at about 20 past 4 on 14 October. I was asked specifically to comment on the comment in the press release that was being attributed to me, and I sent back a response 10 minutes later saying that I was fine with that.

However, having read the press release, I must admit that I was surprised that a phrase had been slipped in to the effect that DEMA would accept the creditors' obligations. That was a surprise, but, given that the press release had been, in effect, raised by the City of Edinburgh Council on behalf

of DEMA, my view was that the matter had been agreed prior to my involvement.

The Convener: So, subsequently, when the City of Edinburgh Council decided not to proceed, it was a further surprise to you that the council seemed to have agreed but had then come to the conclusion that it could not take it on, which was more in line with what you originally thought was being discussed.

Norman Springford: My view was quite clear. DEMA Ltd has a separate legal persona and we had a fiduciary duty to act in the best interests of the company. My immediate reaction was that DEMA was not in a position to take over those liabilities. How the matter was going to be resolved between the Scottish Government and the City of Edinburgh Council was a matter for themselves. My view, as interim chair at that time, was quite clear, and the other board members were of the same view when I consulted them. We could not assume the responsibility—it would have been illegal for us to do so and we had no funds to do so.

The Convener: You attempted to speak to other members of DEMA to ascertain their views.

Norman Springford: Yes. I did a ring round and spoke to every director bar one, who was on holiday, and the chief executive of DEMA, Kenneth Wardrop, who was on holiday in Morocco. Those were the only two whom I did not consult; the rest were aware of the potential press release and were supportive of the concept of DEMA, although the financial aspects had to be resolved.

The Convener: You are quite clear that at no point had there been any discussion of DEMA taking on any of the responsibility for the creditors of the company.

Norman Springford: Not with me, if I can put it that way. I had no knowledge of that. My position was immediately stated and became a subject of perhaps some annoyance or embarrassment, as I was vehemently opposed to the idea that we could accept those responsibilities.

The Convener: Who were the officials who supported you in your work at DEMA?

Norman Springford: You will appreciate that DEMA was a public-private sector corporation—quite a laudable one, I might add—and the City of Edinburgh Council had decided to put a majority of the funding into it. The council had seconded a number of employees, the lead being Kenneth Wardrop. In my view, he is currently doing a sterling job within DEMA in promoting this for the city. He was the main official who was seconded from the council, and there was back-up from

public relations, marketing and various other employees.

The Convener: He was on holiday in Morocco.

Norman Springford: He was in Morocco at the time and was, therefore, I presume, not consulted on the content of the press release.

The Convener: I presume that, had he been consulted on something so significant as taking on substantial liabilities, he would have spoken to you. As well as Mr Wardrop, was there anyone on the official side who may have been involved in discussions about taking on the debt?

Norman Springford: Not at that particular time. We are talking about the immediate time up to the issuing of the press release, and the only people who were likely to have been aware of it in advance were Mr Dave Anderson, probably Councillor Tom Buchanan, who was a director of DEMA, and Greg Ward, the head of economic development at the City of Edinburgh Council. Those are the only ones who I believe would have been involved in the process.

The Convener: Was Councillor Buchanan one of the people to whom you spoke?

Norman Springford: I did not need to, since Mr Anderson reports to Mr Buchanan. It seemed logical that the approach was made through Councillor Tom Buchanan, from the Scottish Government.

09:45

The Convener: So a public statement was made about a substantial commitment, but neither the chair of DEMA nor the senior officers who support the board members were aware of it. It was clear from the press release from the Scottish Government—which was written by the Scottish Government, but issued on behalf of the City of Edinburgh Council—that there would be a responsibility on DEMA. At that point, what did you do?

Norman Springford: I was faced with the difficulty that DEMA was a public-private corporation. It was a separate legal entity, and I was the chair, but—without being too rude about it—the funding was the council's; it was their ball.

My view was that if a decision had been made outwith DEMA that the funding for the history of The Gathering 2009 Ltd would be dealt with, it was not a matter for my attention. My main concern was to ensure that DEMA was not placed in an impossible position, as it would have been if it had accepted those obligations without recompense from someone else.

The Convener: If Edinburgh wanted to take on the responsibility, that was a matter for the City of

Edinburgh Council, but you were clear that, as chairman of DEMA, there was no way that you would be involved in DEMA taking on any responsibility.

Norman Springford: We could not do so; there were insufficient funds. We would have been happy to make the payments or whatever, but we were in a position in which assurances of funding would be insufficient. I needed written assurances that funding would be provided.

The Convener: How did events develop once you became aware of what was happening? Whom did you speak to?

Norman Springford: The press stated that the obligations were being met by DEMA. It then caused some embarrassment when I immediately reported that DEMA could not accept that liability.

At that point, we discussed with officials various ways of trying to ensure that the creditors would be paid. I think that everyone at the City of Edinburgh Council was keen to find a way in which the creditors could be paid, as it was only right that they should be paid if possible. Various discussions took place over a number of days—within a fortnight of the press release being issued—to try to ensure that some conclusion could be reached that would allow the creditors to be paid and the company to be taken over or bought over by DEMA.

Murdo Fraser (Mid Scotland and Fife) (Con): Good morning, Mr Springford. It might be helpful for the committee if you could explain the constitution and the set-up of DEMA. It is a limited company; I take it that it is, in effect, an arm's-length wholly owned subsidiary of the council.

Norman Springford: It goes back to the City of Edinburgh Council's laudable intention that the public and private sectors could co-operate to the benefit of the city. I still strongly believe that to be the case.

The council set aside a certain amount of funding: it was circa £1.5 million, and the council contributed 95 per cent or more at that time. A company limited by guarantee—Destination Edinburgh Marketing Alliance Ltd—was set up as a separate legal entity, and six original directors were appointed. That included two from the public sector—Councillor Buchanan and Kenneth Wardrop—and four private sector members, including me.

The articles of association allowed the six directors to co-opt two further directors to the board, which was done by 21 October 2009. The articles then allowed the original members—or shareholders, if you want to call them that—to appoint a further four directors to the company.

Murdo Fraser: Who were the members of the company?

Norman Springford: The members of the company were those who had been involved in an initial steering group to discuss DEMA, such as the Edinburgh business assembly and the University of Edinburgh. There were about 10 financial contributors.

Murdo Fraser: You mentioned Mr Wardrop, who was the chief executive. Were there other employees?

Norman Springford: No, there were no employees. DEMA did not employ anyone. Vacancies were filled by City of Edinburgh Council employees who were seconded to assist the process, because that is what they had been doing prior to the creation of DEMA.

Nicol Stephen (Aberdeen South) (LD): May we have the names of the four other directors and the two who were subsequently appointed by 20 October?

Norman Springford: From the private sector, there was Alan Johnston, Derek McCulloch, the solicitor in the city, Graham Birse, who is probably known for being with the Edinburgh Chamber of Commerce, and myself. Part of DEMA's articles was that the council could nominate an official, and Councillor Tom Buchanan was chosen. Kenneth Wardrop was acting chief executive of the company in any event; he was a director. Those were the six.

With regard to the two co-opted members, the purpose of DEMA was to integrate the target areas of live, invest, visit, work and study, so the intention was to select directors from those disciplines. George Stonehouse, who is with Napier University, was appointed. Stephen Hillier, from the University of Edinburgh, had just been appointed.

Nicol Stephen: Thank you.

Murdo Fraser: That was helpful. Even though DEMA is wholly owned by the council, because the council provides the funding, it is operationally a separate entity and it takes its own decisions.

Was the decision that was taken—or not taken—to take over The Gathering 2009 Ltd's obligations, or at least to proceed with the event, discussed? Did DEMA hold a board meeting to discuss that?

Norman Springford: No. It was discussed after the press release. A board meeting was scheduled for 21 October; by that time there was some furore around the issue, so the item was on the agenda and was discussed at that point. It had not been discussed prior to the press release because, at

that point, no one—including me—was aware we were under such an obligation.

Murdo Fraser: Leaving aside the issue of the previous debt, when it was originally proposed that DEMA should proceed with the gathering, that was obviously put to you as the chair, and you consulted other directors by telephone. You got the understanding from them that they were in agreement. Although there was no time to call a formal board meeting, you felt that the gathering was something that DEMA wanted to go on with.

Norman Springford: Oh yes; there is no doubt about that. If I were to be asked again, I would still say that the promotion of the gathering within the city would be to the city's economic benefit. If we had been asked whether DEMA could have run an event, the answer would have been that DEMA is a marketing organisation rather than an events promotion organisation, but we still felt that, given proper funding, the gathering would benefit the city and that DEMA could and should be involved in it.

Murdo Fraser: I return to the press release that was issued. Was there an understanding between DEMA and the council about statements being issued by the council on behalf of DEMA? Did that happen on a previous occasion?

Norman Springford: I do not recollect that a press release would be specifically headed, "Issued by the City of Edinburgh Council on behalf of DEMA." Numerous press articles were written for DEMA but would go out in DEMA's name, having been done by DEMA's in-house team, which had marketing and promotion expertise. It was quite customary that whatever event DEMA was trying to promote, it would be dealt with by that in-house team and it would issue a press release.

Although I did not think that it was suspicious, I thought that it was unusual that it was specifically stated that the press release would be issued by the City of Edinburgh Council on behalf of DEMA.

Murdo Fraser: Is it fair to say that it would have been improper for the City of Edinburgh Council to issue a press release on DEMA's behalf without checking whether you were fully happy with its content?

Norman Springford: I certainly feel that the council should have consulted DEMA's chief executive but, as he was off at the time, perhaps that is where the system fell down. I have no idea who originated the press release. I was not asked to comment on it; I was asked merely whether I was happy with the quote that was being attributed to me, and the answer was yes. That was all that I was asked to do. As I said, although DEMA is a legal entity on its own, it has strong ties to the council, so my natural conclusion was that it was not my place to question the press release.

Murdo Fraser: It is clear that you were left in an embarrassing position when you saw the press release as issued.

Norman Springford: As I said, I had no doubt—and the directors' view was similar—that it would be illegal for us to accept what the press release said. We could not meet £300,000 of liability. As I said, accepting that would be a breach of fiduciary duty. I was placed in a difficult and untenable position, which—unfortunately—it is clear caused the council embarrassment.

The Convener: You say that you were asked about the quote that was attributed to you and that you were happy with that. Scottish Government officials—some were fairly senior—worked on the press release over several days. They wrote the whole press release and gave it to the council, and an exchange took place between the Scottish Government and the council. Did officials not share with you the full content before the press release was issued?

Norman Springford: No. As I said, all that emerged was that, in a phone call on probably 13 October, the first indication was given that DEMA was being invited to the party. I did not see a copy of the press release until 4.20 on 14 October.

The Convener: So you were unaware until late in the day not only of the emerging discussions about DEMA taking on responsibility—although you were happy for the principle to be considered—but of the press release's full content, including the significant statement that Scottish Government officials prepared, which said that DEMA would take on the "remaining private sector obligations".

Norman Springford: I will be a bit more specific. At 4.20 on 14 October, I received a copy of the press release that contained a line that said that DEMA would take over the private sector obligations. That was the first indication to me that that scenario was likely. I guess that, at that point, the chief executive would have said, "No—we cannot do this." As a private sector individual in the midst of a public sector-funded organisation, my view was that something had been done before DEMA's involvement that allowed that statement to be made.

The Convener: I accept 100 per cent what you say and the dilemma that you faced, but I will describe the difficulty for us. A press release was produced at a senior level in the Scottish Government and given to the City of Edinburgh Council. They agreed the press release, which was issued. A line, which the press officials wrote, was put in about DEMA taking on the "remaining private sector obligations". Press officials would not put in that line unless someone agreed and authorised it, so someone, somewhere along the

line—in the Scottish Government, the council or both—agreed to something and to putting in that line. However, you were completely unaware of that. That is significant and worrying for an organisation such as DEMA, which could have been left with liabilities that could have had significant repercussions for the reputations of you as a businessman and of the other businesspeople who were involved.

10:00

George Foulkes (Lothians) (Lab): I want to go back to what Murdo Fraser said. DEMA had only recently been set up when the press release was about to be issued, so it did not have the capital to be able to take on those responsibilities, did it?

Norman Springford: That is correct. It was a fledgling organisation that had funding of around £1.5 million. Most of that was provided by a direct grant or in-kind services such as staffing and various other expenses. The budget that we prepared initially had a £300,000 deficit. It was revised at later board meetings so that there was almost a break-even situation, but that did not include £300,000-worth of liability.

George Foulkes: As the convener said, the press release was issued on 15 October. We know from the letter that we received from the new permanent secretary that two meetings took place on 14 October to discuss it. Were you at either of those meetings?

Norman Springford: No.

George Foulkes: Was anyone from DEMA at either meeting?

Norman Springford: Not that I am aware of.

George Foulkes: That is not recorded. From the letter, it seems that Scottish Executive officials and people from the City of Edinburgh Council were at the meetings, and I notice that a special adviser was at both. However, no one from DEMA was at them.

Norman Springford: I was not aware until now that there was a meeting.

George Foulkes: There were two meetings. Do you find it astonishing that two meetings took place on 14 October to discuss a press release that was going out in your name, but nobody from DEMA was at them?

Norman Springford: As I said, we were doing our best as a private sector organisation, but we accepted that the ball was with the City of Edinburgh Council. I would not say that it was riding roughshod—far from it. It was entirely open in allowing DEMA to carry out its wishes, but the funding was its funding. I was not aware of

meetings outwith us, and would not expect to be party to political meetings of that nature.

George Foulkes: We have a copy of the press release. At the top of it are the words:

“Issued on behalf of Destination Edinburgh Marketing Alliance by the City of Edinburgh Council”.

It was issued on behalf of the organisation of which you were chair.

Norman Springford: I admit that I find that strange—or unusual, not strange. That was not a normal press release.

George Foulkes: Were you annoyed about it?

Norman Springford: No, I was not. My view was that there must have been some other discussions to which I was not party that allowed The Gathering 2009 Ltd to be taken over by the City of Edinburgh Council and DEMA.

George Foulkes: Were you not annoyed that you were not party to discussions that involved the organisation of which you were chair and that were about a press release that said that you were taking on responsibilities that you said that it would be illegal for you to accept?

Norman Springford: I am certainly not annoyed.

George Foulkes: You are very easy going.

Norman Springford: No. My view is that something could have been agreed between the Scottish Government and the City of Edinburgh Council that allowed DEMA to proceed. As I said, we did not know about the debt and so on; we were merely invited to run a future event that seemed to be for the good of the city and we were honoured to be able to do that.

George Foulkes: But the press release said that DEMA would take on the responsibilities and liability of The Gathering 2009 Ltd.

Norman Springford: It did, but I was quick to announce publicly the following day that DEMA could not do that.

George Foulkes: You have said that and made that clear. That contradicted the press release that was put out in your name.

Norman Springford: It did indeed. That was the difficulty that I was faced with. I could not agree with the press release. My view was that it had been agreed outwith us and that until DEMA had written assurances that funding would be available to meet the obligations, the only stance that my fellow directors and I could take was that we could not accept the liability.

George Foulkes: Mr Wardrop, your chief executive, was abroad at the time, so he could not have authorised the press release.

Norman Springford: That is correct.

George Foulkes: You did not authorise it on behalf of DEMA.

Norman Springford: No, I did not.

George Foulkes: Did you find out who authorised it?

Norman Springford: No. In fact, I have not received a formal copy of the press release.

George Foulkes: Really?

Norman Springford: I received an e-mail of what was proposed, but I have still never seen what actually went out.

George Foulkes: Is it possible that Councillor Buchanan might have agreed it on behalf of DEMA?

Norman Springford: I cannot answer that. It is possible, but I cannot comment on that, since I was not party to it.

George Foulkes: He had two roles: as a DEMA board member and as chairman of the appropriate committee.

Norman Springford: That is right.

George Foulkes: At any point, did you discuss the issue with Councillor Cardownie, the deputy leader of the council?

Norman Springford: No.

George Foulkes: Not at all?

Norman Springford: Not at all.

George Foulkes: Okay, thank you.

Anne McLaughlin (Glasgow) (SNP): Mr Springford, you said that nobody from DEMA authorised the press release. The press release went out on 15 October in the name of DEMA, and you were sent a copy of it the day before. In effect, was that not you authorising it?

Norman Springford: No. As I said, the e-mail that I received from a council official said, “Here is the press release that is going out. We ask you to comment on the statement in it that has been attributed to you.” That is all that I was asked to do. I was not asked to approve the press release; I was merely asked whether the comment that was attributed to me was acceptable.

Anne McLaughlin: Did you read the press release or only your comment?

Norman Springford: I read the press release. When I responded, I said that there was a technical error in that there was no company called Gathering Ltd—it was The Gathering 2009 Ltd. I corrected that point, but I was not asked to comment on the press release.

Anne McLaughlin: When I get my staff to send out a press release from me, they send it to me before it goes out so that I can check it for accuracy. As you just said, you corrected one technical point in it. There has been reference to this statement being slipped in, but the font size is exactly the same as the rest of the press release when it says that

"DEMA will take on The Gathering 2009 Ltd's remaining private sector obligations".

If you felt able to comment on the name that they were giving to The Gathering 2009 Ltd, why did you not feel able to comment on that statement? The next day, you said publicly that DEMA could not take on those obligations. Why did you not do that the day before the press release went out? Would that not have been a more sensible time to question that statement?

Norman Springford: It would have been if it had been my company. As I said, I was acting as a private sector chair of an organisation that was almost 100 per cent funded by the local authority. My view was that an arrangement had been made that the obligations would be met.

Anne McLaughlin: If you felt that it was your place to state publicly the next day that DEMA could not do it, why was it not your place to say privately the day before that DEMA could not do it? Why were you in a position to make a public statement once the press release had been published, but not the day before?

Norman Springford: The day before I was still under the impression that a deal had been arranged or an agreement had been made and that, although the press release said that DEMA was responsible for the obligations, I would be, I suppose, assured that the funding was in place. As soon as it became clear that the funding would not be in place, I had no option but to say that we could not accept the liabilities. We could have accepted them if somebody had given us funding.

Anne McLaughlin: In a letter to the committee on 22 October, the permanent secretary states:

"on 14 October, the Director of Corporate Services at the City of Edinburgh Council spoke by telephone to my predecessor, Sir John Elvidge, to confirm that the Destination Edinburgh Marketing Alliance would be purchasing The Gathering 2009 Ltd. As Sir John stated when giving evidence to the Committee on 6 October, there *'was an implicit understanding that whoever bought the company would take on the liabilities'*."

Although there was an implicit understanding, there was a glaring statement in the press release that was sent to you the day before it went out that DEMA would take on the remaining private sector obligations of The Gathering 2009 Ltd. That is not implied; it is stated explicitly.

Norman Springford: I quite agree.

Anne McLaughlin: And you did not question that; you allowed the press release to go out and then you questioned it.

Norman Springford: As I said, my remit with regard to that e-mail was to comment on the item that had been attributed to me. If it had said, "Please review the press release", I would have commented, but I felt that it was not my place to do so. The arrangement between the Scottish Government and the City of Edinburgh Council appears to have been to take the gathering forward to a future event. That was my understanding; that was what was put to me on 13 October. DEMA was perfectly happy to take on a future event. I was not aware of what arrangements were being made about the existing debt. I assumed—perhaps that was my error—that the City of Edinburgh Council and the Scottish Government had resolved the matter between them.

Anne McLaughlin: So, when you read the press release that said that DEMA would take on those obligations, as the chairman of DEMA you thought to yourself, "No, we're not doing that, but I guess that somebody has sorted it out" and it did not occur to you to question it.

Norman Springford: No, it did not, unfortunately.

Anne McLaughlin: Okay. I have one more question; it is connected not with the press release but with your opinion of the loan that was given to enable the gathering 2009 to go ahead. We all accept that more than £8 million was generated for Edinburgh. Given your experience, what would the consequences have been of not having that loan for the gathering?

Norman Springford: I cannot comment on the decision made by the Scottish Government to give that loan. If you want a personal opinion, there are umpteen instances of public sector grants that are unlikely to result in a return of those funds. If we take the example of Edinburgh's hogmanay, no one in their right mind expects the return of the grants that are made to promote the city at hogmanay, but the economic benefits to the city are enormous. Personally, I see nothing wrong in any form of Government giving a handout of that nature if it can be shown that there are substantial economic benefits to be derived from it. I see nothing wrong in the £180,000 being written off in that way.

Anne McLaughlin: That is a good point about the hogmanay celebrations.

Nicol Stephen: I return to the press release and the e-mail that you received at 4.20 pm on 15 October. You explained that you read the full press release and you commented on an item that was outside your quote, which I am reading now

and which does not refer to The Gathering 2009 Ltd. Your comment was on an issue in the wider press release. You also told us that you read the sentence that says clearly:

“DEMA will take on The Gathering 2009 Ltd’s remaining private sector obligations”.

You did not miss that.

Norman Springford: No, I did not miss it.

Nicol Stephen: Did you fail to appreciate its significance?

Norman Springford: No, I appreciated its significance. The error was that I assumed that the Scottish Government and the City of Edinburgh Council had resolved that funding would be available to DEMA to meet those obligations.

Nicol Stephen: So you saw that sentence in the press release and you decided to let it run and not draw attention to it. In summary, you trusted the council and the Scottish Government on the issue.

Norman Springford: Yes, but it was not a commission of trust; it was an acceptance and presumption that the press release would not have been issued unless the matter had been resolved.

Nicol Stephen: But the issue had not been resolved.

Norman Springford: No, it had not. Hindsight is wonderful, but at the time my assumption was that it had been resolved.

10:15

Nicol Stephen: I am interested in the fact that you do not want to use the word trust, although I can see no other word for it. You relied on the Government and the council to come through with the £300,000. How would you describe that other than as an issue of trust?

Norman Springford: The issue of trust was that the press release would be issued with that point having been resolved.

Nicol Stephen: Exactly.

Norman Springford: It is such a significant point.

Nicol Stephen: But it had not been.

Norman Springford: It had not been.

Nicol Stephen: Is that not an issue of trust?

Norman Springford: Yes. It is an issue of trust that, surely, the Government and the council would not have issued a press release of that nature unless the matter had been resolved.

Nicol Stephen: Exactly.

Norman Springford: My assumption was that it had been resolved.

Nicol Stephen: Exactly.

Norman Springford: With hindsight, it is clear that it had not.

Nicol Stephen: And just how quickly did it unravel?

Norman Springford: Within hours, almost. Immediately that the press were on to the statement that we would meet the obligations, we had to say that, unless we could get written assurances that funding would be available to meet those obligations, DEMA would not be in a position to do so.

Nicol Stephen: At that point, you must have contacted the council or the Government—the council, I presume—to find out whether an agreement had been reached and what lay behind that sentence in the press release.

Norman Springford: No, I did not. I was responding to the question whether DEMA would meet the obligations.

Nicol Stephen: And the press release said that you would.

Norman Springford: Yes, but I was asked by the press whether DEMA would meet the obligations and my answer was that DEMA could meet the obligations only if it had the funds to do so, and it did not have those funds.

Nicol Stephen: At what point did you contact the council? You did not contact the council before issuing a clarification to the press. You must have contacted the council or the Government at some point that day to find out what lay behind the wording of that sentence in that press release.

Norman Springford: I had no channels to the Government. I was not aware of any discussion—

Nicol Stephen: You were not aware that the Government had drafted the press release.

Norman Springford: No. Until it came out in press articles recently, I was still not aware that the Government had done that. The press release said that it was issued by the City of Edinburgh Council, and I assumed that the City of Edinburgh Council had produced it.

Nicol Stephen: You must have contacted Mr Anderson, who phoned you on 13 October to put the proposal to you.

Norman Springford: No. My recollection is that Greg Ward would probably have been involved. I do not recollect speaking to Dave Anderson on the matter at any time after the press release was issued.

Nicol Stephen: So, when did you speak to Mr Ward and what was the nature of that conversation?

Norman Springford: It is difficult to recollect the timings.

Nicol Stephen: I presume that it was on that day. Was it on 15 October?

Norman Springford: I can only say probably—I have no notes of any phone call at that time. Numerous discussions took place over the few days following the issuing of the press release. If you are asking me to be precise, I cannot say with certainty—

Nicol Stephen: As precise as you can be.

Norman Springford: A number of telephone calls were made within two or three days of the press release being issued.

Nicol Stephen: When you made those calls, what did you discover?

Norman Springford: I discovered that verbal assurances had been given that the funding would be made available either for clearing the obligations or for the subsequent event.

Nicol Stephen: Verbal assurances of what nature?

Norman Springford: That the funding would be available.

Nicol Stephen: Verbal assurances by the council that it would make the funding available to DEMA, or was the Scottish Government to be involved?

Norman Springford: I believe that the Scottish Government was to be involved.

Nicol Stephen: Can you tell us more about that, please?

Norman Springford: I believe that discussions took place between Greg Ward and Sir John Elvidge to the effect that the Government would ensure that funding was available to meet the obligations of a future event. No assurances were given that funding would be available to meet the current creditors' obligations.

Nicol Stephen: You discovered that nobody in the council and nobody in the Scottish Government had authorised or approved any allocation of funding to DEMA that would justify the sentence in the press release on 15 October that said that DEMA would take on the remaining private sector obligations.

Norman Springford: That is correct.

Nicol Stephen: You had been completely stitched up, Mr Springford, had you not?

Norman Springford: The press release is clearly at odds with the circumstances that we faced. The question was whether we had funds available to meet the obligations. The answer was that we did not. Neither did we have any written assurances that funds would be available.

Nicol Stephen: Did you feel stitched up?

Norman Springford: I felt disappointed, and more embarrassed for the city than personally embarrassed.

Nicol Stephen: But you have already told us that your position was difficult and untenable—you resigned from the post.

Norman Springford: I did not necessarily resign because of the position that I was placed in.

Nicol Stephen: I cannot think of a better reason to resign from an organisation than being placed in that position. Can you?

Norman Springford: Yes.

Nicol Stephen: You were placed in an untenable position because of—

Norman Springford: I was placed in an untenable position, but I resigned on 6 November, which was post the events. My resignation was part of the events, but it happened post the events.

Nicol Stephen: Are you trying to tell us that the events that happened on 15 October were not a fundamental reason for your resignation on 6 November?

Norman Springford: They were a substantial part of the reason for my resignation, but it was not the—I am trying to be as careful and precise as I can—

Nicol Stephen: I can see that.

Norman Springford: It was not the funding issue, or the lack of funding, or the position that you effectively described when you asked whether I was stitched up. Was I sufficiently annoyed by that to resign? No, that was not the reason for my resignation.

Nicol Stephen: What was the reason?

Norman Springford: The reason for my resignation was that Councillor Tom Buchanan was on the point of issuing a letter on local government paper replacing me as chair. He did not have the authority to do that, because DEMA is a private limited company.

Nicol Stephen: When that happened, was there an exchange of correspondence, or did you feel that it was a step too far and that you would immediately resign?

Norman Springford: My view was that I did not wish to cause the city any embarrassment. I was in the privileged position of being party to a fair bit of involvement in the city's affairs and I was privileged to be in the chair.

Nicol Stephen: Was it explained to you why Mr Buchanan was taking those steps and was trying to get rid of you as chair?

Norman Springford: No. I received a copy by e-mail of the proposed letter. The e-mail came from Kenneth Wardrop, who said that we had not discussed this at the board meeting, and made a certain number of proposed changes to the letter, but by that time the damage had been done. It was crystal clear to me that I was no longer welcome.

Nicol Stephen: Do you believe that it might well have been because you were failing to go along with the City of Edinburgh Council and Scottish Government deal that the private sector obligations of The Gathering 2009 Ltd would be taken on by DEMA?

Norman Springford: I have absolutely no doubt that that had caused embarrassment. Councillor Tom Buchanan is, in my view, a very honourable man. He would not have taken those actions without interference from or the involvement of someone else. I am certain in my own mind that I had embarrassed somebody—whether the Government or the local authority—and I was being replaced, and that was fine.

Nicol Stephen: But you do not know who that person or those persons are. You can only speculate.

Norman Springford: I can, indeed, only speculate.

The Convener: I will stick with this issue for a minute, Mr Springford. The situation is truly astonishing. An eminent businessperson in the city of Edinburgh took a hard and unpopular decision—some would say that it was a principled decision—that DEMA could not take on liabilities, because it had no money. That decision did not go down well, perhaps with people in Government or perhaps with people in the City of Edinburgh Council, and a matter of weeks afterwards someone who was regarded as making a significant contribution to DEMA found out that a letter was being prepared on the council's headed paper to say that he was being removed.

You regard Councillor Buchanan as an honourable person and you do not think that he made that decision. It would not have been council officials who made that decision, because they could not instruct a councillor to do that, so someone on the political side of the City of Edinburgh Council or someone on the political

side of the Scottish Government contacted Councillor Buchanan and there was a discussion, after which Councillor Buchanan prepared a letter that you found out about. You decided that your position was untenable, not only because DEMA could not take on the obligations in question because there was no money, but because someone was saying, in effect, that you were out the door. We can only surmise that it was decided that you were out the door because, as a businessperson, you called it as you should have done, legally and financially, because you thought that DEMA could not take on something when you had no assets behind you.

I find it outrageous that something like that should have happened to someone who did the right thing and who was not prepared to compromise themselves, financially or legally. Were you angry when you found out that someone was, to use Nicol Stephen's phrase, not only well and truly stitching you up, but acting behind your back because you would not play along with whatever game was being played?

Norman Springford: I can merely comment that I think that you are spot on. I received a copy of the letter at about half past 12 and within 50 minutes, I had resigned. Yes, I was annoyed, but although I was annoyed, I did not wish any embarrassment to be caused. If someone had asked me whether I minded stepping aside because I was causing embarrassment, I would have been perfectly happy to do that. As I said, it was a privilege to act as interim chair of DEMA and I did not wish any harm to befall DEMA or the city.

The Convener: That is a highly honourable position to take. I just wish that other people had had the best interests of the city of Edinburgh at heart when they came to their conclusions about how the matter should be dealt with. Why they would have wanted to sacrifice someone like you who was making a significant contribution in your own time is truly beyond me.

Did you speak to Councillor Buchanan about why he did that?

Norman Springford: The response that came from others was that it was not his intention to replace me immediately. In my view, the letter was crystal clear, but the subsequent response was that the lady who was being invited to become the chair was being invited to do so at a later date—in other words, it was not intended as an immediate invitation—but, in my view, the letter made it quite clear that it was an immediate appointment.

The Convener: We are talking about quite ruthless behaviour. When you did not play along and said how you read the situation and what you, as a businessperson, believed the legal and

financial position to be, that did not go down well. Ruthlessly, steps were taken to have you removed and poor old Councillor Buchanan, for whom you have a high regard, was used by someone else as the vehicle for dispatching you. That is truly astonishing and quite cynical in the extreme.

Mr Frank McAveety (Glasgow Shettleston) (Lab): First, I commend you for what you have said this morning. It has been a difficult time for you. It has emerged in the course of our discussion that a number of challenges emerged as the situation unravelled, and I think that we should put on record our appreciation of your commitment to the city of Edinburgh. Coming from a Glaswegian, that is an incredible commendation.

In your previous experience in the private sector, for example of dealing with emergencies, have you experienced a similar way of handling a situation from the point of view of how information was shared—or, rather, not shared?

10:30

Norman Springford: No, I think that I was ill prepared. I might well be a businessperson—in which respect, I would probably argue with the reference to “prominent”—but the fact is that we in business deal with things in a different way from the public sector. If you are asking whether I would have dealt with the situation in a different way had I been a politician like yourself, my answer is probably yes. Things run in different ways. I do not mean to demean your profession when I say that I do things in an open way, and I am not saying that as politicians you are necessarily covert in your actions—[*Laughter.*] However, you are not quite as forthright as I might be.

Mr McAveety: Given our obligation to be transparent in the way we conduct our business, I am interested—and worried—to hear your assessment of how some of this process has been handled.

I believe that you have already said that, although you were one of DEMA’s key figures, you were not made aware of key discussions over whether certain obligations and liabilities could be met. Is that correct?

Norman Springford: Yes.

Mr McAveety: You said earlier that your organisation simply made assumptions that other discussions were taking place out of respect for the public sector’s parameters and the way in which it would debate the issues. I presume that, by that, you mean the dialogue that council officials, Government representatives and the political leadership at council and national level might have been having to try to address the issues. Are you saying that at no time did

someone sit you down and say, “Here’s what we intend to do and here’s the exact programme of activity for the next period”?

Norman Springford: No one did that.

Mr McAveety: Do you think that they should have?

Norman Springford: Well, yes. I am a member of the Association of Chartered Certified Accountants, but you do not need to be someone of that calibre or a financial genius to look at DEMA’s financial situation and work out that we could not afford those obligations and could not pay them without getting into difficulty. Even with the press release that said that DEMA would meet the obligations, my natural assumption was that a deal had been cut beforehand to ensure that DEMA was in a position to do so. After realising very quickly that there were no such assurances, DEMA’s directors were left in the position of saying, “We cannot meet the obligations”. It is as simple as that.

Mr McAveety: In a sense, you are saying that you cannot be cavalier about your fiduciary duties.

Norman Springford: That is correct.

Mr McAveety: And the concern over whether such obligations could be met would make it impossible for you, as someone with liability, to confirm what was in the press release, whereas other individuals perhaps felt that they could stretch its meaning.

Norman Springford: It is not necessarily the meaning. There could have been something via word of mouth or a verbal assurance that funding would be available to meet these obligations but, as a director, I felt that I could not depend on such an assurance. I needed something in writing to enable DEMA to accept those obligations, which was not forthcoming.

Mr McAveety: Was there at any stage confusion over whether the verbal assurances that were made were for liabilities for the 2009 gathering event or for future events?

Norman Springford: Both issues were involved. The press release was amended by Greg Ward, the head of economic development, effectively to put a stake in the ground with regard to future funding. The original press release, which I saw at 20 past 4, excluded from my statement the last sentence, but I cannot recollect 100 per cent what that sentence was.

Mr McAveety: In the press release, the last sentence of your statement is:

“we will now move towards more detailed discussions with the Scottish Government and other partners on the investment in, and delivery of, this project.”

Norman Springford: That is correct. It was effectively a precursor to putting a stake in the ground and was saying that by all means we would like to take on the obligations of the event—although not the financial obligations—but that we needed clarity over future funding.

Mr McAveety: So you were willing to take on the obligations for the event and the future development of a project such as the gathering, but not the liabilities that had emerged during that turbulent period.

Nicol Stephen pressed you on a number of points about the process subsequent to that time. You have had a political dialogue with Councillor Tom Buchanan, but you have never had a direct dialogue with Councillor Steve Cardownie on any of these matters. Is that correct?

Norman Springford: No. I believe that 15 October was a Thursday. On the Friday, there was a dinner at the Edinburgh International Conference Centre at which I was at Councillor Tom Buchanan's table, and he said to me, "Councillor Cardownie's on the look-out for you, so be prepared." [*Laughter.*]

Mr McAveety: I know he is a Hearts supporter, so he must be quite gentlemanly.

Norman Springford: It is worse than that—he used to be a tenant of one of the pubs that I used to own. I have known him for some time.

Mr McAveety: So you knew the meaning of that term, then.

George Foulkes: He was a tenant of one of the pubs that you used to own?

Norman Springford: I used to own the Playhouse and the pub next to it. Steve was the tenant there. It was a gay pub, I might add.

Mr McAveety: There is always interesting information to be found out. You can give me the details later.

With regard to the very difficult dialogue, you were presented with a situation in which a letter had been put together by Councillor Tom Buchanan. You mentioned that, at a future date, someone else could be asked to play the role that you were playing. Could you indicate who that was likely to be?

Norman Springford: I could do so. The lady in question is no longer in Edinburgh, as far as I am aware. I seek guidance from the convener as to whether this is something that the committee feels I should divulge.

The Convener: I have to leave that decision to you. I cannot instruct you. Your statements will be a matter of public record.

Norman Springford: The letter was addressed to Marcia Campbell, the chief operating officer of Standard Life. She had been approached at an early date.

As I have said, the background to the Destination Edinburgh Marketing Alliance was an interlinking of the work that was done to promote Scotland as a place to visit, live, work and study. Because the intention was to try to get representation from the various bodies that were involved in those areas, DEMA was light on the financial sector and on gender equality issues. The intention had therefore always been to engage a lady board member of financial standing, and Marcia Campbell was identified in that regard.

Mr McAveety: In the discussions that you had with Councillor Buchanan at that admittedly emotional and turbulent period, what did he say to you about what was happening with your role and about the proposed letter?

Norman Springford: There was no prior discussion—

Mr McAveety: Was there subsequent discussion?

Norman Springford: The subsequent discussion was to the effect that he had no intention of replacing me as chair. My stated intention had always been to act as interim chair, on the basis that DEMA needed as chair a person of gravitas and with a better standing in the city than I had.

Mr McAveety: Did that kind of language come as a surprise?

Norman Springford: I am sorry? What language?

Mr McAveety: Gravitas, standing and so on.

Norman Springford: No; that is my wording. I accepted the position of interim chair on the basis that I was there as a temporary appointee. We had always sought a high-profile chair.

Mr McAveety: Who is now the chair?

Norman Springford: Alan Johnston.

Mr McAveety: What is his background?

Norman Springford: He is the chair of the Edinburgh Convention Bureau. It is not my place to comment on any of that, though.

Mr McAveety: No—I was just trying to ensure that we had an accurate recording of the facts.

The Convener: You said that Councillor Buchanan told you that Councillor Cardownie was looking out for you. In the parlance, does that mean that he was looking out for your best interests? [*Laughter.*]

Norman Springford: Sorry for laughing, convener—perhaps that is a serious question.

The Convener: It is a serious question. In what respect was he looking out for you? Was it to help you?

Norman Springford: No, I think that he was annoyed. It was a serious question and I take it in that spirit. I think that he was annoyed that I had said publicly that DEMA would not pick up those liabilities.

The Convener: So there was an implied threat there.

Norman Springford: I would hardly describe it as a threat. I think that it was annoyance.

The Convener: So when you say that he was looking out for you, I presume that you mean that Councillor Cardownie was on the warpath and you were in his sights.

Norman Springford: Councillor Cardownie is always a fair man. He certainly did not give me a hard time. He merely said, “Are you the character that is giving us all this difficulty?”

The Convener: That is very politely put, obviously. In Edinburgh circles, such matters are resolved in a much nicer way than they would be in the west.

George Foulkes: I would not bet on that.

Willie Coffey (Kilmarnock and Loudoun) (SNP): To your great credit, Mr Springford, you are answering the committee’s questions in a candid and forthright way that is refreshing when compared with our experience at some previous committee meetings. Some of your answers are a wee bit colourful. I also commend you for sticking to the answers that you wish to give, rather than using the language that some members are putting to you in the hope that you might answer in another way.

I want to return briefly to the press release. I presume that DEMA is accountable directly to the City of Edinburgh Council.

Norman Springford: No, it is not.

Willie Coffey: To whom is it accountable?

Norman Springford: To the members of the limited company.

Willie Coffey: But the organisation is entirely funded by the city council.

Norman Springford: The whole organisation is almost exclusively and materially funded by the council.

Willie Coffey: So the council has a significant interest in DEMA and how it performs.

Norman Springford: Yes.

Willie Coffey: You said that you were fairly relaxed about the press release, despite your comments about some of the statements in it. You were happy with it at the point when it was issued. Would it be normal practice for a local authority with an arm’s-length body such as DEMA to issue press releases back and forward? Would DEMA issue press releases and get them approved by the council? Had the council previously issued press releases involving DEMA without asking for DEMA’s approval? I am curious as to whether the press release that we are interested in was a stand-out or one-off press release, or whether that was normal practice.

Norman Springford: I do not have enough experience and knowledge of how the public sector operates to answer that. All that I can do is talk about how DEMA operates. As I said, DEMA issues a number of press releases—it has an in-house team to do so. If DEMA is promoting events or marketing opportunities, that team creates a press release and then telephones me or sends me an attributable comment to ask whether I am happy with what it is planned for me to say. I either amend that or approve it. The press release that we are talking about was different, in that it was the first one that I had seen that had at the top of it the specific wording that it was issued on behalf of DEMA by the City of Edinburgh Council.

Willie Coffey: Surely there must have been some discussion in DEMA, among members of the board for example, about the content of the press release. You said that you presumed that an arrangement would have been put in place to cover the liability. Surely not only you but other members of DEMA must have had some discussion about that, all coming to the same conclusion that an arrangement had been made.

Norman Springford: No. As I said, the process happened at fairly short notice. I got a call on, I believe, the Wednesday, to say that DEMA was being invited to the party and that an e-mail about the press release was coming out. The first time that I saw it was 20 past 4 in the afternoon. The only discussion that took place with board members was about the principle of a future gathering, not about the inheritance of the debt of the previous one. That was not known to us, so there was no reason to discuss it.

10:45

Willie Coffey: I see. So there was no discussion at all, among anybody in DEMA, about the crucial element of taking on the liability.

Norman Springford: Not prior to the press release.

Bill Kidd (Glasgow) (SNP): Thank you, Mr Springford. Your contribution has been extremely interesting. You said—I think this is clear—that DEMA was a fledgling organisation. It was very new; it was just in the process of establishing itself and its remit. You also said that any income that it had to become established came almost exclusively from the City of Edinburgh Council.

Although you said that you were an interim chair, the manner in which you were informed that your services might no longer be required was perhaps not the best example of gentlemanly conduct. This might not be the correct way of doing things in business terms, but, given that it was the City of Edinburgh that put out the press release in the name of DEMA, is it possible—this might be guess work on your part—that it intended not only to follow through developing the assets and intellectual property rights to organise future events but to absorb the liabilities of the company as it was at the time?

Norman Springford: I do not have any way of knowing what was in the council officials' minds at the time. Subsequent to the press release there was certainly discussion about the intellectual property rights, databases and various other things. Although diligence had not been done, it was certainly clear that there was value in The Gathering 2009 Ltd. The extent of that in monetary terms was not known. Subsequently, an investigation has been carried out and a value has been placed on it. Whether DEMA could acquire those assets was certainly one of the matters that was discussed with Greg Ward, the head of economic development. The difficulty was that if the value had been, say, £300,000, it might well have resulted in the balance sheet being in balance—I am not being overtechnical—but it would have created a cash-flow problem that was equally as severe as the solvency problem. The solvency test was that, if we had acquired £300,000-worth of intellectual rights, databases and knowledge, what was the other half of the balance sheet? It was that, rather than having an intangible asset, payment would have to be made to the creditors—so where would the cash come from?

Bill Kidd: I understand that. Thanks very much for that answer, because I am not a businessperson, so it is always worth listening to people who understand how the cash-flow situation would feed out. That is the major issue for most businesses, particularly these days.

I know that some people might doubt the validity of an independent economic impact assessment, but I do not know why. The assessment was carried out by EKOS Ltd, which said that £8.8 million accrued to Edinburgh in particular and some more accrued to the rest of Scotland. The

majority of the money that was generated by the gathering accrued to Edinburgh—Edinburgh's businesses as well as the City of Edinburgh Council. Obviously, you believed that DEMA was an organisation worth being involved with—you have said that—and that the gathering was a worthwhile venture, given what it generated for the economy.

Do you still believe that DEMA has a role to play? If the circumstances around the liabilities could be overcome in some manner by the local authority, central Government or other public organisations, or even through deals with a private consortium, could the gathering and DEMA potentially come together to make it a worthwhile venture for the future?

Norman Springford: I still very much believe that that is the case. Edinburgh is a festival city. If a more varied programme throughout the year could be achieved, and if the gathering was an event that, if properly run, would enhance the city's reputation and benefit it economically, I would be 100 per cent behind it.

Bill Kidd: It is a bit of a loss for you not to be in charge of DEMA any more. Thank you for your answers.

Anne McLaughlin: I will return to the letter from Councillor Buchanan, but before I do so I have another question—accepting that, like my colleague Bill Kidd, I do not know much about business. Both DEMA and The Gathering 2009 Ltd were private limited companies.

Norman Springford: That is correct.

Anne McLaughlin: Is it standard practice—I genuinely do not know this—for one private limited company that takes over another to take on the liabilities of that company? I will explain why I ask. I very much doubt that you were “stitched up”, as Nicol Stephen suggested. Has there been a huge misunderstanding here? Assumptions have been made on different sides. DEMA made an assumption that The Gathering 2009 had somehow sorted things out; The Gathering 2009 made an assumption that DEMA would take on the liabilities—if that is standard practice. Is it?

Norman Springford: There are two ways of doing an acquisition. If a company buys a hotel, it would either buy the asset of the hotel from the limited company, or acquire the share capital of that limited company, which would then come with the assets and liabilities that the company had. I am sorry if I am going back to school for a number of people who are already aware of this, but if we take a £100 hotel—

Anne McLaughlin: Like in Monopoly.

Norman Springford: Yes. We could pay £100 for it, and that is the end of the transaction.

However, the company, as well as having the £100 asset of the hotel, might also have a £100 liability to the bank, for example. That company has no value. Equally, it would be possible to take over the share capital of the company for nothing, and that would mean inheriting the £100 hotel plus the £100 debt. In this instance, I did not believe that it would be a case of taking over the share capital of The Gathering 2009 Ltd; it would be a case of taking over some of its intellectual property rights and its database.

I believe that it was not The Gathering 2009 Ltd that DEMA was being asked to operate, however; the first phone call and the first remit concerned the future event. The question was whether we would like to run, on behalf of the City of Edinburgh Council, a future gathering.

Anne McLaughlin: That is helpful—even though it is not what I really wanted to ask you about.

The letter from Councillor Buchanan was to the woman whom you named—and this is what you said led to your resigning. What did the letter actually say?

Norman Springford: I have the letter—or a copy of it. Will I paraphrase a bit of it?

The Convener: It is entirely up to you, but it would be helpful to get a flavour of it.

Norman Springford: I will just get my glasses out—old age does not come easy.

It is from the convener of the economic development committee, and it is headed “Destination Edinburgh Marketing Alliance Ltd—Board Membership”. It says:

“As you will recall we spoke some time ago about the possibility of you taking up a position on the Board ... I am delighted to now be able to officially offer you such a position ... with DEMA now up and running, Norman Springford has indicated that he wishes to relinquish the role he has been holding over the past months of Interim Chair. I would be grateful therefore if you would also consider taking on the Chairmanship of DEMA.

I am including with this letter some information which you may find ... useful as you make your decision about whether or not to accept a position on the DEMA Board and take on the role of Chair.”

There are other little bits and pieces in the letter.

Anne McLaughlin: You said that you made it clear that you only ever wanted to be the interim chair.

Norman Springford: Yes. I was happy with that. The view that I held, and which I still hold, is that DEMA is a terrific organisation for the city. With deference to our Glaswegian, the way in which Glasgow runs tourism promotion and marketing is different from the way in which Edinburgh has tried to tackle them. Edinburgh is

trying to tackle them on the basis of not just including tourism, because that is just one branch. We have to integrate the themes of live, invest, visit, work and study. Somebody who comes to study here might become a worker who then comes back as a chief executive and is involved in inward investment. DEMA was formed to encourage that integration, and we do that by implementing a one-stop marketing approach, including our Convention Bureau and our festivals. I am sorry if I have laboured the point, but that is the background.

To my mind, the organisation is an extensive opportunity for the city. To get it off the ground required some initial seed capital of local government funding, but it was intended that the private sector would then contribute more and more funding, as in the similar models that are operating in Amsterdam and Copenhagen.

To explain why I talked about being only the interim chair, I believed that the organisation needed sufficient standing and therefore a chair with personal gravitas and more prominence in the city than I had. As I said, I was happy to take the organisation forward to the first stage, but I felt that it needed a person of prominence to lead it forward from there.

Anne McLaughlin: What was it about the letter that made you unhappy and caused you to resign? I might have misunderstood the position. You wanted to be the interim chair and then to hand over to somebody else, and that is what the letter was doing. Was it because you were not consulted before the letter was sent?

Norman Springford: The letter from Councillor Buchanan was unable to go out in that form. Because the organisation is a private limited company, he could not appoint a chair or directors. It was up to the members of the company to appoint the directors. Kenneth Wardrop wrote back with some amendments to the letter, saying that we did not believe that the matter had been discussed at the board.

It was not the fact that I was being replaced that caused me annoyance but the fact that I was being replaced at that point in time, because there had been no discussion about it. There had been no discussions about appointing a more prominent chair, but suddenly a letter was issued by Councillor Buchanan that, in effect, removed me.

Anne McLaughlin: You said that Kenneth Wardrop sent you the letter and said, “I don’t believe this is quite what we discussed at the board.” Was the matter not discussed by the board at all, or was he saying that the letter did not exactly reflect his interpretation of the discussion?

Norman Springford: What was discussed at the board on 21 October was the appointment of

additional directors. We had been at an early stage of development and we were now at the next stage, which was to expand the board. As I said earlier, there were six appointments. We were allowed to co-opt two further directors, and a further four appointments were possible by the members. There was discussion at that time about who would be suitable board directors.

Anne McLaughlin: If the rest of the board supported you and said, "Actually, that's not how it is, because we haven't discussed replacing you yet," why would you feel the need to resign? Why would you not just stay?

Norman Springford: In my view, the intention of the letter was crystal clear.

Anne McLaughlin: Did you say that you spoke to Councillor Buchanan afterwards and he said that that was not how he intended it to be interpreted?

Norman Springford: Yes.

Anne McLaughlin: Did he say how he intended it to be interpreted?

Norman Springford: His intention in writing

"I would be grateful ... if you would ... consider taking on the chairmanship of DEMA"

was that that would happen at a later date—perhaps two years later.

Anne McLaughlin: Thank you.

11:00

The Convener: Before I bring in George Foulkes and Murdo Fraser, I want to pursue that point. It would be helpful, Mr Springford, if you could give us a copy of Councillor Buchanan's letter now that you have put it on the public record. Is it correct that the letter referred specifically to your intention to resign?

Norman Springford: Yes, that is right.

The Convener: But you had not said that you intended to resign, so the letter to some extent misinterpreted or mis-stated what you had said. Mr Wardrop pointed out to Councillor Buchanan that he had exceeded his authority and that he had no power to appoint directors or to remove the chair. Whoever it was from the City of Edinburgh Council who assisted Councillor Buchanan in drawing up the letter had presumably badly advised him.

Norman Springford: I would not go so far as to say that he was badly advised. Given the situation with legal entities and limited company articles of association, the public sector would perhaps be involved in such actions. It seemed to be perfectly logical—it was, as I keep saying, the council's ball.

The Convener: Understandably. However, while I would not necessarily expect Councillor Buchanan to understand all the nuances, he would, in writing a letter on behalf of the City of Edinburgh Council, have had a team of lawyers, accountants and others around him who were versed in administration to give advice. Either he wrote the letter off his own back—although he said to you that he had not necessarily intended the resignation to happen and he was not particularly happy about it—or he had assistance from within the City of Edinburgh Council.

Although council employees may not be immersed in the private sector, those who have had legal training are expected to operate to the standards that are set out for the legal profession, and those who are qualified accountants are expected to adhere to the standards that are set out by the accountancy profession. They should have advised Councillor Buchanan on the legal relationship with DEMA and what he could and could not do.

Norman Springford: No damage was done, as the letter was issued for comment to Kenneth Wardrop, who corrected it. As far as I am aware, the letter did not go out. I have no way of knowing whether it did or not, but I think that it did not.

The Convener: It was nipped in the bud, because it was pointed out that Councillor Buchanan could not do that.

Norman Springford: He could not do that. It was the implication behind the letter, and its content, that caused the difficulty, rather than whether it was issued or not.

The Convener: Because you had not said that you intended to resign, and he had included something that was inaccurate, which came on top of what had happened with the press release.

I will bring in George Foulkes and then Murdo Fraser.

George Foulkes: I just want to fill in a gap. When was the meeting about the letter held?

Norman Springford: The draft letter was raised on 5 November and I received it on 6 November.

George Foulkes: The letter from the permanent secretary Sir Peter Housden states that Councillor Cardownie was involved in the meeting on 12 October to try to find a solution. He was one of the masterminds behind the plan to save the gathering, which he was keen to do from an Edinburgh point of view.

So the press release went out on 15 October, and then you resigned and you disavowed the press release. You then went to the dinner on the Friday, and Councillor Buchanan said that Councillor Cardownie was out to get you or was

looking out for you. What was the phrase that you used?

Norman Springford: He was on the look-out for me; he wanted to meet me.

George Foulkes: You can see why he would be annoyed. You had undermined his plan.

Norman Springford: The timings were different, if I may correct you. The resignation was on 6 November.

George Foulkes: I am coming back to that.

Norman Springford: Right—okay.

George Foulkes: I did not say that you had resigned—I said that you had disavowed the press release.

Norman Springford: My apologies.

George Foulkes: You had said that the press release was wrong and that DEMA was not taking on the responsibilities, so Councillor Cardownie was annoyed with you. What was the dinner?

Norman Springford: I cannot remember which dinner it was.

George Foulkes: Did you meet him at all?

Norman Springford: Yes. We met up—

George Foulkes: At the dinner?

Norman Springford: Yes.

George Foulkes: And what did he say?

Norman Springford: It was pleasant. There was a jocular comment. There was no nastiness or throwing the toys out of the pram.

George Foulkes: Was Tom Buchanan there as well?

Norman Springford: Yes. Tom and I had met up and Councillor Cardownie passed by.

George Foulkes: You were at different tables.

Norman Springford: Yes.

George Foulkes: Can you remember anyone else who was at the dinner?

Norman Springford: I cannot even recollect whose dinner I was at—and I was not even drinking.

George Foulkes: I have had that kind of evening myself.

So that was on 16 October.

Norman Springford: Yes.

George Foulkes: And on 5 November you got called in and shown the draft letter. Do you think that there was any connection between your

upsetting Councillor Cardownie and the letter being drafted and shown to you?

Norman Springford: All I can say is that I believe that I embarrassed someone. I have no idea who that was.

George Foulkes: Surely you can guess. Was it Councillor Cardownie or someone else?

Norman Springford: I have no way of knowing. All I can do is repeat my view that Councillor Buchanan is an honourable wee man and I do not believe that he would have issued such a letter without either prior consultation or discussing with me why he was doing so.

George Foulkes: But when you spoke to Councillor Cardownie at that dinner you did not discuss, say, prospects at Tynecastle the next day; you talked about this issue.

Norman Springford: I think that talking about Tynecastle with Councillor Cardownie would be an unlikely event.

George Foulkes: He is there regularly.

Norman Springford: Is he? I apologise—I did not realise that.

George Foulkes: He is a Hearts supporter, allegedly.

Do you remember what Councillor Cardownie said to you?

Norman Springford: I cannot recollect. As I said, there was a jocular comment. There was nothing difficult about the conversation. I have known him for many years.

George Foulkes: Have you seen him since?

Norman Springford: I cannot recollect whether I have. As I say, though, there was no animosity or sense of annoyance between us. It was a jocular comment.

George Foulkes: Has any other councillor, MSP or anyone else expressed to you concern over your disavowal of that press release or your resignation?

Norman Springford: No. If anything, all that I have had since that date is the support of the board's members, who have said that in their view the statement was exactly the correct one to make.

Anne McLaughlin: I have a quick question of clarification about the letter that led to your resignation. My understanding was that the letter from Tom Buchanan was intercepted just as he was reaching the post box, but you seem to be saying that he showed it to the other board members for comment and they showed it to you.

He did not decide off his own bat to run to the post box with it.

Norman Springford: Perhaps I can clarify. The letter was clearly dictated by Councillor Buchanan but it was then sent by his development adviser or whatever they are called to Kenneth Wardrop for comment. Mr Wardrop edited it, saying, "You can't do A, B and C and here are my amendments," and sent the amended letter back to the adviser. Mr Wardrop also sent me a copy of the letter and his proposed amendments, saying that he could not recollect it having been discussed at the board meeting. Indeed, his response to Councillor Buchanan's officer was, "I cannot recollect this having been discussed at the board meeting. If I am wrong, please let me know."

Murdo Fraser: I presume that when you saw the letter you came to the view that you were, in effect, being handed the black spot, that the City of Edinburgh Council had lost confidence in you and that it was time for you to go.

Norman Springford: Yes. I had embarrassed the council, the Government or whoever and it was time to go. As I have said, I was perfectly happy. I did not want to make a fuss and I did not divulge the presence of the letter until now. Indeed, I would not have divulged it had I not been called before the committee.

Murdo Fraser: You are obviously from the private sector. Am I right in saying that you are the chairman of Apex Hotels?

Norman Springford: That is correct.

Murdo Fraser: From what you have said, my impression is that you have been treated quite shabbily in the whole process. Do you feel burned by or bitter at your treatment?

Norman Springford: Not particularly. I feel disappointed rather than bitter. There was still an awful lot to do at DEMA that the city would benefit from. However, someone else has taken on the baton, DEMA is working well and the city is benefiting from it. However, I would have liked to have had the opportunity to continue in the position a little while longer to see whether we could enhance co-operation between the public and private sectors.

Murdo Fraser: Like other private sector people, you give up time to take on these positions. I presume that you became chairman of DEMA not for the money but because of your interest in improving Edinburgh's economic development and promoting the tourism sector in which you work. Would this whole episode make you think again about taking up a similar appointment in future? Would you be reluctant to do so?

Norman Springford: There is clearly a learning process. For a start, it is clear that the public and

private sectors operate differently. However, we have always recognised that each of those branches has particular skills. Although we do not necessarily see eye to eye on all things, I find it refreshing that we are able to co-operate, particularly in the current political climate.

Murdo Fraser: Okay. Thank you for your evidence.

The Convener: Mr Springford, the evidence session has gone on much longer than we expected and we appreciate your forbearance. This cannot have been easy for you. We also realise that you are at a disadvantage in trying to recollect conversations, times and dates without access to notes or records, so we really appreciate what you have been able to tell us and your efforts to be candid and fairly forthright. Your evidence has been useful and we thank you for giving us your time. No doubt you will hear in due course the outcome of the committee's deliberations.

Norman Springford: My pleasure.

The Convener: I suspend the meeting for a couple of minutes.

11:12

Meeting suspended.

11:19

On resuming—

"Emergency departments"

The Convener: Item 3 on our agenda is a section 23 report on emergency departments. We have with us Dr Kevin Woods, director general health and chief executive of the national health service in Scotland; Derek Feeley, director of health care policy and strategy with the Scottish Government; and Dr Bill Morrison, who is a consultant in emergency medicine with NHS Tayside. I apologise for any inconvenience caused by the considerable delay in starting this item. We had a useful session with a witness in relation to another item on our agenda.

Dr Woods, do you wish to say anything in introduction?

Dr Kevin Woods (Scottish Government Director General Health and NHS Scotland): I have two or three points. Thank you for giving us the opportunity to contribute to your discussions.

I am pleased that the Auditor General's report highlights high levels of patient satisfaction with emergency care services in Scotland. About 80 per cent of patients rated their care as excellent or very good, which is good news. We are also

pleased that the report made positive comments on the performance of the Scottish Ambulance Service and NHS 24, both of which have delivered significant improvements in recent years, as the committee knows. One point that the report makes that we agree with very much is about the need to ensure that all components of the emergency care services work well together. No doubt, we will talk about that later.

My final point, which is not covered explicitly in the Audit Scotland report but which is important, is simply that emergency services obviously have to accommodate significant short-term pressures at different times of the year, such as Christmas, new year and Easter, and I believe that in Scotland we have got much better at planning for those occasions. Of course, emergency services, of their nature, must be ready to respond to the unexpected, and health services in Scotland have a good track record on that. The evidence that I cite on that relates to the pandemic challenge that we had last year, when NHS 24 played an important role in ensuring that no undue pressure was put on emergency departments. However, as ever, there is much to do. We welcome the opportunity to tell you about the action that we are taking.

The Convener: You mentioned several facets of emergency services, including the Scottish Ambulance Service. Recently, there have been a couple of incidents of failures of control rooms, leading to the resilience facility having to kick in. On at least one occasion, calls were handled by a control room in Belfast. Obviously, it is a worry that, on one occasion, all the control rooms went down. I am not sure whether, on the second occasion, all the control rooms went down or just some of them, but there has been more than one incident in which ambulance control rooms have gone down. Clearly, the Scottish Ambulance Service is an important part of the emergency services. What caused that problem and what has been done to ensure that it does not happen again?

Dr Woods: The problems were to do with telecommunications systems. The arrangements that you describe are the standard arrangements that apply to ensure continuity of service. The Cabinet Secretary for Health and Wellbeing gave a full statement to Parliament on the background to the occasion to which you refer. The detail is in that statement. Obviously, the Scottish Ambulance Service has been working with its telecommunications contractors to ensure that any underlying issues are addressed. I am happy to give the committee an update on the action that has been taken.

The Convener: But it has happened on more than one occasion.

Dr Woods: There was another occasion recently, but I would need to check whether it was the same problem or a slightly different one.

The Convener: I did not suggest that it was the same problem, but control centres for the Scottish Ambulance Service have been down on more than one occasion.

Dr Woods: On the second occasion, only one centre was affected.

The Convener: Right.

Murdo Fraser: Good morning, Dr Woods. Perhaps I should congratulate you on your new appointment with the health service in New Zealand.

Dr Woods: Thank you.

Murdo Fraser: I want to ask about increasing demand for the emergency services, and inappropriate attendances. The auditor general's report shows that there has been a substantial rise in unplanned attendances at emergency departments. It also shows that 9,500 people who called an ambulance and arrived at the emergency department were not treated, presumably because they did not want to wait or they were not that unwell. Inappropriate call-outs are a tremendous drain on resources.

Part of the problem might be a level of public ignorance about what is an appropriate level of treatment, or people not accessing out-of-hours general practitioner care, or calling NHS 24 and not getting a response, or waiting a long time for a call back. What is the Scottish Government doing to manage down the number of inappropriate attendances and ensure that there is a proper focus on services that are more relevant to people's needs?

Dr Woods: As you say, the situation is quite complex; many factors are at work. It is important to set a bit of context around the increase in numbers, which is just under 10 per cent over a decade, which is an average of 1 per cent per year. Nonetheless, it is a rising pressure on emergency departments.

There are several reasons for the situation. For instance, the population is ageing—we have talked about that many times. People are living longer with long-term conditions, and when some of those conditions are exacerbated people might seek help from the Ambulance Service and emergency departments. Of course, many people self-refer to those services.

We are trying to dissect the problems, to understand their components and to design solutions to them. For instance, one of the concerns raised by the ageing of the population is multiple admissions of older people. That is where

our work on anticipatory care, risk prediction and advance arrangements is important—we have talked about that at the committee before.

More generally, on self-referral, we ran the know who to turn to pilot in Grampian, which was intended to explore how we can provide better information to the public to—*[Interruption.]*

I am sorry, is there a problem?

The Convener: We thought that there was a problem with your microphone, but it is still on.

Dr Woods: The pilot was intended to explore how we could communicate more effectively with the public about when to use NHS 24, when to call an ambulance and when to go to the emergency department. From that pilot, we have developed a set of resources that all NHS boards can use, and we have provided them with a small amount of funding for that.

Beyond that, we have developed initiatives in the Ambulance Service such as see and treat, where the ambulance will go out to a call but instead of transporting the patient to the hospital the ambulance staff will deal with the complaint there and then, and that will be the end of the encounter. We have been expanding that. Also, within accident and emergency departments, we have increasingly been co-locating primary care out-of-hours services.

We have tried to dissect the problem and put in place a range of appropriate responses. Perhaps Dr Morrison would like to say a bit more about his experience in Tayside.

11:30

Dr Bill Morrison (NHS Tayside): The specific problem group that you are talking about—the people who come by ambulance and fail to stay—is a worry. There is also a group of people who self-present and do not stay, although that does not have the same financial implications. It is difficult to come up with a common factor, and I do not think that there is one.

The know who to turn to campaign is useful. A lot of people know the messages already, but they can be reinforced, and we in the emergency services—the emergency departments, NHS 24 and the Ambulance Service—need to reinforce them to the public. There has been a tendency in the past to accept such behaviour and not to indicate to individuals that they have used a service inappropriately. We have a terrific responsibility to reinforce the messages. We cannot tell or advise them to behave in a certain way yet, when they do not do that, simply accept it. We do not have to accept it, and there is a big educational message to send out.

Of the group that you are talking about, some leave as soon as they find out that the waiting time will be prolonged, some are removed by police, some cause difficulty and some get an element of treatment. I think that if you tracked the figures you would find that quite a number of the individuals get some form of assessment by the triage nurse at the first point of contact, find out how long they are likely to wait and then decide that it is no longer an emergency. If we can have one influence on the issue, it is through education and reinforcing the messages. The financial implications are not small.

Murdo Fraser: Thank you, that is very helpful. Managing public expectations and ensuring that people have the right information are clearly a work in progress.

Are you confident that there is enough capacity in minor injury units, GP out-of-hours services and NHS 24 to cope with the demand if we shift people away from inappropriate attendance at emergency departments?

Dr Woods: I will comment, and Dr Morrison might then add a bit more.

One encouraging thing is the way in which NHS 24 and the Ambulance Service have not only sustained but improved their performance in the face of some increasing demand. They have got very good at matching their staffing and resource availability with peaks in demand, particularly, as I mentioned in my opening comments, at Christmas, new year and Easter. That is important and, to a degree, we can give you reassurance on that point, but it is obviously something that we need to keep under review. I will let Dr Morrison speak more specifically about emergency departments.

Dr Morrison: One message that comes across is that attendances are increasing. If all attendance for treatment at an emergency department is legitimate, nobody will complain, but there is a group of people who tend to use emergency departments for primary care purposes. We cannot give them the best primary care—that obviously comes from primary care services—and we need to look at shifting the balance.

Is there enough capacity? Yes, I think that there is. Could we improve the way that care is provided? Yes, I think that we could. There have been well-documented problems with NHS 24 since its inception. Things have undoubtedly got better, but the links and communication could be improved. There are times, particularly at the weekends, when individuals turn up at the emergency department saying that they have called NHS 24 and are waiting on a call back. If we scratch below the surface, we sometimes find

that they are being a little economical with the truth, but it undoubtedly happens.

The capacity exists, but we need to handle it a bit better. I am very keen to discuss and work towards reducing some of the heat on emergency departments in any way we can, and I do not think that my colleagues in primary care or NHS 24 have any difficulty with that. They would be willing to look at how they can accommodate more.

Finally, it is a law of nature that the path of least resistance will be followed. If someone can choose between accessing the system through an open door with a guarantee of being seen within four hours or accessing the system by making a phone call, waiting for a call back and then having to go elsewhere for an appointment—perhaps during daytime hours during the week, and perhaps having to phone up for an appointment and being unable to get through—it is clear which path they will follow. A piece of work needs to be done to equalise that access. We have an ever-open door that people come through—sometimes appropriately, sometimes not. Access to primary care, out of hours and within hours, could be improved.

Dr Woods: We are about to publish some guidance that has been agreed with the Royal College of General Practitioners on the issue of access that Dr Morrison has described, which we would be happy to share with the committee.

Murdo Fraser: That is helpful. Thank you.

The Convener: I would like to pursue that point. I take what Dr Morrison says about the path of least resistance, but what efforts have been made to quantify how much of an issue the difficulty in accessing GP out-of-hours services is in relation to accident and emergency departments? Anecdotally, most of us can share experiences of difficulty not just in accessing emergency services but in trying to use out-of-hours services. I wonder whether, because we are making it increasingly difficult for people to access out-of-hours services, more members of the public are doing what Dr Morrison suggests and going to accident and emergency departments because it is easier and sometimes quicker to get a service there. Has that been quantified? What steps have been taken to resolve the issue by reconfiguring out-of-hours services?

Derek Feeley (Scottish Government Healthcare Policy and Strategy Directorate): We have done some significant survey work, particularly in Glasgow and Lothian, on what drives those behaviours—why people attend accident and emergency departments. The survey has found that the reasons for that are related to people's perception of the seriousness of their injuries, especially if they think that they might

need an X-ray. Their proximity to the accident and emergency department is also a factor, as is people's perceived convenience—the attractiveness of the four-hour wait limit. There is also an issue around the age profile in that the people who self-refer to A and E tend to be younger. Only the convenience factor relates to your point about the relationship between access to out-of-hours services—and primary care more generally—and people's tendency to attend A and E departments.

The Convener: How significant, in numerical or percentage terms, is the impact on the emergency services of people's problem in accessing out-of-hours services? In essence, I am asking whether we now make it too difficult for people to access out-of-hours services, with consequences for the emergency services.

Dr Woods: The NHS 24 response times are very good—that is the performance point that I am talking about. The point that I think you are pursuing is about onward referral of patients by NHS 24 if the clinical judgment—and it is a clinical judgment—is that the person would benefit either from a telephone conversation with someone in one of the out-of-hours centres or from visiting a centre. We have improved that response but, as Dr Morrison said earlier, although it is quite good in the out-of-hours period, there may be issues about urgent access to general practice services within hours, which is where the guidance that has been agreed with the RCGP becomes important. I think that that is the point that you are pursuing.

Dr Morrison: I do not think that it is particularly an out-of-hours problem. The situation may even be better than is imagined. I probably gave the wrong slant on the problem, in that I failed to list the work that I am involved in to sort out the issues. I would not underplay our role in emergency departments. For far too long, we have taken an almost submissive attitude in saying, "Well, you are here." We have not reinforced education messages, and we have a big role to play in that.

Anne McLaughlin: The work that Derek Feeley referred to, regarding self-referral, showed that proximity and deprivation play a significant part in determining the levels of self-referral. You spoke about the Grampian pilot. Was it targeted? Have any pilots been targeted on areas of deprivation that are in close proximity to an emergency department? If not, would it be worth targeting those areas where there are significantly higher self-referral rates?

Dr Woods: I understand that the Grampian pilot was not targeted. It was about trying to demonstrate whether it was a viable approach and it demonstrated that it was. We have provided boards with the materials and the wherewithal, if

you like, to judge the best way to use them. If they took the view on the basis of their local data that the focus should be on the areas that you suggested, they have materials that could be tailored to enable them to do just what you described.

Derek Feeley: I can add that a useful thing that they did in Grampian—and this partially answers your question—was that they used the leaflet to reinforce the messages that Dr Morrison was talking about earlier. If someone attended—you are right that people from relatively deprived areas tend to attend more—they were handed a copy of the leaflet to make sure that they were aware of the situation. There was that subsequent reinforcement.

Glasgow is about to kick off their know who to turn to campaign and I am sure that they will use their health news as well as the local newspapers to get the message out.

Dr Morrison: Part of the emergency access delivery team work towards target 10 of the health improvement, efficiency, access and treatment targets—or HEAT 10—is to encourage and give guidance to emergency departments on feeding back to general practices. The data collection means that we can now report back to GPs about attendances from their practice area, which gives practices across the board, regardless of deprivation, information on attendance by their patients. If there is overuse or inappropriate use of emergency services, the GPs are in a position to do something about it. That is another example of better communication.

Anne McLaughlin: When you say that you are able to provide those data, do you provide them on request or are they provided as a matter of course?

Dr Morrison: We are in transition, but in Tayside we are providing those data automatically to practices with which we have been in discussion and that have requested them. That is being done automatically, and the idea is that it will be rolled out throughout the country.

Dr Woods: In the past, we have talked about the integrated resource framework. The provision of such data is part of the dialogue about giving people an overview of the way in which patients are using services and the cost consequences of those decisions.

Anne McLaughlin: Page 7 of the report states:

“The services provided by each emergency department vary across Scotland and this can be confusing for patients and staff”.

In your experience, are staff confused by what services they should be providing? Is there a particular problem with agency staff, who might

work for a couple of different health boards? What can we do to tackle the situation if that is the case? Is there any point in standardising the services provided by emergency departments across Scotland?

Dr Woods: The point that the Audit Scotland report was making is that, as we have expanded the range of responses to unscheduled care needs with the development of NHS 24, minor injuries units and so on, people might have become uncertain about which route they should take. That takes us back to programmes such as know who to turn to. As you have drawn attention to paragraph 10 on page 7, I assure the committee that there is absolute operational clarity in the Ambulance Service, for example, about where to take individual patients. That is always being updated throughout the day to ensure that people are taken to the right place. There is clarity. The report was making the point that there is now a more varied landscape and the health service needs to respond to that by providing more information, a point that we accept entirely because of what we have been saying.

11:45

Bill Kidd: Dr Morrison spoke earlier about triage. I have worked in the admin or reception areas of hospital accident and emergency departments and I know that triage is an extremely important tool for differentiating between the different levels of illness that people present at A and E departments. The report says—and I know that this is a fact—that

“Not all patients are triaged, for example at busy times staff may see and treat patients without triage.”

For all that see and treat is also used as a tool, triaging really can ensure a flow of patients under the four-hour waiting time and remove quite a number of the patients who really do not need to be at A and E before they get through to see medical staff.

To what degree are hospitals being not only encouraged but made to ensure that triaging is available at all A and Es and, as far as possible, at all times?

Dr Morrison: I understand that the situation has changed over the past few years. Triage used to be an absolute given—and it is still very much up there. Then the principle of streaming came along. I was rather confused by that at first. It is triage by another name, but it also means that patients who can be dealt with very quickly by see and treat are put in that category. We used to have the Manchester five triage categories, which were very formal, but there is now some flexibility. However, all patients are seen by a nurse at an early point and allocated a priority. Occasionally that will

mean a rapid turnaround and we might have staff who are dealing entirely with see and treat for cases that can be dealt with quickly. We still have a standard that says that, after the patient registers, they should be seen by the nurse as the first point of contact within 10 minutes. That still holds. So, triage is still there. It is a bit of a red herring to say that not everyone goes through it, because everyone goes through the point of first assessment. We have altered the language a little bit, which might be confusing, but the principle is still there.

Bill Kidd: Is that 10-minute requirement now a standard pattern in hospitals?

Dr Morrison: It is not a standard that we have been told to adhere to. Guidelines were put in place, principally by the College of Emergency Medicine, but we are not in a tick-box situation. We monitor to see whether we are reaching the standards, but we do not report on that at the moment.

Mr McAveety: The report identifies a number of key areas. The issue that I want to focus on is the appropriate location of accident and emergency departments, which is obviously part of the wider community debate about treatment in Scotland.

However, I want first to refer to a point about benchmarking in the briefing that we have received. There is a comment about what quality of care you would receive at an emergency department. The understandable assumption among the public would be that, in extremis, you are presented to an emergency unit that will have a range of skills to address the problem. My hunch is that I am not convinced that that range of skills will always be there, given the European working time directive and the range of clinical experience of staff present at any given time. When I read about how we benchmark, I was concerned about there being disconnection in that regard.

What are the historical reasons for where we have emergency units? I remember coming across papers eight years ago when I was involved in the Executive about a pretty dramatic shift—they did not even relate to the units that ended up being contentious in 2006-07—and a significant reduction in emergency units in Scotland. Given that senior professional clinicians were discussing those points—the papers were essentially clinical papers—do those views and concerns about how best to locate such units still exist?

Dr Woods: I will kick off and then I will ask Mr Feeley to comment on the locational points that you raise, because the work that was done in the context of the Kerr report, which Mr Feeley supported, is relevant.

On quality indicators, benchmarking and other such issues, the Audit Scotland report has been

produced before we have the benefit of the work that ISD Scotland has done recently to build an indicator set and before the College of Emergency Medicine, whose Scottish board Dr Morrison chairs, has taken such work further. We are committed to building that range of indicators on quality and so on to complement the four-hour target. That target is an important feature of a quality service, but we want to supplement it with other indicators.

I invite Mr Feeley to talk a little about the spectrum of emergency services and their location.

Derek Feeley: As we have considered the issue over time, we have focused deliberately on the whole range of unscheduled care services, because our belief was and is that considering emergency departments in isolation does not recognise the interdependencies that Dr Woods spoke about. That is why, when we worked on the Kerr report, which has informed thinking ever since, we identified four levels of unscheduled care, from community-provided services such as GP out-of-hours provision all the way through to level 4—the highest level of trauma-type services—which we recognised that only a limited number of places should provide. It is now for boards to take that planning guidance, recognise the range of services and ensure that they have facilities in their communities to provide such services to local populations.

Mr McAveety: I remember reading a long time ago the Scottish trauma audit group reports about the primary importance of paramedic intervention. Many of us have personal experiences of reasonable proximity to A and E units, but the reality is that the work that is needed to make someone survive is probably best done by properly qualified paramedics who have the resources to intervene in such extreme cases.

Such services were a contentious political issue in 2007 between the previous and the current Administrations. That was a key defining political debate, which is understandable, because the public have a strong attachment to using such facilities in an extreme situation and to the quality of care that is available. However, I have read stuff that says that people do not receive care where they think that they will get it—they will probably receive care in another hospital. How do we reconcile that? It strikes me that there are strong political imperatives on such issues from the public and from statements that have been made in the Parliament. If we have a fixed view and do not have a more open debate, where do we go on the issues?

Dr Woods: Mr Feeley described a framework in which such discussions can take place. I will

shortly draw in Dr Morrison to say a little about trauma.

It is important to differentiate between patient groups. The needs of surgical patients, medical patients and trauma patients might be better served in different places. The framework is intended to enable boards to think their way through that set of issues.

You made a good point when you referred to STAG's work on the role of paramedics. In recent years, the use of paramedics on front-line ambulances has expanded substantially. That is transforming the Ambulance Service from a transport service into an outreach clinical service.

That is important, but it prompts me to say that we have a dedicated, publicly funded air ambulance service in Scotland. Scotland is unusual in the United Kingdom in having such a publicly funded service, which we have been developing with our emergency medical retrieval service. It is clear that the notion of fixed locations is important, but the other services that we have put in place are also important components of the ability to move patients to where they can get the best possible care.

Dr Morrison will comment specifically on trauma.

Dr Morrison: The question is interesting. I imagine myself asking members how we will sort things out, as it is clear that the public want teaching hospitals on their doorsteps, but we will never have that. Therefore, services must be tiered, as has been illustrated. If we started with a blank sheet of paper in Scotland, we certainly would not end up with the distribution of services that we now have. The point is made in the report that the services have evolved over time.

We need to accept that some centralisation of services is needed. Other approaches are not affordable and could not be staffed. Let us take trauma as an example. When STAG was first formed many years ago and started to show the deficiencies in trauma care, we had a number of hospitals that were no better than a western film set. Their front doors looked great, but there was nothing behind them. We have moved on, and we now have a system that involves the air ambulance service and local organisations in which patients with severe injuries will be taken to hospitals that can deal with them, but we will never have such hospitals on every street corner. We must accept that we must get the pre-hospital care right and the paramedics trained to a level at which they can look out for the As, Bs and Cs, so that we can get patients to the nearest appropriate facility, which may not always be two miles away.

Dr Woods: The general principle is that, where there is a clear evidence base that patients can benefit from a concentration of services, we will

concentrate services because we know how important local access is for most services that people want. It is about how things are balanced. The evidence evolves over time, of course. People who have suffered a particular form of heart attack that paramedics can detect at the scene will be taken directly to a hospital at which coronary intervention can take place, rather than to an A and E department just down the road, as there are better outcomes for such patients as a result of concentrating services in that hospital. Dr Morrison may be better placed than I am to comment on that matter. The debate on that has to be balanced.

Mr McAveety: That is interesting.

The Convener: The role of paramedics was mentioned. I have seen an imaginative and innovative approach taken in recent years in Renfrewshire. A paramedic on a motorbike has located himself for part of the day near my constituency office. Such an approach is fantastic. The speed of response to an emergency call is critical in some cases and a person on a motorbike who sits waiting for calls to come in can cover quite a wide area. A rapid response can mean the difference between life and death: the motorbike may be able to get to the person in time and they will decide which hospital the person needs to go to. Dr Woods spoke about that. The ambulance service is to be commended on the excellent and imaginative work that it is doing, in which I wish it well.

I do not think that we got an answer to Frank McAveety's question whether clinicians and professionals think that A and E services are properly located and distributed. What are the professionals' views on that?

12:00

Dr Morrison: The word "professionals" encompasses a large group, and there will be different views within that group. We have been down this road before with Lanarkshire and Ayrshire. In those cases, even within the clinical groupings, there were differing views about whether there should be closures, centralisation, rationalisation and so on. However, I also accept that, at the moment, the landscape is such that we have what we have and that it will stay like that.

I can speak only for myself, but I have an overall view of emergency medicine and I think that we need some further form of centralisation. That view is based on the fact that I am not sure that we can guarantee the services that we would want to be able to deliver to the biggest group of patients unless we can provide senior medical cover on a 24-hour basis. I do not think that there is a possibility of doing that in all the units that we

are currently trying to staff. That does not mean that I think that there should be closures; it means that we should try to fine tune the level of service that we have in certain units.

The Convener: Earlier, you said that there was a need to centralise services because the current situation is unaffordable. However, you have now expanded your view to say that you have concerns about the fact that we cannot guarantee services unless there is 24-hour cover from senior medical people. You are expressing financial worries, but you seem also now to be expressing medical concerns about the current situation.

Dr Morrison: I am not sure that we can separate the two. You have all seen the report, which shows that a lot of injuries that come to A and E departments are towards the minor end of the spectrum—although that is a dangerous word to use—but also that some significantly ill and injured people come to A and E departments. We do not know when they will come, but we know that their conditions are no respecters of a 9-to-5 routine. Therefore, it is folly to suggest that we should have consultants present between 9 and 5 but have a junior doctor on duty at 2 in the morning.

I have worked shifts during all the time for which I have been a consultant, and I have a firm belief that shifts are the way in which the service should be organised. We need to do that because people get ill and injured at any time. However, at the moment, we do not have the level of senior staff to enable us to do that in every hospital in Scotland that has a full A and E service.

The Convener: Are you concerned that, as a consequence, the individuals who need the service will not have adequate access to the necessary level of medical expertise?

Dr Morrison: In short, yes. We do our best to provide the cover but, sometimes, that cover might not be provided by someone who is as experienced as we would like them to be.

Dr Woods: Just to reiterate a point, it is important to differentiate between types of patient in this debate. The evidence base for the benefit in outcome terms will vary according to the type of patient. It is not a simple either/or situation. The area is complex and the evidence base is quite contested. The Government believes strongly that people value timely local access, and that is supported by the report. However, we must not lose sight of the fact that there must also be access to safe and high-quality services that deliver the outcomes that we want for everyone.

Willie Coffey: I have a question about trends that relates to what the convener asked about earlier. The number of people who present to A and E has gone up 10 per cent in 10 years to

roughly 1,500,000. The table on page 16 of the report suggests that half of the current presentations are for minor illnesses and so on. Was that the position 10 years ago, as far as you know? Is there an increasing trend for minor presentations?

Dr Woods: I will defer to Dr Morrison, although I speculate that there has probably been a similar mix over that period.

The report says that the number of patients here has gone up by about 10 per cent, as you say. It is reported that the figure has gone up by 43 per cent in England, and we are intrigued by that. One of our objectives is to ensure that people are using A and E departments more appropriately. We want to understand that difference rather better.

Dr Morrison is better placed to talk about the long-term trend.

Dr Morrison: I do not think that the case mix has changed significantly. I have some issues with the description of up to 50 per cent of patients presenting “minor injury or illness”. That is a dangerous description. Frequently, conditions can be described as minor only in retrospect. Even if something is minor, that does not mean that it is inappropriate for it to be presented at an A and E department. I would prefer to talk about things in terms of need, urgency and emergency. You will find that those departments are more responsive—they have to be responsive according to a timescale that might not apply in other services.

I do not think that the case mix has changed too much and I am slightly concerned about the figure that has been cited. We have done some work on this recently in Tayside. We have a system whereby, if somebody turns up in an A and E department with things that they have had for longer than three days, they are highlighted at triage to see whether it would be better to redirect them elsewhere. However, that applies to only 7 per cent of our attendances, so I am not sure how to rationalise a figure of 50 per cent. Cases might be minor, and the total might be 50 per cent, but most of the patients concerned still need to be there.

Willie Coffey: According to the table on page 16, the hospital in my constituency, Crosshouse, has about 60 per cent—two thirds—of presentations admitted or referred. I do not know whether that is bad news or good news. Is it bad news in the respect that there are more cases requiring admission being presented at Crosshouse, or are more people using the accident and emergency service more appropriately in my area? It is hard to know which it is.

Dr Morrison: I can answer that with some degree of accuracy. Crosshouse operates a system whereby all patients come in through the emergency department. If someone has been seen by a general practitioner and has been referred for admission, for medicine, surgery or whatever, they will touch base in the A and E department, and they will be recorded as an emergency department attendance. In contrast, at Ninewells, if a GP has referred someone, we take the view that the GP knows that patient well, so they should go direct to a bed, rather than waiting on a trolley. Those patients go direct—they do not touch base in the A and E department, and they are not recorded as an emergency department attendance. There is also a default whereby, if the ambulance crew feel that the person needs immediate attention, they will come to A and E.

That illustrates the difficulty with comparing different units. We work in different ways, and there could be good local reasons for it. Anyway, that would certainly explain the figures for Crosshouse.

Willie Coffey: So it is not worrying.

Dr Woods: Increasingly, direct admission to medical or surgical beds by GPs is the trend.

Willie Coffey: That is helpful to know, as it explains some of the reasons why there are such variations in the data. I am reassured by your response in relation to Crosshouse. Thank you for that.

George Foulkes: I am slightly confused about nomenclature. Are “A and E unit” and “emergency department” interchangeable?

Dr Morrison: No.

George Foulkes: Could you explain the difference?

Dr Morrison: Emergency departments are A and E departments. During my career, they have been casualty departments and A and E departments, and now they are emergency departments. Do not ask me to explain why they have changed.

George Foulkes: But they are the same.

Dr Morrison: Those three are the same but an AMU—acute medical unit—is not the same as an emergency department. An acute medical unit is the next stage. If you have been seen by a GP who feels that you need to be admitted, or if you have been seen in an emergency department and it is deemed that you need in-patient care, you go to the acute medical unit.

George Foulkes: Let us forget about the acute medical unit for a minute. A and E units, as we used to call them, or A and E departments, are now called emergency departments.

Dr Morrison: Yes. Sorry—I misheard you.

George Foulkes: When was the decision made to change the name and why?

Dr Morrison: The decision was made about three or four years ago by the College of Emergency Medicine. I am not entirely sure that I can explain why, but it brings us more into line with practice in the United States and mainland Europe. It was felt that the word “accident” was not necessary.

Mr McAveety: What was it called in your day, George?

The Convener: Florence Nightingale.

Dr Woods: Casualty, I suspect.

George Foulkes: Burke and Hare used to deal with it.

Dr Woods: when did you become director general of health? I have forgotten.

Dr Woods: 2005.

George Foulkes: Which department were you in when Andy Kerr was the Minister for Health and Community Care?

Dr Woods: I was in the same job that I am in now.

George Foulkes: That is what I mean. You were in the same job, so you advised Andy Kerr on the proposed closure of the A and E units at Monklands and Ayr. Is that right?

Dr Woods: Since my appointment, I have advised all ministers on a wide variety of issues.

George Foulkes: My understanding is that you advised him to close the units on the basis that, as we heard from Frank McAveety and Dr Morrison, centralisation was necessary to provide the highest level of qualified consultants, but you later advised a new minister to keep them open. How do you reconcile that?

Dr Woods: Let me say a couple of things, if I may, convener. There are a number of former ministers on the committee who will know the conventions around what civil servants or public servants will say about the advice that they may have given to ministers at any particular time, but the reconciliation is really quite straightforward, in that I am a civil servant—a public servant—and I am employed to provide the best advice that I can to ministers and to implement and work within the policy framework that ministers adopt. I have no difficulty with that. If ministers come with a policy proposal, my colleagues and I will give them advice, but ministers will make decisions and we will work within the policy framework that is adopted. I do not see any inconsistency in that.

George Foulkes: Good. I hope that you have a nice time in New Zealand.

Dr Woods: Thank you.

The Convener: I note what you say about giving advice depending on the policy objective of ministers, but your professional opinion and professional advice on the best configuration of accident and emergency units has stayed consistent.

Dr Woods: The point that I am making—I was trying to explain this previously—is that the question of the balance between local access and the concentration of services is quite a complex and vexed one. The evidence base is contested, it is not always clear and it evolves. One has to consider all these issues in the context of ministers' policy preferences. That is all that I can say.

The Convener: Absolutely. But—

George Foulkes: Yes, minister.

Dr Woods: Perhaps, minister.

The Convener: But, clearly, new ministers came in post-2007 with a very clear policy objective and I understand absolutely that it is your job to give advice with respect to the policy objective. However, the situation prior to 2007 was that the minister did not have a policy objective as such; the minister was responding to the professional advice that was developing and was being given and was politically trying to ensure that resources were used in a way that reflected the best professional and medical advice. I presume that the professional and medical advice that you gave to the minister prior to 2007, to which the minister responded, stayed consistent post-2007, when you gave advice to the new minister about the best configuration of services, regardless of the political priorities of the minister at that time. Is that the case? That is the question that I am asking you.

12:15

Dr Woods: The point that needs to be added is that a further step was introduced after 2007, which was the independent scrutiny of board proposals. You will remember that, in the case of Lanarkshire and Ayr, an extensive process was bound up with that. That independent scrutiny shed further light on the evidence base. To that extent, new considerations emerged from the evidence base, which would no doubt have informed the advice that ministers were given and the decisions that they took.

The Convener: Had you taken steps to get independent scrutiny prior to 2007, the advice that

you gave to the minister, to which the minister responded, might have been different.

Dr Woods: It might have been, but that is a hypothetical question.

The Convener: If such scrutiny was so valuable post-2007, why did you not take steps to obtain it prior to 2007 to help the minister, who was responding to the professional advice that was given to him?

Dr Woods: The context for the advice that was given at that time was the Kerr report, to which Mr Feeley referred. When the new Government came into office, it pledged to continue with the services at Ayr and Monklands, and it asked for the independent scrutiny process to be undertaken. As I said, policy and evidence emerge constantly. In 2007, as a result of the independent scrutiny process, further evidence was put on the table that I am not sure was necessarily there in quite the same way prior to 2005, but Mr Feeley could comment—

The Convener: But we are not talking just about the situation prior to 2005. It still applied in January 2007. Why was that advice and information not given to the minister then? Was it just that you had not thought about it?

Dr Woods: No, the point that I am making—within the bounds of the conventions on what we discuss in relation to such matters—is that there was a policy framework and a set of evidence that informed the decisions that were taken at that time. The new Government came in and pledged to introduce a process of independent scrutiny, which produced some further information and evidence, in the light of which new decisions were taken.

The Convener: We have a situation in which politicians in the incoming Government thought that independent evidence would be good. The independent evidence that was obtained was so valuable that it changed the situation, but none of the professionals at a senior level who gave advice to ministers prior to 2007 thought about obtaining such evidence.

Dr Woods: I think that it is fair to say that the evidence base was contested prior to 2007.

The Convener: No, I am talking about the people who gave advice to the minister. Did you contest that evidence base?

Dr Woods: Obviously, we evaluate the evidence and information that are available. That is part of the normal business of government.

Derek Feeley: If you look back to the Kerr report, you will see that there is a huge amount of uncertainty about the relationship between volume and outcome that drives many of the issues to do

with the centralisation and location of services. That was the case then and it is still the case. As Dr Woods has recognised, the position evolves.

You will also see that the Kerr report stresses the need to balance the clinical perspective and the public perspective. We had ways of establishing a public perspective in 2005. Independent scrutiny reinforced—

The Convener: Forgive me, but I am not talking about the controversy and the different arguments, which you say have always existed. I accept that. I am talking about a situation in which, prior to 2007, the minister responded to the advice that officials gave about what was the best framework. He did not come in with a manifesto commitment about how services should be reconfigured but responded to the professional advice to which the two of you were central. You say that, post-2007, with the independent scrutiny, new information came to light that changed that. I am not talking about the controversy and the different views that have existed. I am talking about your views and your advice and how that could have shifted so substantially. Did it shift or has it remained consistent? I am not asking you to tell me what the advice was. I am merely asking you whether your opinion and your advice have remained consistent.

Dr Woods: What has remained consistent is that we have sought to give ministers the best advice that we can give with the information that is at our disposal at the particular moment in time. The fact is that that might change, but the consistency comes from giving ministers the best advice that we can with the information that we have.

The Convener: What changed, then, between January 2007 and September 2007, in terms of the best information?

Dr Woods: I am not sure what the significance of the September date is, unless it coincides—

The Convener: By September, the view was that there should be independent scrutiny and new information would eventually come to light, but in January you had a different view. At that time, you were telling the minister that this was the best way to structure emergency services. I am asking you what changed, from your perspective. Leaving the politicians aside, because I am just talking about the professionals, what changed in the intervening months?

Dr Woods: I am not sure that we can entirely divorce the politicians from the issue, because the change of Government came with a commitment to introduce independent scrutiny, and it was—

The Convener: No, no. I am not talking about that, Dr Woods. I am talking about the advice and

whether it remained consistent. Politicians have the right to make such a commitment. I am not contesting that. I am asking you about the advice that was given by key people—by you and Mr Feeley—who were central to policy evolution at the beginning of 2007. I am asking you whether your advice remain consistent, because we clearly came to a different conclusion.

Dr Woods: My point, without getting into details of the advice that may have been given to ministers at any particular time, is that we have given, with the information available to us, the best advice that we could give at each and every one of those points.

The Convener: What advice became available that was not available before May 2007 and which changed your opinion and your advice?

Dr Woods: I think the important point is what information became available that informed ministers' decisions, and it is all set out in the independent scrutiny panel report. It related to things such as a commentary on the workforce and staffing issues that had been quite a controversial feature of the proposals prior to 2007.

The Convener: I am not talking about that, Dr Woods. I am talking about the opinion of yourself and Mr Feeley. What information was available to you that changed the advice that you gave? I am not asking about the advice. What information became available?

Dr Woods: I am saying that the detail of that—I am having some difficulty remembering all of it because it was some time ago—is in the independent scrutiny panel report, and a lot of it related to commentaries on the workforce issues, which had been a major driver of some of the proposals in both Lanarkshire and Ayrshire. Part of the commentary in the report was on that, so that matter, for instance, would have been part of it. There was also quite a lot in the report on the rather complex question of volume and outcome, which is a debate that continues to be unresolved.

The Convener: But should not that information have been given to ministers prior to 2007?

Dr Woods: Information was given—

The Convener: Specifically on that?

Dr Woods: It is quite difficult to deal with the question in terms of the convention of what was said. I come back to my point that the information that would have been used would have been the best information and advice that was available to us and hence to ministers at that time. That is the consistent position.

The Convener: Clearly we are not going to get much further with this.

Dr Morrison: I think that I might have started all this off. I have a certain interest in this matter in that I was nominated although not selected to be on the independent scrutiny panel, and my memory suggests that the outcome of the panel was that it could find no evidence to support the changes that had previously been proposed. That is not the same as finding evidence to suggest that a different direction should have been taken—and, in saying that, I hold my hands up as one of the specialists and clinicians who might have been involved in giving advice on this matter.

I do not think that there is a yes or no to this question. I have given my opinion as to the direction in which things should go, but it would not be too difficult for the committee to go out and find someone with a different opinion. I do not think that there is any precedent or evidence base that suggests that policy needs to go in the direction of either centralisation or localisation alone. It is not that simple.

The Convener: I accept that 100 per cent and I know that, as the argument progressed, different opinions were expressed. I am simply trying to find out whether the key people who advised ministers on policy—and, indeed, were largely responsible for the evolution of the policy, as it was not in the manifesto—gave consistent advice all the way through the process. Clearly, I am not going to get an answer to that question.

Anne McLaughlin: My understanding from the responses to this section of questions is that the evidence that was not available to the health secretary before 2007 became available from the independent scrutiny panel, which was established by the current health secretary. Was there anything to prevent the previous health secretary from putting in place such a panel to come up with that evidence?

Dr Woods: Not in principle.

The Convener: But the point brings me back to the questions that I have just asked. I commend Nicola Sturgeon on introducing the independent scrutiny panel—fair play to her—but clearly it had not dawned on the people who gave the previous health minister advice that other information existed that could have changed the situation. Either he was given bad advice or your views have not changed and have remained consistent.

Dr Woods: The context was that the Kerr report had been produced and ministers had embraced its intentions in a publication entitled “Delivering for Health”. The boards were asked to go away and look not just at A and E but at their whole range of services. They did so and came up with proposals. At that time, there was no independent scrutiny process and, as they are to this day, boards were responsible for analysing and

reviewing services and running consultation and engagement events. You will recall that in the heat of these controversies much concern was expressed about the quality of engagement and consultation processes throughout the health service, not just in Ayrshire and Lanarkshire, and as a result independent scrutiny was introduced and the Scottish health council was created to provide an independent commentary on the work that boards carry out. All of that became available after 2007. The quantity and nature of evidence that has been available to the present set of ministers is different from that which was available to previous ministers.

George Foulkes: Dr Woods, do you remember who the MP for Carrick, Cumnock and Doon Valley was at the time?

Dr Woods: I believe it was you.

George Foulkes: Indeed it was. Do you remember that member's strong representations to the health minister and the First Minister against the closure of the A and E unit?

12:30

Dr Woods: It is much to my regret that I do not remember your specific representation, but I am sure that it was clear and to the point.

George Foulkes: Indeed. Do you remember that the then health minister—aside from the fact that he told me that the health board, which was full of experts and consultants, had recommended the closure—was advised by his civil servants that it was the right thing to do?

Dr Woods: I do not remember that specific conversation. I am not sure that I should comment on a discussion that may have taken place between a minister and a fellow member.

George Foulkes: Was Kerr independent? I mean Professor Kerr, not Andy Kerr.

Dr Woods: Yes, I believe he was. It is important not to personalise the report: although his name is associated with it, the report was the creation of an extensive process of engagement and dialogue in consultation. Mr Feeley was the secretary to the group that was involved, which contained very able and committed people. I am sure that Professor Kerr was independent and that he dealt with the issue in the most objective way that he could.

George Foulkes: Absolutely—I agree. So how do he and his group differ from the independent scrutiny panel?

Dr Woods: The process moved on. The Kerr group was considering not the specific proposals but the generality of the policy. The independent scrutiny panel was examining the specific

proposals. Kerr was, if you like, a commentary to inform decision making on the specific proposals that the boards had created, which was a rather different context.

George Foulkes: But each was independent. It must be an enviable position to be able to make those recommendations and not have to bear any of the responsibility, as that rests with ministers. You get paid a great deal more than ministers for that privilege.

Dr Woods: You have referred to the fact that I will be moving on in the near future. It is not only enviable to be able to occupy a position like this and make a contribution but a real privilege. I have always believed that it is my job to give ministers the very best advice that I can, given the circumstances, the policy framework and the evidence that is available at the time. That is what I believe my colleagues in the Scottish Government do, and we have a strong set of values to ensure that that is the case. I am sure that there are people around this table who have occupied ministerial positions in the Government, and I hope that they recognise that.

The Convener: I have one final question. Are you aware of staff concerns that patients are being moved out of emergency departments or discharged to avoid breaching the four-hour target?

Dr Woods: You ask whether we are aware of staff concerns. We are aware of what is in the report with regard to the staff survey. However, we believe that the staff survey should be treated with a degree of caution; I would be happy to give the committee a note on that. It uses a comparatively small sample, and the responses disproportionately represent a group of staff who are not clinically responsible for admissions.

The point I really want to get across is that we are very clear that there is no place for what might be called gaming to meet the target. We do not accept that. We believe—Dr Morrison can speak about this more fully than I can—that the decision to admit is a very important clinical decision, and such clinical considerations should come first, because the decision involves the risk assessment of individual patients.

The Convener: Without going into too much detail because of the time, I think that you are saying that the practice of moving people just to meet the four-hour target is not happening.

Dr Woods: I am saying that if it did happen, we would not consider it to be acceptable. Dr Morrison can tell you whether or not it is happening.

Dr Morrison: I have no evidence—none whatsoever—that it is happening.

Willie Coffey: Just to come in on the previous discussion, I feel as though we have drifted slightly—

The Convener: If we have drifted, we are not going back.

Willie Coffey: Well, if you do not—

The Convener: No, I am sorry.

Willie Coffey: I think that is a wee bit unfair, convener. We have spent 45 minutes asking about 20 questions on a matter that is outside the scope of the committee.

The Convener: I am convening the meeting. We have moved on. You said that we have drifted, so I am not drifting back. I will leave it at that.

I thank Dr Woods, Mr Feeley and Dr Morrison for their contributions.

I wish you well in your new post, Dr Woods; it is an exciting opportunity for you to move to New Zealand. I thank you not only for giving evidence today but for giving us informed, robust and sometimes extremely persuasive evidence on a number of occasions about some of the issues that affect the health service in Scotland. You have much to be proud of in terms of your personal contribution and the contribution of your colleagues. I wish you well in your new appointment, as I know other members do. Scotland's loss is New Zealand's gain.

Dr Woods: Thank you very much, convener. It has been a real privilege to occupy this post. Public Audit Committees are not the sort of thing that people say they enjoy, but the exchanges have been free and frank, and I am sure that they will serve me well in New Zealand. I am very grateful for your good wishes.

The Convener: We will now move into private session.

12:36

Meeting continued in private until 12:44.

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