

EDUCATION, CULTURE AND SPORT COMMITTEE

Tuesday 23 October 2001
(*Afternoon*)

Session 1

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EDUCATION, CULTURE AND SPORT COMMITTEE

26th Meeting 2001, Session 1

CONVENER

*Karen Gillon (Clydesdale) (Lab)

DEPUTY CONVENER

*Cathy Peattie (Falkirk East) (Lab)

COMMITTEE MEMBERS

*Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD)

*Mr Frank McAveety (Glasgow Shettleston) (Lab)

*Irene McGugan (North-East Scotland) (SNP)

*Mr Brian Monteith (Mid Scotland and Fife) (Con)

*Michael Russell (South of Scotland) (SNP)

*attended

WITNESSES

Bob Irvine (Scottish Executive Education Department)

Councillor Helen Law (Convention of Scottish Local Authorities)

Mr Jack McConnell (Minister for Education, Europe and External Affairs)

Laura Peattie (Historic Scotland)

David Sillars (Convention of Scottish Local Authorities)

Chris Watkins (Historic Scotland)

Allan Wilson (Deputy Minister for Sport, the Arts and Culture)

CLERK TO THE COMMITTEE

Martin Verity

SENIOR ASSISTANT CLERK

Judith Evans

ASSISTANT CLERK

Ian Cowan

LOCATION

Committee Room 1

Scottish Parliament

Education, Culture and Sport Committee

Tuesday 23 October 2001

(Afternoon)

[THE CONVENER *opened the meeting at 13:31*]

The Convener (Karen Gillon): I call the meeting to order. The first matter that I will raise is the timing of papers arriving at members' homes. Some members have not received their papers and others received them only this morning. Can Martin Verity check that everything was done as usual? We usually receive them on Friday, or on Saturday at the latest.

Martin Verity (Clerk): I will be happy to investigate that. The papers went out on Thursday, but I will check with the internal systems to see whether there was a problem.

Michael Russell (South of Scotland) (SNP): It creates a difficulty for the Scottish Ballet report, because I have not had a chance to read it properly.

The Convener: I was going to suggest that we put that item on to next week's agenda because of the amount of evidence and the fact that members have not received it yet, or received it late.

Mr Brian Monteith (Mid Scotland and Fife) (Con): We could deal with some aspects of the report; I would be happy to flag those up.

The Convener: Yes. We could do that but it would be difficult to discuss the wording of the report, as we have not had time to read the draft report.

Mr Monteith: I agree.

Item in Private

The Convener: Does the committee agree to discuss item 2 in private?

Members *indicated agreement.*

13:33

Meeting continued in private.

13:41

Meeting continued in public.

Scottish Qualifications Authority

The Convener: We now move back into public session. Mike Russell has intimated that he wants to raise points about the Scottish Qualifications Authority and the Scottish Media Group.

Michael Russell: I raise the point about the SQA first. There was a press report in the *Daily Record* yesterday about an extension to the appeals process, which the SQA appeared to announce to centres. There are two areas of concern. One is that the SQA is apparently claiming that the time scale that it set for the appeals process was too short and that it prioritised appeals by those students who were going to university. It therefore disadvantaged those who were not making university or college-based appeals. The SQA felt that it was necessary to extend the time scale, which is welcome, but we commented on the time scale for the whole diet and we need to consider that.

The second concern is that there is to be a fee of £30 per additional appeal from the centres. That strikes me as being well out of keeping with the previous regime. I wonder whether we should write to the SQA to ask about that and to ask Bill Morton to come back before the committee because we have not heard from representatives of the SQA since before the exam results came out. We are moving forward; it would be interesting to know what is taking place. It would perhaps have been courteous of the SQA to inform us of that change to a significant part of its procedures.

The Convener: Do members have views on that?

Cathy Peattie (Falkirk East) (Lab): I am not sure whether Bill Morton is still with the SQA. I think that he is about to move. However, I agree with Michael Russell. I am really concerned by the £30 fee. I am not happy that students will have to find that amount in order to lodge an appeal. It might make sense to ask the SQA to come back and speak to us—it has been a wee while since we heard from the organisation and we could catch up on some issues that we were concerned about.

The Convener: I suggest that, in the short term, I write to the SQA and ask for an explanation, particularly on the issue of the fee. We will try to factor the SQA into a meeting perhaps towards the end of November or the beginning of December so that we can receive an update. Are members all agreed?

Members *indicated agreement.*

Scottish Media Group

13:45

Michael Russell: The other item is the situation with independent television. Representatives of SMG came before the committee when there was the prospect of a trade dispute and we were required to examine what was happening. If the committee remembers correctly, at the end of the matter, the Independent Television Commission made several stipulations to SMG about some of its activities.

Times are very tough for independent television. Besides the fairly obvious falling-away in advertising revenue before 11 September, we must take into account the effects of what happened on 11 September and the growing difficulties within the television sector. Nonetheless, all members will have received a letter from the Broadcasting, Entertainment, Cinematograph and Theatre Union which draws attention to SMG's desire to seek staff redundancies. We are all aware of the concern flagged up in some newspapers about the reduction in regional programming. Scottish Television has indicated that any cuts will neither be as severe as nor be made in the way that people are expecting. The ITC has been at pains to point out that it has not been discussing the cuts with SMG in the way that the newspapers said, because that would be improper behaviour for the regulator.

Even so, the situation in independent television is a cause for concern. Given the committee's interest in television and the fact that we have had similar discussions before, perhaps we should consider whether there is some way that we could discuss matters with SMG. When we previously spoke to SMG, we made a commitment to have the organisation back at some stage. We did not follow through on that.

Cathy Peattie: I agree. Even before I received the letter from BECTU, I was concerned by the stories I was hearing. As the issue is relevant to the committee's role, we need to consider the matter fairly quickly, either by taking evidence or by sending someone to gather information for us.

The Convener: We have a very full programme between now and Christmas, and will require to dedicate a substantial period of time to the children's commissioner inquiry if we are to do the issue any justice. I am therefore reluctant to factor in any more evidence-taking sessions. Instead, I suggest that we write to both SMG and the ITC to get a better insight into exactly what has been proposed and the ITC's role in the matter. The committee can then consider the responses at a

later date and decide what further action, if any, we wish to take.

Mr Frank McAveety (Glasgow Shettleston) (Lab): I agree with that course of action. We have already discussed the structure of the committee's work programme. Although I understand members' concerns about matters that are confronting us, we must be careful about pushing the envelope. If we receive the information that you request, convener, we can make a measured judgment about whether we can fit the issue in. Given that a few members had certain issues that they wanted to pursue, it is only fair to keep to the structure that we all broadly agreed.

Ian Jenkins (Tweeddale, Ettrick and Lauderdale) (LD): Did SMG not offer to give the committee an informal briefing at some stage?

Michael Russell: It was put off.

Ian Jenkins: After the convener receives a response to her letters, it might still be possible to arrange an informal briefing with SMG that would not impinge on our formal programme.

The Convener: I will write to the organisations and come back to committee once I have received responses.

Subordinate Legislation

Holyrood Park Amendment Regulations 2001 (Draft)

The Convener: The next item on the agenda is the consideration of subordinate legislation. I remind members and the public that all mobile phones and pagers should be switched off or set to silent mode.

To help our consideration of the Holyrood Park Amendment Regulations 2001 (Draft)—which are subject to the negative procedure—we are joined by Chris Watkins, the south regional director for Historic Scotland, and Gregor Stark, the south regional architect for Historic Scotland. The purpose of the regulations is to amend the Holyrood Park Regulations 1971 (SI 1971/593), which specifically ban commercial vehicles from, and the exhibition of advertising material in, Holyrood park.

The amendments would permit commercial vehicles to use a specified route through the park as an alternative route to Holyrood Road, which is scheduled for partial closure, partly because of the building of the new Parliament. They would permit the display of advertising material on such commercial vehicles. The explanatory note and the Executive's note attached to the draft instrument give more details.

Mr Monteith: Is there considered to be a difference between commercial and heavy commercial vehicles?

Chris Watkins (Historic Scotland): Yes, there is. The difference is to do with the weight and the axle size. The regulations were introduced to limit the number of very heavy vehicles going through that section of the park.

Mr Monteith: Are commercial vehicles able to go through the park at the moment?

Chris Watkins: Under the current regulations commercial vehicles are not allowed to go through the park.

Mr Monteith: Will the regulations have any effect on coaches? I understand that coaches have access to the park on payment of a fee. Will the new regulations make any difference to them?

Chris Watkins: Coaches will be able to use the section identified as the Holyrood loop without payment.

Mr Monteith: Will that interfere with the collection of the fee for the remainder of the park?

Chris Watkins: No, it will have no impact on that at all.

Mr Monteith: Will there be a time limit on the regulations? Given that the route will be permanent, is it intended that the regulations will remain in force?

Chris Watkins: Yes. It will be a permanent change to the regulations.

Mr Monteith: Who will police the change?

Chris Watkins: Although there are royal parks constables in the park, the policing is the responsibility of Lothian and Borders police. It is their responsibility to police the breaking of any traffic regulations in the park.

Mr Monteith: I ask that question because I have noticed a number of commercial vehicles displaying advertising driving between Meadowbank and Holyrood and not being apprehended.

Chris Watkins: That would be more of a matter for the park police than Lothian and Borders police.

Michael Russell: Is there any alternative route that could have been considered or was considered?

Chris Watkins: Along with the Parliament project team and the Edinburgh City Council, we considered other possibilities. The only possibility was one that involved duplicating those roads in the Royal High School playing fields. It was confirmed that that would raise traffic movements in the park and would allocate more of the area to roadways. That was therefore discounted early on.

Michael Russell: The presence of the Parliament will affect the traffic flow in that area. Will the presence of the Parliament also increase the traffic in that section of the park covered by the regulations?

Chris Watkins: Studies have been done on that. The regulations are being accompanied by a number of traffic calming measures in the vicinity of the Parliament, along roads such as Horse Wynd. There will also be improvements to the current road layout. The Holyrood triangle was always a problem for traffic control and resulted in problems for the management of traffic in that area. That is being replaced with a roundabout. The improvements to the traffic layout, plus the traffic calming measures, are likely to have a beneficial effect on traffic in that area of the park.

Michael Russell: I was specifically asking about the increase in traffic volume because of the presence of the Parliament. Do you think that traffic volume will increase because of the presence of the Parliament and that therefore there will be an increased use of the roads specified in the regulations?

Chris Watkins: The Parliament is likely to

attract more vehicles to that area. However, the overall impact is difficult to predict. I do not think that any of the surveys have been conclusive. There are balancing measures that are likely to reduce as well as increase the number of vehicles. The exact impact is unclear, but measures have been taken to calm the traffic in that area and consequently reduce the number of vehicles using that route unnecessarily.

The Convener: Are you confident that the road infrastructure in that section of the park is able to cope with the type of vehicle that will be using it? Obviously those vehicles are not currently using it. If the infrastructure cannot cope in the long term, who has responsibility for repairing and replacing that section of road?

Chris Watkins: Part of the works that were identified for the roads in Holyrood park included upgrading the underlying sub-structures of areas of the road that we knew to be soft. Improvements have to be made to the existing roundabout and the Holyrood triangle is to be replaced. There has been comprehensive upgrading of those roads so that they are capable of taking the type and expected numbers of vehicles on those sections of road. The roads will remain the responsibility of Historic Scotland. There is no change to that.

The Convener: I do not have any indication that members wish to oppose the SSI. We will not therefore make any recommendation to Parliament and will allow the SSI to proceed.

13:55

Meeting adjourned.

14:00

On resuming—

Budget Process 2002-03

The Convener: Item 4 on the agenda is consideration of the draft budget for 2002-03. I welcome the Minister for Education, Europe and External Affairs, Jack McConnell, and officials from the Scottish Executive who will answer questions or provide advice, as required. Minister, do you wish to make any introductory remarks?

The Minister for Education, Europe and External Affairs (Mr Jack McConnell): Without complicating matters even further?

The draft budget for next year reinforces our commitment to increased investment in education and children's services, taken with the significant increase in local authority resources for next year. That investment is very important. This is the first time that I have appeared before the committee to discuss the education department budget and I have one or two things to say on the subject. I thought about offering the prize of a direct grant to a school in the constituency of the member who could ask a question that made some sense of the collection of figures in the document, but that might have been too much of a challenge at this stage.

The department's budget is by no means the total expenditure on either education or children's services—it pertains to a specific part of those services. I am sure that the committee will find it as difficult as I sometimes do to get an overview of the way in which the expenditure fits into the overall budget and how the figures add up. As a former Minister for Finance, I am also conscious of the difficulty in our budget process in matching the objectives and the text of the budget documentation to the tables and figures that are contained therein. The fact that they change every time that we produce a new document does not help anybody, but that is part of the system. Budgets obviously change as extra resources become available or as priorities develop. I am conscious of the fact that the figures are not easy for anybody to follow.

Nevertheless, the budget process is a very important part of Parliament's work and between now and next April or May, when the totality of the budget and the strategic priorities are considered—rather than the individual details of a year's budget, which is the focus of today's discussion—I am keen to discuss with the committee ways in which we can improve the presentation of the figures and the text and provide the sort of information that would be of assistance to the committee. Even in today's

discussion, we will be talking about headline figures for 2002-03 and detail that relates to each division's budget for 2001-02, and I understand that that may not be easy for members to follow. However, I am happy to provide as much information as I can to explain things further.

The committee will be aware that end-year flexibility resources were announced by the Minister for Finance and Local Government in September. Clearly, that information is not included in these figures, either for this year or for any carry-over into next year. I would be happy to provide the committee with a letter—perhaps next week or the week after—outlining how the £100 million that has been allocated to the education department from that fund will be distributed across the financial years and in which divisions it will be spent.

The Convener: That is a helpful suggestion, minister. The suggestion about the layout of the information is also helpful. Each year that this committee has examined the budget, it has been difficult to follow where the money comes in, goes out and gets to points X, Y or Z. It would be useful for us to have a discussion about how the budget can become more meaningful to ourselves, the public and the education establishment.

Cathy Peattie: As the person who had the responsibility for making sense of last year's budget on behalf of the committee—I did not do particularly well—I welcome what has just been said and am interested in what will be done to ensure that the money for the Executive's policy targets, such as community schools and poverty, gets where it is supposed to go. It is easy to put figures on targets, but if the money is not being used in the way in which it is supposed to be used, we are left only with numbers on pieces of paper. What is being done to ensure that the money is going where it is supposed to go and doing what it is supposed to do?

Mr McConnell: We need to express the objective of the targets more clearly. At times, there has been a tendency to express a commitment to a policy priority in terms of the amount of money that is being spent, rather than what the money is being spent on. I have been keen to ensure that, as we allocate new money—such as the new money that was announced yesterday for looked-after children—we express where the money is going rather than concerning ourselves with the amount of money that is being made available. The committee will notice in the objectives that are being described for the department for the next financial year a more thematic direction, rather than a list of specific allocations. Trying to get an output base is important.

We need to get as accurate as possible a flow of

information between the Executive and the local authorities. That involves obligations on both sides. The Executive will have to be clearer about what money is available and where it is going and avoid exaggerating the position or putting burdens on local authorities that are not properly resourced. In turn, local authorities will also have to be clear about where the money is going and will have to be consistent and accurate in reporting that back for parliamentary scrutiny and other monitoring purposes. A key role of our new information and analysis division, which is reflected in the changed structure to next year's budget, is to find ways of collecting information in a general sense about progress in our schools.

We must also monitor and review individual programmes. Some of the minor changes that have been made to the budget since April reflect the reprioritisation exercise that we undertook in the summer. It was designed to ensure that the targets that we had set were properly resourced. After Nicol Stephen and I had been in our positions for six months, we sat down with representatives of the education department, matched the budgets to the targets that we had set and ensured that, where a budget might fall short of achieving a target, money could be moved from areas where there was more money than was required.

Cathy Peattie: Will you ensure that the indicators for those targets are realistic? Some of the issues that are being dealt with are complex and throwing money at them is perhaps not the only way of dealing with them. Will you consider the qualitative indicators that are used? What role will Her Majesty's Inspectorate of Education play in the monitoring and evaluation?

Mr McConnell: HMI performs a very useful function in two respects. First, it collects particular information about subjects of a priority interest at a particular moment in time. A number of the significant developments in Scottish education over the past two years have resulted from HMI reports, which pull information from across Scotland. Secondly, the inspectorate helps us monitor particular priority areas. When it carries out school or local authority inspections, it can, for example, check out drug education programmes, which are an Executive priority, or find out how the new community schools are operating. To summarise, it has an on-going monitoring function for individual instances, as well as an overall function of collecting data.

Members will notice that the budget provisionally allocated under the HMI heading back in April has been changed. One reason for that was that we were sorting out the exact division of responsibilities between the agency and the education department, and were ensuring that the

agency had the right level of resources for the tasks that we were asking it to carry out. Although the department has taken on the policy development functions of the old inspectorate, HMI has retained a capacity to carry out statistical work and so on, which is important for the surveys. It was important for us to have got that right, and for the inspectorate effectively to perform that function, because it is the inspectors who are out and about in schools on our behalf.

Michael Russell: I wish to raise one or two specific points and one general one. I will start with the specifics. Last year, minister, you allocated an additional £11 million under the SQA heading. Your allocation under "Qualifications Assessment and Curriculum" for the coming year shows £33.3 million, compared to an allocation of only £22.4 million last year. Do you anticipate continued increasing costs for the SQA? If not, where is that money going to?

On the new community schools pilots and the £12 million that is allocated to them under the excellence fund, is there an on-going commitment to build and develop the community schools, which have enjoyed a broad support from the committee? How does that tie in with other, wider excellence funding, with regard to alternatives to exclusion, equal opportunities, bullying and pupil welfare? There are general concerns that community schools, as well as other schools, must address.

On Gaelic funding in the education department, the Gaelic and education moneys for 2001-02, 2002-03 and 2003-04 appear to be static, at £2.8 million. If that is so, there must be a decreasing provision, because materials wear out and the costs of Gaelic-medium education will increase. It is regrettable that there is no commitment to expanding that, but why will there be an actual decrease in that budget over three years?

I will come to my general question now. Would you like it now, minister, or shall I hold on to it?

Mr McConnell: I noted down three specifics there, convener.

The Convener: I will allow Mike Russell one further question—you will not get back in later, Mike.

Michael Russell: If the minister answers my specific points, I will then ask my general question.

The Convener: Carry on, minister.

Mr McConnell: On the provision for Gaelic-medium education, the budget has clearly increased substantially over the past three or four years. We believe that the existing provision is not just sufficient, but more than adequate to meet the demands that will be placed on us by the local authorities that are providing those education

services. In the initial period, some of the investment that would be required to establish the Gaelic-medium schools and courses will not necessarily be repeated. We require the amount of money required to maintain and further improve and extend the services across Scotland to be included in the budget, and we believe that the amount of money shown will be more than sufficient to do that.

It is my interpretation that the problem in Gaelic-medium education is not the allocation of central resources from the budget and pressure on that; the current problem is the provision of teachers, which is an entirely different matter. We are addressing that in other ways. It is not addressed by the particular financial allocation in question. I do not have any concerns about that situation as far as the budget is concerned, although I have a general concern about the number of teachers who are coming forward and staying in the system. We are addressing that through initial teacher education improvements.

14:15

We are certainly committed to continue funding new community schools. We must clarify the extent to which that money would come through the excellence fund or through general funding provision, but the additional resources for that, which we are committed to providing, are important.

As part of the settlement of teachers' pay and contracts, we agreed to review the excellence fund with the Convention of Scottish Local Authorities. We are in discussion with COSLA and the Association of Directors of Education in Scotland about that review. My intention in that review is to focus on our key policy priorities, but perhaps to have fewer strands in the excellence funds to ensure that we focus on those priorities, but give the local authorities more flexibility in how they use the resources.

Michael Russell: On the community schools, I asked how that initiative tied together with other initiatives such as the alternatives to exclusion ethos.

Mr McConnell: That was the point that I was making about the different strands. Clearly, the different elements to which you refer are pulled together locally, particularly in a community school. Part of the challenge that faces us in reviewing the excellence fund is to ensure that local authorities can pull those resources together without having to apply to specific pots that are held centrally. We will have to make a judgment at some stage to get the right balance on that and we are a bit away from finalising next year's provision.

The budget documents contain a mistake in the

line for the qualifications, assessment and curriculum division—I think that I managed to get that name right. There is a specific grant figure for continuous professional development for teachers, which should be in the teachers and schools division's line rather than the QAC line. That accounts for the significant increase in the QAC division's budget. The figure is £14 million next year.

Michael Russell: Is that for the SQA?

Mr McConnell: No. That £14 million should be in the line above—the teachers and schools division's line. That money is for continuous professional development for teachers. I regret that error. The QAC budget for next year is actually £25.2 million rather than £39.2 million.

We have not yet agreed with the SQA its budget for next year. Although we anticipate that a level of additional investment in the work of the SQA will continue for at least the next couple of years to ensure that it is able to deliver the new national qualifications certification and other duties, we are keen to ensure that the SQA has only what it requires and no unnecessary additional investment. We will be happy to report to Parliament whenever that figure is agreed, but we are still in discussions with the SQA about that.

The Convener: What page or table are you referring to? We are getting a bit confused.

Mr McConnell: I am sorry. I am referring to page 52, table 3.3. I did not mention the table because I was answering Mr Russell's question.

Michael Russell: That implies that the £11 million increase in the SQA budget last year will continue.

Mr McConnell: That is not necessarily the case. Some of that money was spent on new technology which does not need to be bought again.

Michael Russell: That was not my question, just in case you thought that I was using up my one question. It was a statement on which you commented.

The general question that I will ask concerns end-year flexibility. Last year, you managed to underspend by approximately £85 million—

Mr McConnell: No, we did not.

Michael Russell: Can I finish my question? You can comment on that point, as you already have done. I want to know the procedures that are in place in your department to monitor the week-by-week and month-by-month spending on all the matters that we are considering today. To consider budget lines is one thing, but when we get to the end of the year we do not get a clear statement of what has not been spent.

I would like to know how you monitor it and, when you come back next year, whether you will report to us in the same detail on the budget lines that have not been spent. In other words, if we say that you only spend £2.4 million of the £2.8 million budget for Gaelic in education, will you tell us that so that we can compare year-on-year not just what you say that you will do, but how you have spent the money?

Mr McConnell: I will be clear with the committee that there was not such a significant level of underspend in the department's budget last year.

As part of the three-year spending review that was conducted in 2000, for which I had responsibility as Minister for Finance at that time, significant resources were spread across the three years for the implementation of the outcome of the teachers' pay negotiations. It would have been improper for the Executive to declare its hand half-way through the past financial year when the negotiations were at an early stage. Quite prudently, we made an allocation to cover the outcome of those negotiations, but it was always anticipated that that money would be carried over into the next financial year.

A large part of last year's so-called underspend in the education budget—I think something like £67 million—was always earmarked to be used this year, next year and the year after for part of the outcome of the teachers' pay and contract negotiations. A planned carry over in a financial year's expenditure programme is not the same as an underspend. I apologise for interrupting the member so ungraciously during his question, but it is important that that is clear.

A small amount of money in the department was not spent in the allocation for the year 2000-01. That can happen for a number of reasons. A grant scheme may not have been applied for fully—not just not allocated fully. Expenditure on equipment might need to be drawn down over two years rather than just the year in which it was allocated. I do not have any problem with answering detailed questions on that at another time. I am always happy to explain matters in detail.

As a department, along with all the other Executive departments, we have a job to do on the budget. We must clarify which elements are planned over more than one financial year and when it would therefore be sensible for the money to be moved from one financial year to the next. We must clarify in which areas there is an underspend and how that money can best be used. I will always be happy to provide such explanations to the committee.

Irene McGugan (North-East Scotland) (SNP): I will ask three straightforward questions. The first follows up on a point that Michael Russell raised. I

seek clarification on the matter of new community schools. Is the budget that you have allocated there to fund additional schools—to roll out the programme throughout Scotland—is it there to sustain and support the existing schools or is it there to do a combination of both?

Secondly, the Scottish Executive education department's contribution to the changing children's services fund in the draft budget will be £50.5 million, starting next year. Will that still be provided, given that I do not see it mentioned in the notes that we have in front of us? Will the same amount of funding be contributed?

Thirdly, in the £1.3 million that is allocated for teacher education and recruitment, is there sufficient funding to ensure that mature students who are undertaking teacher training will, if necessary, receive remuneration that takes account of their age and experience when they started, as they were led to expect?

The Convener: I suggest that we take questions from other members now, given the time that we have left.

Ian Jenkins: I have a general question. When the Parliament changes or adds to the statutory responsibilities of a local authority, how does that show up in the budget? I am thinking of two particular matters. One is the recommendation of the report of the deferrals working group that youngsters who are aged four-and-a-half should be paid for when they need an extra year in nursery education. At what point is that taken into account and factored into the budget?

The other matter is that we have changed the basis on which local authorities are expected to deal with youngsters with special educational needs. However, there are still relics of the previous system and individual authorities deal with youngsters who have heavy residential fees to be paid. We need analysis of that. At the previous meeting at which we discussed the draft budget, I asked how the special educational needs budget is determined. Is it determined on the basis of allocating as much money as the department has, or does the department figure out how high costs are before putting that money into the pot?

Mr McAveety: Is there a difference between the term "specific grants" and what people at local authority level would sometimes claim is ring fencing? What is the distinction between those terms? What percentage of the education budget is comprised of specific grants? We will consider the Borders issue shortly. In the correspondence that we have received, some folk have asked whether the local authority has enough flexibility to address the shortfall arising from the nature of specific grants.

Secondly, do you have an overall figure for the

capital required for school buildings and the diverse approaches needed to achieve some movement on that issue? The funding packages will have to combine local authority capital allocation and other partnership approaches.

The Convener: Finally, on special educational needs, is there a financial allocation for grant-aided schools? I have been searching for it, but there is a large volume of paperwork. If there is such an allocation, for how many years will it be maintained before it is changed?

Mr McConnell: I will take the last question first, because it allows me to make another point. The allocation for grant-aided schools remains in the budget. If financial responsibility for those schools were transferred to local authorities, that money would be transferred to local authorities. Part of the problem is what the allocations would be and to which local authorities they would be made. That is partly why discussions on the issue have been prolonged.

I will use the specific example of grant-aided schools. Line 5 of table 3.7 in the draft budget document refers to the funding of grant-aided schools for this financial year. In the Scottish Parliament information centre document that the committee will have seen, the tables for each division in our chapter highlight examples of programme expenditure that we thought would be of most interest to the committee. The tables are not an attempt to explain every piece of programme expenditure.

The SPICe paper rightly points out that there is an amount of money in each division that is not explained in the table. If we had explained every piece of expenditure, the tables would have filled the whole document. We have tried to highlight the areas of most interest. If any areas that would have been of interest to the committee are missing, perhaps they will be identified in my discussions with the convener over the next few months, so that we can include them in future years.

On Irene McGugan's questions, there is money in the budget for an extension and a roll-out of the community schools approach. The amount of money has not been finalised, because the committee that is considering the new community schools is discussing how best to deliver the roll-out. We hope to come to some conclusions on that within the next three or four weeks.

On the changing children's services fund, I must explain to the committee that there is a typographical error on page 19. Sorry, that is now page 68—there is a typographical error in my notes as well as in the document. The figure should be £56.5 million from the education department budget, rather than £50.5 million.

What the money will be spent on is the issue, rather than what the great totals sound like.

Next week, I hope to issue guidelines to local authorities, the voluntary sector and health boards that will outline how that money will be allocated—at least for the initial period—how those bodies can apply for the money and on what criteria judgments about the allocations will be made. We are much closer than we have been for some time on the changing children's services fund. I will certainly provide information on the guidelines to the committee—in fact, I believe that the convener has been invited to attend the event next Tuesday at which the guidelines will be published.

Since January, we have said consistently that the allocations from the agreement on the new contracts for teachers and the other arrangements that fall from that will be financed in full by the budgets that we have provided for the next three years. All the arrangements in the new contracts for teachers and other conditions are included.

I think Ian Jenkins's main point was how we ensure adequate budget provision for policy areas that develop. I know that the committee may find my next point frustrating—other committees have found it so—but one reason why the figures in the budget reports are a little vague is that, as policy develops, we often make an allocation to handle the expected outcome, but following discussions with the vested interests in particular policy topics, we do not always make public that allocation in advance. We take that approach because it is important to get the maximum value for the allocation and to make the right policy, rather than simply making the policy fit the money.

14:30

Additional budget provision was certainly allocated to meet the commitment from the deferrals working group and a calculation was made of the ability of local authorities to fulfil that commitment. The announcement made by Nicol Stephen at the time referred to that. The budget for special educational needs has increased substantially over the period. We all know that, although the budget at local level is not entirely demand-led, it is largely demand-led, which creates difficulties for local authorities and the Executive. We are constantly trying to assess whether that budget has been set at the right level. Matching resources to demand, especially at a local level, is part of the review of special educational needs provision, which is part and parcel of the current consultation and work of the advisory groups. We will have to keep that issue under review. We want to ensure that we always make the right provision and, by flagging up significant increases in provision in advance, one can sometimes create expenditure that might not

be justified otherwise. Part of the challenge is getting the policy right and trying to match resources to the policy.

I now turn to Frank McAveety's questions. The excellence fund and education and children-specific grants provide a good example of the strength of the different views on ring-fencing local authority expenditure. For every letter that I receive demanding more flexibility for local authorities, I probably receive at least 10 that demand that we ring-fence, or specify in greater detail, our expenditure on local authorities. Both the Executive and the Parliament have a principled commitment to the maximum amount of flexibility for local authorities, so that they can determine their local circumstances and allocate resources to meet demand.

There are always specific areas. The excellence fund is a small part of overall expenditure on the Scottish education service—which includes all the money spent by local authorities. We have a responsibility to say from time to time that we want to kick-start certain priority areas through the allocation of specific grants. Although the excellence fund is one of the areas that is cited as a ring-fenced fund by local authority representatives when they raise the issue of ring fencing, it is also an area that other people in local authorities defend most strongly when they are thinking about the sort of money that is available for new educational developments. It is important that we strike the right balance and I hope that we will retain an excellence fund that is specifically reserved for the development of top-priority areas of educational provision. At the same time, there will be more flexibility within the excellence fund for authorities to use that money to best effect at local level, on the basis of a guarantee from them that they will provide the Executive with information on where the money goes.

On school buildings—this is a nice point on which to finish—the overall budget in the draft budget document includes a significant increase in resources for investment in the school estate at local level. By the end of the period, there will be a 40 per cent increase in local authority capital allocations, which should involve a significant priority for education. Local authorities should allocate appropriate resources to education and children's services within that capital programme.

The budget contains an addition for revenue support from the Executive for school repairs and school buildings improvement, some of which was announced over the summer, and covers our continuing commitment to the new deal for schools and other funding to support both renovation construction work on school buildings and public-private partnerships. Furthermore, it contains an amount of money to support new public-private

partnerships following the current round of bidding. That specific amount has not yet been agreed, and during my discussion with local authority leaders next Wednesday, I will discuss the amount and how best to use it.

School Education (Amendment) (Scotland) Bill: Stage 1

The Convener: Having concluded our deliberations on the budget, we move to item 5.

Mr McConnell: Thank you, convener.

The Convener: You are staying, minister.

Mr McConnell: May I swap teams?

The Convener: Yes, you may.

We move to stage 1 consideration of the School Education (Amendment) (Scotland) Bill. We are considering the general principles of the bill. The Minister for Education, Europe and External Affairs is here with a team of relevant officials from the education department. I invite him to make some introductory remarks on the bill.

Mr McConnell: If we had not just been discussing the budget, I would have described the bill as technically complex. It seems fairly straightforward and simple compared to what we have just been considering.

This is a straightforward bill, which is designed to solve problems, rather than change the legislative framework within which the education service operates. The first provision is to correct an unintended error that arose as a result of the Standards in Scotland's Schools etc Act 2000, which removed the automatic right to a place on request for certain parents who would otherwise have been granted it. The second provision is to ensure that we can implement in full the agreement that we reached with the teaching profession and local authorities earlier this year. In both areas, the provisions should be straightforward. The principles behind them are, I hope, in line with what the committee would expect us to be achieving for education: solving problems where they occur as quickly as possible.

I should perhaps mention that the consultation period was slightly shorter than usual. There were three good reasons for that. First, for the bill to be effective for the next academic year, we need to get royal assent by February. Secondly, the agreement reached with the teaching profession and the local authorities was the subject of widespread consultation last year and the arrangements for assistant head teachers were part of that agreement. Thirdly, on placing requests, no one can find any evidence that anybody would have supported the change that was unintentionally made through the 2000 act, and consultation, although important, would not necessarily require 12 weeks to prove that.

It was also important to check with the Scottish School Board Association in advance that it was

comfortable with the temporary suspension of its role in appointments, as part of the job sizing and the implementation of the agreement. We checked with the SSBA in advance of the consultation period that it is comfortable with the change and fully supports it. We carried out the necessary consultations in the service and then had a period of wider consultation.

I should perhaps highlight two issues that were raised during the consultation period. I wish to return to them at stage 2, although they do not affect the principles of the bill, which form the subject of today's discussion. One of those relates to the position of recorded pupils and placing requests for them. We do not believe that that requires any further legislation, but it may require a clear statement relating to the legislative provisions in place. The other concerns the position with principal teacher posts and their advertising at a national level, and the possible effects on that of the job sizing of assistant principal teachers and their assimilation into the new structure. I think that the Convention of Scottish Local Authorities may raise that point with you later this afternoon.

We intend to return to both those issues. We are aware of them and are giving further attention to them at the moment. We do not intend to obstruct their being effectively dealt with as part of the consideration of the bill.

The Convener: I invite members to make comments or ask questions.

Mr Monteith: The policy memorandum details three alternative approaches. One is to leave things as they are, for which, clearly, there is little support, as you have explained, minister. The third approach is to amend the Education (Scotland) Act 1980, which the bill seeks to do. The second approach is to repeal a part of the 2000 act. The policy memorandum says that that

"approach is considered to be unhelpful, and would not reflect the Executive's intention."

Why does the Executive believe that that approach would be unhelpful?

Mr McConnell: We have chosen the legislative route that is before the committee today because it is the most straightforward, speedy solution to a problem that was never intended. It is relatively easy for us to make such provisions, as members can see if they look at the bill. A comparison between that approach and the option that would repeal the changes made to the 1980 act by section 44(2) of the 2000 act led us to believe that the third option in the policy memorandum was the quickest and easiest route to follow.

Mr Monteith: That leads me to my next question. It appeared to me that a repeal would

allow the parents of children of all ages to make a request to return to the previous position. In their written responses to the consultation, the City of Edinburgh Council and Glasgow City Council both voiced their concern that the bill, in particular section 1, does not fulfil the Executive's intentions. Both councils seem concerned that, although the Executive's intention is to allow pupils of four and a half to go to the school of their parents' choice through placement request, that opens up a choice to parents of children of four years. Are you aware of that evidence? If so, do you intend to make any appropriate amendments to the bill?

Mr McConnell: If I may first clarify the previous point, the whole rationale behind section 44(2) of the 2000 act was to clarify a position that local authorities and parents had found to be unclear in the first place. If we were simply to repeal that section, rather than amend the 1980 act, as we propose, we would return to that unclear situation. Repeal of the section might sound like the easiest option, but it does not solve the problem, because it reverts to a situation that everybody seemed to be unhappy with at the time.

To answer the point that you have just made, Mr Monteith, we are aware of the representations that have been received on the matter and we have checked in some depth with draftsmen and solicitors on it. There is no support in the Executive at a professional level for the view that has been expressed. We believe that the provisions of the bill are technically correct and we will be informing both local authorities of our view in the hope of reassuring them on that point. We have no doubt that we can do so.

Michael Russell: Some time before the bill was introduced, I raised with you the difficulties that had arisen for a placing committee in South Ayrshire Council. Obviously, the bill goes a long way to meeting those difficulties. However, South Ayrshire Council's submission to the committee claims that abolishing the post of assistant head teacher will have implications for that council. What consideration has your department given to the difficulties that councils will have? I presume that the council is referring to both financial and operational difficulties. Do you regard those as significant?

14:45

Mr McConnell: In all the discussions about the new agreement, which took place between the autumn of 2000 and the early part of 2001, a variety of different points of view on promoted posts within schools was taken into account. The agreement, which was reached with the strong support of the Association of Directors of Education in Scotland and COSLA, was quite clear that that post would be abolished so that

local authorities would have more flexibility in their arrangements for promoted staff in schools and so that some of the existing restrictions could be removed. In due course, once authorities develop in their discussions and start to consider the structures that will exist in schools next year and beyond, they will see those opportunities. Already, some Scottish authorities are well down the road of devising imaginative new structures for schools that are better at focusing management on the tasks at hand than were some of the traditional structures that existed 30 years ago. That is a good thing.

Michael Russell: There are obvious funding implications in the job-scoping exercise that is being undertaken. Whatever else it is, it will not be financially neutral. Given the fact that some of the rural local authorities are already saying that the agreement has given them difficulties, are local authorities adequately funded to cope with that? What consideration is your department giving to that issue?

Mr McConnell: Yes, I believe that local authorities are adequately funded to deal with the outcome of those discussions. Back in early 2001, we were clear that we would not sign off the agreement with the local authorities and the teachers unions until we had an understanding with the local authorities that that additional funding would be adequate. Both rural and urban authorities had representatives in those discussions and the whole of COSLA was involved in the sign-off of the deal and the financial arrangements that went with it. We are very confident that the provisions are adequate.

Michael Russell: Do you not hold out any hope for rural authorities that say that they are having genuine difficulties because of the deal? Will you not make any gesture?

Mr McConnell: I hold out lots of hope for rural authorities. They will find that the potential that exists as a result of the new agreement is of real benefit. The new structures and the flexibility that is built into the system will be of benefit to small rural schools in particular. The authorities and the school management will be given the sort of flexibility for which they have been crying out for years, so that they can improve education services at a local level.

Cathy Peattie: I welcome the bill. There was some discussion about placement requests for four-and-a-half-year-olds when we debated the Standards in Scotland's Schools etc Bill. I am sure that I am not the only MSP who has been working with parents who have had problems that will be resolved by the School Education (Amendment) (Scotland) Bill. I therefore think that the bill is timely. It is worth noting that the response from the consultation has been positive. I welcome the

minister's statement, especially what he said about recorded pupils. Perhaps the bill will be an opportunity to give some guidance on that issue.

Mr McConnell: We do not believe that the bill will affect the statutory rights of parents of recorded pupils. We may need to make a statement that clarifies that position. We intend to consider that issue and report back to the committee at stage 2.

Mr Monteith: Fife Council's response to the consultation raised an issue in relation to the Christmas leavers, which was also raised with the previous minister on a number of occasions. Fife Council asked whether a change could be made to allow pupils who have completed four years of secondary schooling to leave school. The opportunity to amend that situation has not been taken in the bill, but will the Executive accept amendments or will it lodge its own amendment on that issue? Will the Executive bring that issue within the scope of the bill?

Mr McConnell: At times behaving like a troublesome back bencher, I tried to add all kinds of things into the bill but without luck. I was told that the bill must contain only its current provisions and that nothing else could be added. I suspect that Mr Monteith will be told the same thing. I am not unsympathetic to the point of view that Fife Council has expressed, but we will need to discuss it over the longer term. It would not be appropriate for it to be included within the bill.

Ian Jenkins: I welcome the tone of the conversation, in which the minister has shown that he is willing to look for opportunities to tweak things. If the bill is not the proper place for it, that is good. I am still delighted to hear that he is considering the situation with regard to recorded pupils, which is an important and sensitive area in which guidance and help is needed.

The Convener: If there are no further questions or comments, I thank the minister for his attendance. The committee shall adjourn for two minutes to allow witnesses to change over.

Michael Russell: Five?

The Convener: No. Two minutes.

14:50

Meeting adjourned.

14:53

On resuming—

The Convener: We resume taking evidence on the general principles of the School Education (Amendment) (Scotland) Bill. I welcome Councillor Helen Law, Timothy Stone and David Sillars from

the Convention of Scottish Local Authorities, whose written submission has been circulated to members.

Councillor Helen Law (Convention of Scottish Local Authorities): We are grateful for the opportunity to give evidence on the bill. We are becoming accustomed to this new method of working. We have been along to a few committees and have generally found it to be helpful and constructive.

COSLA supports the general purpose of the bill, but we are concerned that the current drafting could result in its aims not being achieved. We would like to flag up our concerns.

Our submission has been circulated—rather than reading it out I thought that we would give the committee time to read it and then we would answer questions. We have tried to highlight our main points. The time scale was short, but we have carried out some consultation. We would be happy to return to the issues at stage 2, having carried out further consultation.

The Convener: Do members have comments or questions?

Michael Russell: Do I take it from your submission, which is interesting, that you believe that implementing the McCrone settlement as it is presently constituted will mean that any changes that are made to principal teacher posts in the job scoping exercise will require the posts to be advertised nationally? Is that likely to happen?

Councillor Law: We hope that the posts would not have to be nationally advertised.

Michael Russell: But do you believe that that is what will happen?

Councillor Law: We are uncertain about what will happen.

David Sillars (Convention of Scottish Local Authorities): As the legislation stands, there is a requirement for all principal teacher posts to be advertised nationally. It may be that the filling of posts as a result of McCrone does not meet the requirements of the legislation. It would be best if the matter were clarified. COSLA is flagging the issue up.

Michael Russell: I would be surprised if others did not agree that if the posts were to be advertised nationally it would be contrary to what anybody expected to happen. If it was to happen, your point is correct. If no clarification can be given, the exclusion that applies to assistant and deputy head teacher posts for the job scoping exercise would have to apply to principal teacher posts for a specified period of time.

Mr Monteith: My questions are on section 1 of the bill. Glasgow City Council and the City of

Edinburgh Council submitted replies to the consultation that raised the same concerns as you have raised about the ability to make placing requests for children that are, for the sake of argument, aged four years and one month. The paper states that COSLA is waiting for further responses from its other members. Has COSLA taken legal advice or will it determine its views according to what COSLA members have done? The City of Edinburgh Council has certainly taken legal opinion.

Councillor Law: David Sillars is here to give legal advice. I ask him to comment on his involvement up until now.

David Sillars: The issue arises as a result of the drafting of proposed subsection 1. Having heard the minister, I am aware that there are differing professional views, but it appears to me that there is a substantial possibility that clarification, which is the desired result of the bill, may not be achieved. I have advised COSLA that there is the potential at least for confusion about whether the policy aspiration of limiting placing requests to children aged four and a half and above will be achieved.

Mr Monteith: The background to the bill is that it is meant to amend an act that was in effect badly drafted—or drafted with an unintentional mistake. Are you saying, in effect, that if the bill becomes an act, parents could challenge it in court and that, if that was successful, we would have to amend the legislation yet again?

David Sillars: I feel vulnerable professionally in standing in for the minister, so I will be a little bit cautious in my answer. I am not omniscient with regard to the legislation, but it does seem, on the face of it, that there is a point that is worth further exploration.

Councillor Law: In the short time I was sitting at the back, I heard the minister say that there could be a statement of clarification on the issue. That statement might well suffice. At the moment, COSLA is concerned that the bill is not 100 per cent watertight and might involve councils in several actions that should be avoided.

The Convener: The committee shares your concerns that the legislation should be watertight. We will point that out in our report.

Michael Russell: If there were no statement of clarification, would COSLA be in a position, along with others, to suggest an amendment? Has Mr Sillars considered that?

David Sillars: Yes. Our submission suggests an amendment and I understand that the City of Edinburgh Council has suggested an amendment along similar lines.

The Convener: That is something that we will

want to consider at stage 2.

I thank the witnesses for their time. We would appreciate receiving feedback from other member councils in time for our stage 2 deliberations. If there is no statement of clarification, we will be back in touch with regard to potential amendments.

15:01

Meeting adjourned.

15:13

On resuming—

Budget Process 2002-03

The Convener: I welcome to the committee the Deputy Minister for Sport, the Arts and Culture. We need to make the letters on the nameplate bigger—it is very difficult to read.

We will discuss the draft budget 2002-03. The minister is welcome to make an opening statement. The clerks have flagged up our concerns surrounding the issue of the Ryder cup. Perhaps you could explain to members how the financial implications of the Ryder cup bid are met, and what will be the implications for the budget given the success of the bid to host the Ryder cup—not as soon as we would have liked—some time in the future.

The Deputy Minister for Sport, the Arts and Culture (Allan Wilson): I will be happy to do that. I will give a breakdown of expenditure on the Ryder cup bid and then answer any further questions that might arise.

In 2000-01, £104,177 was spent on submission of the bid and associated costs. In 2001-02, an additional £651,093 was spent on supporting five major golf events, consultants' fees and other bid expenses. I can break that down further should the committee wish. In addition, £118,000 extra funding was made available to visitscotland for golf tourism promotion and £300,000 extra funding was made available to sportscotland for junior golf development, making a total of £1,173,270. In addition to that, there was a major contribution from a private sector sponsor, the Bank of Scotland. However, we are not at liberty to disclose the sum because it is commercially confidential.

That expenditure can be identified in the department's spending plans by direct reference to £500,000 from the visitscotland allocation and £700,000 from the sportscotland miscellaneous current allocation, which includes £200,000 from end-year flexibility. Clearly, we are now determined to nail down with the Ryder cup committee the exact contractual details of our commitment for 2014. That will be a matter for future discussion with the Ryder cup committee, which has been preoccupied of late—understandably—with the requirement to postpone this year's Ryder cup.

The Convener: Do members have questions on that particular issue?

Michael Russell: How does the £104,000 that was spent on the bid relate to the money from

sponsors that was spent on the bid? In other words, what was the total cost of the bid, of which £104,000 was the contribution from the Scottish Executive?

Allan Wilson: As I said, we are not at liberty to disclose the private sector contribution. It might be a matter that Mike Russell could raise with others. The total cost to the Executive of submitting the bid is as I have outlined.

Michael Russell: Was there a contribution from commercial sponsors to the cost of mounting the bid?

Allan Wilson: Part of the cost of mounting the bid involved tournament golf so, for example, last year there was £7.25 million available for competition in tournament golf in Scotland. We can safely say that that is more than anywhere else in Europe. The majority of that money was from the private sector, but a proportion of it came from the Executive to support the Women Professional Golfers Association tournament and the Scottish Open in particular.

Michael Russell: Will the rolled forward bid for 2014 include the same amount of funding for young people learning golf? Are you aware of any difficulties, or of the intentions of commercial sponsors of the initial bid with regard to the 2014 bid? In other words, what is in place from commercial sponsors to support that bid and what is still to be secured?

Allan Wilson: As I said, we will agree in due course what support we will provide for the 2014 event at Gleneagles. That should not detract from the fact that, for example, golf tourism remains a key sector for visitscotland, which will continue to promote it. In addition, sportscotland will continue to support and promote the junior golf development programme to introduce all children to the game of golf by their ninth birthday by 2009. Those were integral parts of the bid.

How the change will affect support for tournament golf over the period is anyone's guess. I could not answer for the way in which our private sector partners might view that. We expect that 2014 will be the best Ryder cup competition ever and it is our intention to ensure that it is.

Mr McAveety: The other strand within the Ryder cup proposals was the opportunity for nine-year-olds to access golf. How much work has been done on that, specifically in relation to the increasing concern about the quality of many municipal golf courses? Over the years, many councils have experienced budget difficulties and have adopted different priorities in relation to sports and leisure fields. How can we make access equitable? There is also the broader issue of the nature of some golf courses and clubs and whether there might be some sort of opening up of

practices to facilitate a much more inclusive Scotland.

Allan Wilson: Yes. As I said to Mr Russell, it is our intention to press ahead with our junior golf development programme. Plans for that are well advanced and include the construction of junior golf courses in areas, for example, in inner-city areas, where children have not previously had the opportunity to play golf on neighbourhood courses. However, we cannot deliver the programme simply by reference to municipal and privately owned courses. We must involve golf ranges and take any other opportunity to involve private and municipal partners in delivering our objectives.

In Scotland we are fortunate in having more than 500 golf courses, many of which are world class. There is willingness within the game of golf to co-operate with us in securing our objectives. The commitment to junior golf development between now and 2010 was a feature of our bid that was unrivalled by the other bids.

The Convener: Let us move on to other issues.

Mr Monteith: According to the figures that are available for this year, it is clear that the visitor numbers for most attractions are falling. Following the horrible events of 11 September, those figures are likely to fall further. To what extent does the drop in visitor numbers to attractions impact on the budget and is any allowance being made for a further fall in visitors in future years, because that will impact on Historic Scotland, National Museums of Scotland, National Galleries of Scotland and other organisations that the Executive funds?

Allan Wilson: That is a good question. At the outset of the foot-and-mouth outbreak I asked for the returns from Historic Scotland to be sent to me monthly. Although various venues fared differently, overall there was—as at the end of last month—a 10 per cent reduction in revenue accruing to Historic Scotland, which is a result of the fall-off in visitor numbers. It is a matter of conjecture how those figures might be affected by the events of 11 September. Obviously that is a concern for my budget because it has an adverse impact on it. We must take account of future loss of revenue. We have been in constant contact with Historic Scotland to ensure that the necessary steps are taken now to take account of the fall-off in visitor numbers. We will be in close contact up to the end of the financial year and beyond.

Mr Monteith: Is it your intention to seek support from contingency funding to tide such organisations over, or will programmes such as allowing free entry to certain museums have to be stalled so that you can afford the cost of the drop in numbers?

Laura Peattie (Historic Scotland): We are

currently looking at forecasts following 11 September. The 10 per cent drop is largely as a result of the foot-and-mouth outbreak. The British Tourist Authority now advises that the drop will be up to 20 per cent—our early figures also indicate that that will be the case. Historic Scotland will seek some assistance next year. I do not know how that will be determined, but the drop will have a major impact on our income.

Mr Monteith: I have a final question for the minister. A sum of £2 million has been earmarked for a national theatre company. Is that funding still secure? A number of theatre companies have made noises to the effect that the attractive funding of theatre south of the border makes it difficult for them to retain actors, technicians and directors in Scotland. There is concern that the local theatres require additional funding. Clearly, if we are to fund local theatres, support for a national theatre could be under threat. Is the funding for the national theatre that has already been announced still secure?

Allan Wilson: Yes, the original funding is still in place. In my considerable discussions over the past weeks and months with the theatre community in its widest sense, people have been at pains to point out to me the importance of the rate of investment in the theatre infrastructure. That is seen as having priority over any extension of theatre, such as the proposal for a national theatre company. We are conscious of the representations that the theatre community has made about the priority of investing in the existing infrastructure. In the light of events south of the border, we are aware that people in the theatre community are working in what is, in effect, a single market in the UK. We do not wish our Scottish artists, technicians and backstage staff to be placed at a disadvantage compared with their colleagues south of the border.

Irene McGugan: I note that the Executive's information on the targets for the number of schools taking part in the active primary schools programmes was incorrect. The original figures, of 222 schools for 2000-01 and 400 for 2001-02, have been revised to 100 for last year and 250 for this year. Was that a typing or input error, or were the targets not met and therefore revised downwards?

Allan Wilson: The erroneous figures to which you refer were probably an error from an incorrect transcription of the school co-ordinators figures to the new programme. The erroneous figures bear a remarkable resemblance to the school co-ordinators figures. It was not envisaged that the pilot stage of the new programme would involve any more schools than are currently involved. I share the committee's expectation that we should be able to expand that programme, because I

believe fundamentally in what the active primary schools programme is setting out to do. I want that programme to be given greater emphasis in future years.

Cathy Peattie: The draft budget sets out clearly the aims of the cultural strategy and highlights the role of the Scottish Arts Council. We often have good ideas that people support, but it can be difficult to see how those ideas have been implemented, how the money has been spent and how it is being monitored. How will we know what has been spent on the cultural strategy and how it has worked? How are we ensuring that that money is getting to grass-roots level so that Scottish people can participate in their culture, and that we are not simply funding high art?

Allan Wilson: That is a good question. As you know, there will be a debate on Thursday on our annual report to Parliament on our progress in securing the objectives that were outlined in the national cultural strategy. That will give everybody the opportunity to have his or her say on those objectives.

We acknowledge the need for better performance indicators for the Scottish Arts Council. We intend to address that in the course of the imminent review of the SAC.

15:30

Cathy Peattie: You answered my second question before I asked it.

There seems to be a fair amount of confusion about school cultural co-ordinators. There is a budget, although it is not particularly big given that it is Scotland-wide. How will that be used and monitored?

Allan Wilson: The problem is that it is not a particularly big budget. Since I came to office, I have been engaged in vigorous discussions with my colleagues Jack McConnell and Nicol Stephen on how that money could be used to maximum effect. I would have liked to have been able to come to the committee and say how we intend to do that, but unfortunately the discussions are ongoing and we have not yet resolved how best to spend the £750,000 that is available for the introduction of cultural co-ordinators.

I am glad that Cathy Peattie did not call them champions because I do not see it that way—I prefer the term "cultural co-ordinator". We see the introduction of cultural co-ordinators to be as critical to the promotion of culture in schools and the wider community as sports co-ordinators are to the promotion of sport. We intend to press ahead with that but we are debating with the education department how that money might best be spent.

The Convener: It is Mike Russell's turn.

Cathy Peattie: You are being very hard on me, today, convener.

Michael Russell: I do not want to interrupt the lady in full flow.

The Convener: All right, Cathy. You can have only one question then, Mike.

Cathy Peattie: I will be very quick. Will cultural co-ordinators facilitate participation in culture, rather than champion culture within schools, in the same way as sports co-ordinators do for sports?

Allan Wilson: I see them as performing a functional duty in schools, which is to ensure the broadest range of access to local and national culture. The co-ordinators will facilitate that access. It is a question of how we best utilise the money to maximise the impact throughout Scotland, rather than concentrate on specific parts of Scotland.

Michael Russell: I have two questions, if you will indulge me, convener. The first is on some specifics in the budget and the second is a more general question.

How much does the national cultural strategy cost to implement compared to the previous policy? Secondly, what is the reason why there has been no increase in real terms—using the Treasury deflator figure—for the Scottish Arts Council over the three years? Thirdly, as you know, Scottish theatres are looking for an additional sum to match in some way the extra money that is being spent in England. Are you suggesting that there is a trade-off between those moneys and money for the national theatre? That runs contrary to the Scottish Arts Council's view that a virtuous circle is required in which the national theatre boosts the work of on-going theatre as well as the other way round. In a previous interview you seemed to suggest that you are now considering that seriously. Is that the case?

Allan Wilson: That was three questions.

Michael Russell: It is an all-in-one.

The Convener: Mike Russell is known as a chancer.

Allan Wilson: Who's counting?

At the Parliament debate on the cultural strategy—I remember that Mike Russell was present—my predecessor, Sam Galbraith announced an increase of £27 million in funding for the arts over three years. The National Museums received £11.7 million, £15.2 million went to the Scottish Arts Council, £1.5 million went on a new programme of excellence in traditional arts, £750,000 is for the school co-ordinators pilot programme and—as I said to Mr Monteith—£2 million for the set-up of the national theatre

remains in the budget.

The point that I made is that the representations that we have received from the theatre community—in the weeks and months since the publication of the working party report and in our discussions with the working party—stress to us the importance that the theatre community places on investment in the theatre and, in the wake of the Boyden report and its implications for the Scottish sector, in infrastructure particularly. I am not suggesting a trade-off, as you put it. We are seeking to maximise the investment in the theatre sector in accordance with the wishes of the theatre community as represented to me.

Bob Irvine might want to add to what I have said about the Scottish Arts Council's most recent bid.

Bob Irvine (Scottish Executive Education Department): The minister is looking at those issues together, as the Scottish Arts Council and the theatre community have proposed. The desire that the national theatre should not be funded at the expense of the rest of the theatre community is a representation that has been made strongly to the minister and which has been heard.

Allan Wilson: Normally we would look at expenditure for 2002-2003 and 2003-2004. However, because of the rather unorthodox fashion in which the matter has recently been brought to us we now require to examine expenditure for 2001-2002, 2002-2003 and 2003-2004, because of the linkages. I do not know if that makes it any clearer.

Michael Russell: Following up the question of theatre, my understanding of the present situation is that the Scottish Arts Council has made a bid to you for additional money—in light of the expenditure flatline over the coming three years and in accordance with procedures—which would include additional money that is not intended to match the Boyden report, but to provide an impetus to the Scottish theatre and to implement Donald Smith's excellent report on a national theatre. I am unaware of any argument from the Federation of Scottish Theatre, the Scottish Arts Council or anybody else that says, "Don't go ahead with the national theatre. Just give us the money for existing theatre infrastructure." The arguments that I have heard are that more money is needed for theatre in Scotland, but that equally the national theatre will be a productive part of that. Therefore, your suggestion, minister, and Mr Irvine's that there is some request to put the money into ordinary theatre and let the national theatre go hang strikes me as contrary to what I have heard from all the theatre and arts organisations. Indeed, it is absolutely contrary to the financial requests that the Scottish Arts Council has made to you.

Allan Wilson: On the contrary, nobody has suggested letting the national theatre go hang, least of all me. The representations that we have received from the theatre community are that it sees the priority as being investment in existing theatre infrastructure. The theatre community does not want to see the imposition of a national theatre in a way that would damage infrastructure. Normally, we have three-year running programmes for spending review periods, which would mean that we would look at 2002-2003 and 2003-2004. However, because of the linkages here we need to look at 2001-2002 and 2002-03, which we are doing.

Mr McAveety: I have a couple of points. The first relates to what we said earlier about golf and the development of school culture co-ordinators. One of the key issues that has come up in local authorities throughout Scotland is access to music and arts tuition and to instruments. Provision has historically been uneven. Admittedly, that is an issue for local authorities to address, but I wonder whether there is an overview among ministers about it. I wonder whether, over a period of time—three, five or seven years—there could be at least an opening up of the debate about resources for that kind of provision. That might be worth exploring. We have prioritised golf, but it strikes me that music and arts provision is also important for personal and social development.

The second point is that I recognise that the allocation to the Scottish Arts Council contains a small amount of money for popular music development. That amount is 10 per cent of the money that is given for traditional arts and 1 per cent of the increase in the Scottish Arts Council's budget. I am conscious that it is difficult to change things mid-course, but popular music has critical economic and social importance for a whole generation in Scotland. A number of us are also considering the infrastructure issue. Given that, is there any space for discussion of the budget for that area over the next few years? That would allow us to tackle other issues about making Scotland attractive, particularly to overseas and internal visitors.

The Convener: Minister, I suggest that we take a series of questions in order to tie things up.

Ian Jenkins: Minister, I was there when you launched the museums audit. How is that coming on and how does it fit into the budget plans?

Page 212 of the budget document contains a graph showing level 3 funding for sport and culture. The graph shows the amount of money allocated to national institutions, the Scottish Arts Council, other arts, Historic Scotland and sport. Sport gets a tiny wee bit; it does not look as though sport is getting a fair whack in comparison to the arts. Perhaps we need to spend more

money on sport, one way or another. I would not want to cut money on the arts, however.

Mr Monteith: I have some sympathy with the minister's reply to Mike Russell's question about a national theatre. In my files, I have a copy of a letter from the Federation of Scottish Theatres, which I am sure was sent to the rest of the committee. The letter implies the same thing that the minister said—that financial support for existing theatres is crucial if a national theatre is to build on that base. There is an implication that funding for a national theatre might be wasted without adequate further funding of existing theatres—that can certainly be read into the letter. I intended to take that up with the Federation of Scottish Theatres, but we are discussing it now.

Does the minister accept that there is a broader community that wishes to see a national theatre with a voice and a say? Existing theatres can lobby in their own interests about their genuine concerns over funding, but at the moment there is no national theatre to make representations for itself. Does he accept that there is a broader community—the committee, the Parliament and theatre-goers—that wants a national theatre and might be disappointed if funding was re-routed in the budget to increase funding for existing theatres?

Michael Russell: I note that, in its new business plan, the board of Scottish Ballet and Scottish Opera is seeking an additional £350,000 to allow it to change its plans. That does not fit anywhere into the national institutions budget. Is the minister sympathetic to that request? Is it feasible? What is the present situation?

Allan Wilson: Frank McAveety asked about music tuition. With the Convention of Scottish Local Authorities, we are developing guidance on music tuition and access to instrumentation in schools. I have been in contact with Jack McConnell about the implications that that might have for resources. I am concerned that some kids might have less access to music tuition and instrumentation in schools depending on where they live or which school they attend. I am anxious to ensure that there is equality of access throughout the education sector.

The development of the cultural strategy with the Scottish Arts Council is a good start, but it is no more than that. I have had discussions with the representative organisations of musicians and other artists, which have been at pains to point out to me that more requires to be done in the SAC and more generally to promote popular culture, such as popular music, within the cultural strategy. As the committee knows, I favour that. Had it not been for the events of 11 September, we would have had an opportunity to do that in New York in the UKwithNY festival as part of our major events

strategy. Unfortunately, that did not materialise because of the events of that day. However, we are conscious of the need to promote popular culture and anxious to improve on that.

15:45

I say to Ian Jenkins that the graph is simply a representation of the division of expenditure between priorities in the department. In our defence, let me say that the percentage increase in spending on sport that was announced as part of the culture and sports debate last year was greater than that given to culture. We are taking steps to ensure that sport is given the prominence that it deserves, but not at the expense of the rest of my portfolio.

Brian Monteith hit the nail on the head, if he does not mind me saying so, on theatre development, which preoccupies us and on which we have been working in concert with the broader theatre community—I mean that in its widest sense. We have not restricted our representations to any group or interest group within that community. We have spoken and listened to everyone who had a contribution to make. We have had extensive consultations.

Contributors have, almost to a person, reiterated what I had said: that, contrary to the impression that Mr Russell had gleaned, the priorities are and remain investment in the existing theatre infrastructure and audience building. That is critical. We consider audience building to be fundamental. If the national theatre does not add to the overall build of audience, the fear among some in the community is that they would be adversely affected. That is a genuine fear, which we must take into account.

There is no question of a trade-off. We are doing what is best for the theatre community—listening to what it has to say to us and then acting on that in full consultation with the SAC, which is developing the plan.

The situation is the same with Scottish Ballet. The committee perhaps has the better of us if it has seen a business plan that contains a bid for £350,000. I read a press commentary on that at the weekend in which I noticed that my role was reported as signing bigger and bigger cheques and that the committee would stand by and applaud me for so doing. That is not my opinion. We will conduct our business, as the committee might expect, via the SAC, which is charged with the responsibility of responding to the national company's business plan as and when it is submitted to the SAC. We expect that to happen in due course.

The Convener: I am more than happy to furnish you with a copy of the wonderful document that we

received today, minister. The committee is wary of signing bigger and bigger cheques, especially to national companies, without any comeback.

I thank you for attending the meeting. If any further issues or questions arise, we will get back to you in due course.

I now hand over to the deputy convener.

Regulation of Care (Scotland) Act 2001

The Deputy Convener (Cathy Peattie): We have another item, although it was not on my agenda—it is an additional item. It concerns draft guidance on consultation for the Scottish commission for the regulation of care and the Scottish social services council under the Regulation of Care (Scotland) Act 2001. I am told that the committee has been given information on the item. We are expected to give feedback by Tuesday 23 October, but I expect that that is impossible.

Michael Russell: That is wonderful.

The Deputy Convener: Are we agreed that we have no comment to make on the guidance?

Members *indicated agreement.*

Items in Private

The Deputy Convener: Next week's meeting will be held in private.

Michael Russell: Could we just give the explanation for that? There has been a lot of criticism in the press about the fact that some meetings are held in private. To hold next week's meeting in private is entirely legitimate because all four agenda items relate to draft reports. We have met in private only when considering draft reports.

The Deputy Convener: As you say, the habit of the committee has been to meet in private only to consider draft reports.

Meeting closed at 15:51.

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