

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

Wednesday 21 November 2007

Session 3

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EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

10th Meeting 2007, Session 3

CONVENER

*Karen Whitefield (Airdrie and Shotts) (Lab)

DEPUTY CONVENER

*Rob Gibson (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Aileen Campbell (South of Scotland) (SNP)
Ken Macintosh (Eastwood) (Lab)
*Christina McKelvie (Central Scotland) (SNP)
*Mary Mulligan (Linlithgow) (Lab)
*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)
*Elizabeth Smith (Mid Scotland and Fife) (Con)

COMMITTEE SUBSTITUTES

*Richard Baker (North East Scotland) (Lab)
George Foulkes (Lothians) (Lab)
Hugh O'Donnell (Central Scotland) (LD)
Shirley-Anne Somerville (Lothians) (SNP)

*attended

THE FOLLOWING ALSO ATTENDED:

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab)

THE FOLLOWING GAVE EVIDENCE:

Mark Batho (Scottish Government Lifelong Learning Directorate)
Linda McDowall (Scottish Enterprise)
Alex Paterson (Highlands and Islands Enterprise)
Damien Yates (learnirect Scotland)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Nick Hawthorne

ASSISTANT CLERK

Andrew Proudfoot

LOCATION

Committee Room 5

Scottish Parliament

Education, Lifelong Learning and Culture Committee

Wednesday 21 November 2007

[THE CONVENER opened the meeting at 10:05]

Budget Process 2008-09

The Convener (Karen Whitefield): I welcome members to the 10th meeting in this session of the Education, Lifelong Learning and Culture Committee. We are joined by Richard Baker, who is the substitute for Ken Macintosh. I am sure that all members will want to congratulate Ken and Claire on the birth of their baby daughter Isobel at the weekend.

I have one comment before we move to our first agenda item, which is on the budget process for 2008-09. I am sure that members will be aware that the Finance Committee decided yesterday to write to John Swinney to ask for further detailed information about budget headings at level 3. That information is normally provided at the same time as publication of the budget and, without it, scrutiny of the budget is extremely difficult. The Finance Committee agreed unanimously to ask for the information as a matter of urgency. Do members agree to give me permission, as the convener, to write to Fiona Hyslop, to ask her to provide information at level 3 in relation to all education and lifelong learning matters, and to write to Linda Fabiani in relation to culture matters?

Members indicated agreement.

The Convener: Our first agenda item is evidence on the Scottish Government's draft budget, with regard to skills. I welcome Mark Batho, the head of the Scottish Government's lifelong learning directorate; Donald Henderson, the interim chief executive of skills development Scotland; Linda McDowall, acting senior director of skills and learning at Scottish Enterprise; Alex Paterson, director of the developing skills group with Highlands and Islands Enterprise; and Damien Yates, chief executive of learndirect Scotland. As we have five witnesses before us, I ask that the most appropriate witness respond to each question to allow us to ask as many questions and receive as many answers as possible. I invite one of the witnesses to make some brief opening remarks on behalf of all of you before we move to questions.

Mark Batho (Scottish Government Lifelong Learning Directorate): If I may, I will take the role of team captain in "University Challenge". I will explain why we have come slightly mob-handed. It was a deliberate decision, because we are talking about the establishment of the new skills body, which will involve a partnership between Highlands and Islands Enterprise, learndirect Scotland, Scottish Enterprise and the Scottish Government. It therefore seemed right that we should all be represented this morning. We all sit on a programme board for the establishment of the new body, which emphasises the level of partnership that is involved.

I am conscious that what the convener said about level 3 figures may put us in a slightly difficult position in speaking about some of the figures. Some of our answers will be that we are not yet in a position to say X, Y or Z. That is because we are in a rapidly developing phase of the project to establish the new body and some complex but positive discussions are taking place on a range of budgets, which are represented today. We will do our best, but if issues arise on which we cannot respond, we give an undertaking to keep the committee fully informed as matters develop.

The Convener: Thank you for that. We will move straight to questions.

Aileen Campbell (South of Scotland) (SNP): Good morning. In the budget, a number of targets have been set—for instance, for reducing the number of working-age people with severe literacy and numeracy problems and for increasing the number of school leavers who go into training. Where do you think that the money needs to be spent to achieve those targets?

Mark Batho: There is a budget line for young people who need more choices and chances—a favoured term to use instead of branding everybody as NEET, or not in education, employment or training—and that line increases. It is integral to the delivery programmes of a range of bodies across the piece; it is not a simple solution. At a local level, the community planning partnerships are engaged in this, with special emphasis on seven areas where there are particular issues. The Scottish Further and Higher Education Funding Council takes the matter seriously and states in its guidance letter that it must be a priority. It will also be fundamental to the new skills body, which has responsibility for the national programmes including, especially for those who need more choices and chances, the get ready for work programme.

The skills strategy, "Skills for Scotland", addresses the need to develop literacy and numeracy both in schools—it is terribly important to get the flow sorted—and in the stock: the 70 per

cent of 2020's workforce who are already in work. A £500,000 research exercise has just begun, which aims to get under the headline figure that about one in five of the adult population currently has problems with literacy and numeracy. That figure is based on evidence that is now 10 years old and that used a very small sample. Spending significant resource—as is happening at the moment—on the adult literacy and numeracy refresh will reveal a lot more information about where the problems are and their nature. It will be absolutely within the core role of the new skills body to use that evidence, working with the colleges and schools, to target resource and get better hits on what is undoubtedly a problem. Five hundred thousand pounds of research is not going to reveal that we do not have a problem after all—absolutely not; however, it will help to prioritise spend.

Aileen Campbell: So, you are quite happy that the spend that is identified in the budget is appropriate.

Mark Batho: If the research indicates that the scale of the problem is as it is thought to be at the moment, one could name any figure for addressing it. Nevertheless, I think that it is a realistic assessment of what can be done with prioritised resource.

Elizabeth Smith (Mid Scotland and Fife) (Con): What do you perceive to be the benefits of the merger of Careers Scotland with learndirect Scotland in terms of managerial economies of scale? What important things might happen in the future, which perhaps might not have happened while the two bodies were separate?

Mark Batho: It is more than bringing together learndirect Scotland and Careers Scotland. It is essential to remember the other element, which is the skills operations of Highlands and Islands Enterprise and Scottish Enterprise. They are significant bearers of resource and, integrated into a single body, offer the prospect of shifting significantly the overall nature of the provision that is out there.

Tackling specifically the learndirect Scotland and Careers Scotland merger, the first point that I would make is that a lot of people out there, in the consultation that took place before the election, indicated that the merger was a good idea.

10:15

The argument goes that there is a lot of similarity—not overlap—of mission and that the work could be better integrated. Learndirect Scotland is directed towards brokerage. It has a helpline, which I understand is busy all hours of the day, that puts people in touch with the places where they can best get the learning that they

want. That fits with the role of Careers Scotland, which is to give people a sense of direction. The initial step is to enable someone in secondary 4 or S5, or someone later in life, to see what they could do with their life. The next stage is to find out where they can do the learning that will help them with that. If a single body deals with both those stages, it should improve the tracking across those areas.

I ask Damien Yates, Linda McDowall or Alex Paterson to add to my comments.

Damien Yates (learndirect Scotland): I will reflect on the current reach of learndirect Scotland. We take four calls every minute of every working day from people who want to reconnect with learning. We pass them back out to a network of about 500 learning centres, which deliver more detailed programmes that are about helping the person to connect back to learning and to progress from there.

We also manage individual learning accounts, so in total we have more than 300,000 learners reconnecting into learning through that network of learning centres. It is a virtual and brokerage model, which sits well with the work of Careers Scotland, which has a strong face-to-face model. Careers Scotland has well over 1,000 staff who work face to face. There is an opportunity to direct the high-cost, face-to-face services to areas of greatest need and risk, and to offer a more remote service when that is appropriate to the type of people making the inquiries.

Elizabeth Smith: Different areas of Scotland have different needs. Are you confident that the new structure will be able to deliver appropriate local skills programmes better than the existing one?

Damien Yates: I think so. I come back to the learndirect model. We do not own any products or push anything out; we try to broker the capacity that exists in Scotland to address the challenges that we face. That is a powerful role. Well over 40 per cent of our learning centres are in the areas that rank highest in the Scottish index of multiple deprivation, so we have a close correlation with areas of greatest need, which is where we need to be. Typically, those who are most disaffected by previous learning experiences and who are distant from the labour market find it easier to get support at a local level. We therefore support the new model.

Elizabeth Smith: I seek clarification of one issue. On page 114 of the budget document, there is a line for “Careers Scotland Support for Schools-Colleges” up to 2010-11. Given that that goes beyond the merger, can you comment on what that funding is for?

Damien Yates: I will perhaps turn to Linda McDowall on that point, but I point to Careers Scotland's involvement in the curriculum for excellence and its work in schools.

Elizabeth Smith: So that is what that money is for.

Damien Yates: Yes.

Elizabeth Smith: Do you anticipate that there will be any redundancies as a result of bringing those bodies into better co-operation and streamlining their work?

Damien Yates: At this point, we do not envisage any redundancies, but it will be a matter for the new organisation as it takes shape. I ask Mark Batho to comment on that.

Mark Batho: I will answer that point before I come back to the Careers Scotland schools and colleges function.

The current position is that all staff in the organisations that will form the new organisation have been told that at the point of transfer they will retain their jobs and that they are required in the new organisation. A clear signal has been sent out by deliberately not making the voluntary severance arrangements within Scottish Enterprise available to the skills staff.

One can never say that anything is for ever, but the critical approach at this point is that things should not fall over as a result of the structural change. The scene is littered with things that have crashed and burned as a result of attempts to do too much at the point when bodies are merged or restructured. Underpinning all this is the critical thought that the work of Careers Scotland, learndirect Scotland and the skills function of the enterprise network will continue as it is at the moment. The process will evolve over the coming years, as the new board of the new organisation takes up this function and works out how best to deploy its resources, but the process is deliberately cautious at this stage.

I turn to the Careers Scotland resource that is identified in the budget. I confirm that it will form part of the resource of the new skills body. I refer to the £1.2 million that is Careers Scotland support for—I am sorry, I have lost the thread.

Elizabeth Smith: Is the money under this heading for the curriculum for excellence?

Mark Batho: That is right. That resource will transfer over as part of the resource to the new body. I ask Linda McDowall to confirm that.

Linda McDowall (Scottish Enterprise): That is fine.

Rob Gibson (Highlands and Islands) (SNP): When two bodies are merged, we might expect

economies of scale. Will that happen? If so, how much greater will the savings be than those that are showing in the targets for efficiency savings?

Mark Batho: Yes, there ought to be economies of scale. Absolutely fundamental to the setting up of any organisation such as this is that it will deliver for the programme spend more results than its constituent parts delivered.

I return to the answer that I gave to Elizabeth Smith, which is that one needs to proceed with caution. We must not try to extract every last ounce of efficiency to the detriment of the continuing delivery of existing programmes. I have had an initial discussion with the interim chair of the organisation who is clear that that needs to be integral to all this.

Complicated arrangements are involved, given the different information technology and human resources systems, the fact that people are housed in different buildings, and the range of different businesses' processes. A critical early function of the board will be to make sense of all of that and to rationalise where appropriate in order to get more effective overall delivery.

One option may well be shared services. At this juncture in the process of change, I cannot commit the body to that, but the Government has been sending out strong signals that it expects shared services to be part of the public sector delivery landscape over time. The number of organisations that are coming together gives us a clear opportunity to put that into practice.

Rob Gibson: Given the slightly different relationship that HIE has with Careers Scotland, is there a different view at HIE?

Alex Paterson (Highlands and Islands Enterprise): No. Like the other organisations around the table, we are committed to working with the Scottish Government to establish the new body. The Careers Scotland function that, up until now was part of the Highlands and Islands Enterprise function, will transfer to become part of the new skills body.

Obviously, in doing that, we want to try to retain much of the good practice that has been developed in the Highlands and Islands and elsewhere, and we want to build on it. One of the earlier questions was on the potential synergies of merging Careers Scotland, learndirect Scotland and so forth. Real opportunities are involved in terms of the different approaches to customer service.

The HIE point of view is that we are working to make the new organisation, of which the Highlands and Islands is an integral part, a success.

Rob Gibson: The crunch question is how, through the budget setting process, we will recognise the savings that you talk about being made.

Mark Batho: The answer is more about the outputs that the organisation should deliver. That will become apparent through its business planning process, which will—of course—be a public process that will include the publication of its business plans. As we work through the establishment process, the budgets going forward will become apparent over the coming weeks. Critically, as I said, the measure of efficiency is what we get for those budgets. Coming back to an earlier point, one would expect that over time the inputs—the running and support costs generally—would be on a falling graph.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Good morning. I want to ask about the set-up costs, which the budget document states will be £16 million in 2008-09. Can you give us a bit more detail on how they were worked out and what they reflect?

Mark Batho: The starting point was under the previous Administration with the commissioning and then publication of an initial report by PA Consulting Group on different options for the merger of Careers Scotland and learndirect Scotland. The report came up with a significantly higher figure than £16 million, but the Scottish Executive, as it was then, had discussions with partner organisations on what would actually be required. That process, across all the organisations, reached a figure of around £16 million to deliver, for example, changes in the terms and conditions of staff and to estates and at least interim IT arrangements.

I again emphasise that I see the changes as a continuing process beyond the financial year 2008-09. Certain costs will emerge during that year, which is an inevitable consequence of bringing different organisations and systems together. Over time, however, one would expect the continuing integration to be funded from efficiencies within the organisations, which I mentioned in response to Mr Gibson.

The £16 million is a one-off injection of resource to tackle specific areas. If a reduced sum is required, that will be all well and good, because there are obviously opportunities in the budget process throughout the year to recycle that to other priorities. No one wants to spend the full £16 million if there is no requirement to do so. There are already thoughts that, despite the PA Consulting figure, the £16 million could be quite generous.

Jeremy Purvis: I want to be clear. Am I right that the £16 million does not reflect any front-line services?

Mark Batho: The expectation is that the front-line services will continue as they stand at the moment. I am talking about integrating the business—its staff, IT, business processes, marketing and communications—to a level that allows it to function effectively.

Jeremy Purvis: Right. What are the anticipated on-going running costs of the agency?

Mark Batho: That will depend. At the moment, the constituent parts have their own running costs. As there will be a transfer of staff on or around 1 April, those costs are fairly predictable—they will be continuing costs. However, I cannot anticipate the board's decisions on the organisation's future structure.

The running costs of the organisation are under discussion. They will in part depend on exactly what functions are transferred to the new body and what functions remain with the enterprise networks—that will have implications for the staff. There has already been an indication from ministers that the function of workforce development will remain with the enterprise networks, binding into their core business of developing businesses. That has implications for the exact number of staff that will ultimately transfer to the new body. As such, I cannot currently put a figure on the running costs in 2008-09.

10:30

Jeremy Purvis: We have no idea of the agency's running costs, but we are asked to approve a budget of £16 million simply to start up the agency. That is not much less than the entire amount for young people who need more choices and chances, which is £19.1 million over the spending review period.

Mark Batho: Identifying running costs is an integral part of the programme management arrangements that we are running. I am not clear about whether we will have identified those costs fully by the time that the budget bill is produced, but we will be closer to a definitive figure. If changes occur, opportunities to adjust the budget will be available throughout the year.

As for the £16 million, all the evidence is that structural change has a cost. We employed an external organisation to run the rule over that. That organisation made assumptions that have been stripped out as a result of discussions with partner organisations. On the basis of the PA Consulting Group report, subject to that further scrutiny, the evidence is that the figures are realistic.

The Convener: Somebody, somewhere has a mobile device that is switched on, which is interfering with the sound system. I remind everyone that all mobile devices should be switched off.

Mary Mulligan (Linlithgow) (Lab): Good morning. I find the budget challenging at the best of times, but when new bodies are being established and different funding lines are involved, it can be doubly so. How much of the overall Scottish Enterprise budget will transfer to the new skills body?

Mark Batho: I will give you what is definite first. The entire budget for Careers Scotland will be transferred. All the national programmes, such as the get ready for work initiative and modern apprenticeships, will be transferred. As I have said, the element of skills that the enterprise networks will retain is being discussed. Those discussions are in progress, so I cannot offer information on them.

Broadly, one sets off with those main elements from Highlands and Islands Enterprise and from Scottish Enterprise. Does Linda McDowall or Alex Paterson want to add anything?

Linda McDowall: It is fair to say that we are still considering the implications for our budget of the comprehensive spending review announcements. We are working closely with partner organisations on helping to establish the new body. We are confident that, as Mark Batho said, we will transfer our budget for Careers Scotland, including the salaries budget. Most of what Careers Scotland spends is on people as part of its role of providing information, advice and guidance. We will definitely transfer the national training programmes budget, which covers modern apprenticeships, skillseekers and the get ready for work and training for work initiatives. As Mark Batho said, we are discussing workforce development and we should reach a conclusion on that fairly soon.

Mary Mulligan: When do you expect those discussions to be completed? If we are to consider the budget and propose any alternatives, we need that information. I return to Mark Batho's introduction. I know that you cannot give us all the answers at the moment, but we, too, have a responsibility to stick to the budget timetable, so it is important that we have as much information as possible, if not everything. When do you expect to have the information about which budgets and how much of them will transfer?

Mark Batho: The issue is on the fast track, because it is absolutely appreciated that the budget process is not shiftable, not least because it has been shoved back by the late

announcement of the spending review, for reasons that everybody knows.

The budget bill must have lines for the new skills body—that is critical. As I said, there might need to be adjustments at various budget reviews throughout the year, because the picture is continually evolving. The budget bill figure cannot be the definitive, final figure, but it will be our best shot—at the date of publication—on the financial requirements of the new organisation in relation to its programme and running costs.

The Convener: Individual learning accounts are designed to help low-skilled, low-paid workers to improve their skills and gain qualifications. It appears that there will be a considerable reduction in the budget for ILAs in 2008-09. How will funding for the initiative develop during the next four years?

Mark Batho: The challenge is that funding for ILAs is demand driven. The budget lines in the previous spending review have not been fully spent, so we have attempted to anticipate future demand. The marketing exercise that is trying to drive up demand for ILAs will continue, because it is evident that there is a demand and that ILAs hit precisely the targets that you described. Learndirect Scotland administers ILAs, so Damien Yates might comment.

Damien Yates: In the previous spending review, two issues probably impacted on annual ILA numbers the most, the first of which was the rigour around applications—members might remember that ILAs were misused. The Scottish Government took the positive decision to maintain the scheme, but many other countries are considering the management of such processes. Access was restricted, but restrictions are loosening as we begin to understand and get better at managing the process. The second issue was the delay in signing off budgets, which had an on-going impact.

The figure for 2007-08 was an indicative spend, which does not reflect actual spend. The budgets for the coming period reflect activity measured against demand. There is an additional budget line of nearly £20 million, which is for low-paid, low-skilled workers. As the convener said, the upskilling of people who are in work but perhaps in poverty represents a huge opportunity. As we go forward there is an opportunity to widen the bands and target a much wider group of people. We can be clear about who we are trying to support.

As Mark Batho said, 70 per cent of the 2015 workforce are in work now. The majority of current skills programmes are aimed at labour market entry point. We do an awful lot to support people to get jobs, but once they are in employment, support for upskilling is for a range of reasons

more challenging. The additional £20 million will be aimed at people who are in work. We will have to reflect on the salary levels that allow people to access support and on the value amount.

A number of proposals will be considered and implemented during the coming year, which will improve the process and widen access. I cannot comment on pending announcements but I am aware that there are on-going discussions that reflect more of what is sought in the context of support for priority groups of people who are in work.

The Convener: If we are serious about ensuring that we have a skilled workforce, which is the only way our country can compete with other countries, we need to ensure that our workforce takes advantage of opportunities to upskill. Should there be a reduction in funding for ILAs? If there are issues to do with take-up, perhaps we should invest in improving take-up instead of reducing the budget.

Damien Yates: That is a good question. Again, I reflect on the fairly strict access measures that were put in place to militate against the issues that arose previously with the ILA programme. I do not sense that there is a reduction in the overall balance of the budget; I think that there is a net increase over the piece, given the additional £20 million for low-paid, low-skilled people. That was not a discrete budget in the previous ILA round.

Jeremy Purvis: The skills strategy that the Government launched earlier in the year asks for a step change in skills development. Can you point the committee to a headline figure in the budget that shows the overall growth in skills investment?

Mark Batho: There is the figure that Damien Yates has just mentioned, which comprises £3.9 million, £7.9 million and £7.9 million for work on developing the skills strategy. There is also the resource that is going into schools, directed through the local government settlement.

It is important to emphasise the cradle-to-grave nature of skills and of the skills strategy. One cannot point simply to one of the interventions and say, "That's it." The schools budget is important, as is the development of the curriculum for excellence. The enhancement of university and college budgets—I know it is controversial—which is 2 per cent above real terms, is a contributor to the skills budget. Add to that the £20 million across the three years for specific development of the skills strategy and the establishment of the new body, and that amounts, in the view of ministers—obviously I reflect the view of ministers when I say this—to a significant move towards that step change in skills.

It is not just about investing in the supply side of skills. Running through the skills strategy is the

thought, which has been endorsed by a range of people throughout the United Kingdom and more broadly, that the accumulation of skills is only part of the issue—as Lord Leitch's UK skills inquiry identified—and that it is also about the utilisation of skills. It is about getting employers and other organisations, including public sector employers, to make better use of the quantum of skills that we have in the Scottish workforce, which is much higher than in the rest of the UK, for example.

That is not a direct answer, as I am not pointing to a single figure, but I think that a single figure would not give the whole picture.

Jeremy Purvis: How much has been transferred to schools?

Mark Batho: I am sorry, but I cannot answer that. We can provide information on that, but I do not deal with schools; nor does anyone here.

Jeremy Purvis: You mentioned two key areas. The first was what we have just heard about with regard to developing the skills strategy and the second was transfer to schools. I thought that you would know how much has been transferred out of your area. One would have thought that you might have kept a note of that.

Mark Batho: There is no transfer out of my area into schools. I am talking in terms of the overall schools budget having to be regarded as being part of the contribution to the development of skills.

Jeremy Purvis: I am just reading the notes regarding "other lifelong learning", on page 114 of the budget document. Note 2 states:

"Part of this budget has been transferred to local government".

Mark Batho: Is that the schools-colleges bit?

Jeremy Purvis: It is for the determined to succeed programme.

Mark Batho: Right. That is the £19.4 million. I can speak definitively on that. A ring-fenced sum of £19.4 million has been transferred into grant-aided expenditure to allow continuation of the determined to succeed programme, while £2.8 million is retained within central Government for the same purpose. Because determined to succeed is delivered entirely within a local government context by schools, it seems appropriate for it to form part of the transfer of the whole schools budget.

10:45

Jeremy Purvis: That is helpful. Am I correct in saying that the funding for 2009-10 and 2010-11 is not ring fenced?

Mark Batho: I am sorry, but I cannot remember. I do not want to give false information, so I will write to you about the exact arrangements, if that is okay.

The Convener: It would be helpful if you could clarify how long the ring fencing will last.

Richard Baker (North East Scotland) (Lab): You said that there is a 2 per cent increase in funding for universities, but the universities have told us that next year's funding has actually been cut by 0.5 per cent in real terms. It would be helpful if you could clarify those figures.

Mark Batho: I do not have the exact figures in front of me, but I believe that there would be a small real-terms cut if one did not take into account the spread across the three-year spending review period of the £50 million of additional capital that was previously announced. An additional £100 million has been announced, £50 million of which is for colleges and £50 million for higher education institutions.

Richard Baker: But in revenue terms there has been a real-terms cut.

Mark Batho: Yes.

Elizabeth Smith: You made an interesting comment about the need to balance bringing more people into the skills category and upskilling existing workers. You said that there will be a step change in skills, but do you think that a greater proportion of budget spend will be directed at ensuring employers can use existing resources better or at widening access to skills?

Mark Batho: Again, I cannot anticipate what the interim board will decide will be the new skills body's priorities. However, the skills strategy clearly signals that skills utilisation and encouragement of employer demand are critical to driving up productivity. One would expect the body to pay due attention to that.

Mary Mulligan: In response to Richard Baker, you said that there was a 50:50 split with regard to the £100 million of additional money that had been announced. I had understood that the split was £40 million and £60 million. Will you clarify that?

Mark Batho: Initially, the allocation in the year 2007-08 was 60 per cent to colleges and 40 per cent to higher education institutions. However, at the time, the clear message to both sectors was that the allocation would be rebalanced over the three years of the spending review so that, by the time we reached 2010-11, the overall split would be 50:50.

Mary Mulligan: That clarifies the point. You were talking about percentages and I was talking about money.

Jeremy Purvis: I was also seeking clarification on that point. If only £20 million of the £60 million for colleges and the whole £40 million for higher education institutions are going to be allocated formulaically, how does the split come to 50:50?

Mark Batho: That is because a continuing capital baseline runs through both sectors over the spending review period. The intention is that, by adding the £100 million to the capital baselines for higher and further education, we will by 2010-11 split the overall allocation 50:50.

Jeremy Purvis: Forgive me, convener, but, according to the figures, capital grants for further education colleges is to go up from £87.9 million this year to £97.5 million in 2010-11 and from £85 million this year to £95.2 million in 2010-11 for higher education institutions. Effectively, that is exactly the same increase for both sectors. How are you going to rebalance the £20 million that goes to colleges and the remainder for higher education institutions? It is just a straight increase for both sectors, so how will that balance out?

Mark Batho: I will undertake to ask the funding council that question and get back to you. The allocation of resources is, statutorily, its responsibility and I will ensure that the committee gets clear information about how that unwinds.

The principle is clearly acknowledged: by the end of the spending review period, the £100 million will end up split half and half between the college and the university sectors. It was on that basis that Universities Scotland said that it was content with that initial allocation. The allocation was front loaded because the colleges currently have a lot of projects that are easy to get money into—and spent—quickly.

I do not want to give a definitive answer about how the figures in the budget document will unwind, but I can undertake to address the point.

The Convener: I am sure that some of the questions will be put to the funding council when its representatives come before the committee next week.

Rob Gibson: The budget includes £1.9 million in 2008-09 for workforce plus, which includes sharing knowledge and data on workless client groups. How will the combined skills agency utilise that knowledge and those data in determining its strategic priorities?

Mark Batho: You would need to ask the new organisation that question. I do not want to anticipate how it will take forward its work across what will be a very broad front. However, I can say that ministers have signalled clearly that they expect that work to be integrated ever more closely with the work of Jobcentre Plus, so that employability and employment can be more

closely linked. The cabinet secretary has been having discussions with her Whitehall counterparts around that sort of territory.

Rob Gibson: That will be a question for us to address later, in that case.

Aileen Campbell: Much of the skills agenda will be delivered by local authorities. In ensuring that national priorities are met, will the outcome agreements with the local authorities be more effective than ring fencing of moneys?

Mark Batho: I do not think that I can venture an opinion on that from where I sit as the director of the Lifelong Learning Directorate.

Aileen Campbell: Do you have any thoughts on the matter?

Mark Batho: The effectiveness of outcome agreements could appropriately be raised with the minister.

On engagement of local government in the skills process, the cabinet secretary has indicated that she expects local partners to be a critical part of the overall delivery of skills and that she expects the skills body to establish local arrangements as an early priority. I cannot conceive that local government would not be a part of that process.

Mary Mulligan: Earlier, you said that the determined to succeed programme funding would be ring fenced for one year before becoming part of the GAE—

Mark Batho: No—I said that I knew that it was being ring fenced for one year and that I was going to write to Mr Purvis about the position in years 2 and 3.

Mary Mulligan: Okay. I was going to ask whether that should become part of the agreement. Do you think that is what will happen or do you not know at this moment?

Mark Batho: I do not know at this moment.

The Convener: If money is given to local authorities and there are outcome agreements but local authorities choose to spend the money on things other than national priorities, what ability, if any, does the Scottish Government have to recover that money?

Mark Batho: That is a question you need to address to Mr Swinney.

Christina McKelvie (Central Scotland) (SNP): Would efficiency savings in the public sector constrain the ability of public sector employers to meet the aspirations of the skills strategy?

Mark Batho: The short answer is no. There is a clear expectation that the establishment of the skills body will deliver efficiencies in itself. Efficiency is not about reducing services; it is

about getting more bang for your buck's investment in public sector organisations. If a drive for efficiency is causing a reduction in the service that a particular organisation is giving, that is not an efficiency saving.

Christina McKelvie: Will the fact that people will be working more closely together in the new organisation mean that a better service can be delivered and that we will get more bangs for our buck? Will it mean that we can deliver better outcomes for people who need to be upskilled through the skills strategy?

Mark Batho: Ministers will be setting very demanding requirements for the body. If it does not deliver, the board will be answerable. The answer to the question is that, if, three years from now, ministers see that the body is doing only what its constituent bodies are doing at the moment—albeit that that is being done well—that would not be an outcome that they would accept. Actually, I would put a shorter timescale on that process than three years, but three years will do for now.

Christina McKelvie: How will the tighter budget for universities affect the building of a highly skilled workforce?

Mark Batho: Ministers have indicated that they are clear that the settlement is adequate to continue to fund high-class universities.

Richard Baker: What negotiations had taken place with universities in advance of the funding settlement being decided? Since the announcement of the funding settlement, institutions have put forward the view that it might limit their activity; for example, a freeze in student numbers has been mooted. To what extent were those issues taken into account?

Mark Batho: Ministers had Universities Scotland's bid document and, of course, discussions always take place between Universities Scotland and ourselves.

On a freeze in student numbers, my first reaction when I read that headline was, "I thought we had been in a capped system for the past four or five years anyway." I equate that with a student-numbers freeze. Within the settlement, there is not provision for growth. That is a continuation of the policy that has pertained for a number of years.

Richard Baker: So there is no intention to grow student numbers in the settlement. Is the policy now to freeze student numbers for the duration of the spending review?

Mark Batho: In the end, that is a matter for the funding council, as it works under the guidance letter that we will send out in the coming weeks. I am not going to make Government policy here but I can say that, plainly, it is a tight settlement and

tight settlements do not help with regard to growing student numbers. The point that I was making is that we are setting off from a position in which there has been capped provision for the past four or five years.

Richard Baker: Bearing in mind the Government's wider stated aims in its economic strategy, are you happy that that policy is compatible with the ambition to create a more highly skilled workforce?

Mark Batho: I can only quote what our ministers have been saying on that issue.

Richard Baker: It is not clear what impact the allocation for student support will have on the young person's bursary. Do you have any further details on whether that bursary will increase over the period of the spending review?

Mark Batho: Can I respond in writing to that question as well?

Richard Baker: Yes. That would be useful.

The Convener: It would be helpful, Mr Batho, if you could write to me as convener to ensure that all the committee's members are furnished with that information when it becomes available.

11:00

Elizabeth Smith: I know that you cannot comment on Government policy and that it would be totally inappropriate to ask you to do that, but I will ask you about comments that Universities Scotland made at a previous committee meeting and about comments from groups such as the Confederation of British Industry that have been in the press recently. There is concern about whether, given the tight spending settlement for universities, we will be able to articulate the skills of the university graduate population that is about to come out into the world of work with the needs of the business community. Perhaps it is a question more for Scottish Enterprise. Would you care to comment on that?

Mark Batho: Addressing what is taught in universities and how it is taught does not need to be about money at all. It is about appropriate dialogue between business and universities, using language that both understand. I emphasise that point, because it can be challenging for business to articulate its concerns in language that universities can associate with what they provide and how they provide it. Indeed, it can be quite intimidating for the small business sector in particular to engage with the university sector.

There is a lot of scope for dialogue between the university sector and employers to be facilitated by Government—it is part of the skills strategy. We need to ensure that the teaching of history,

philosophy or physics also imbues students with the kind of skills that they need in the workplace. I am not saying that the system should turn out endless numbers of students who are honed and can hit the ground running in a particular business, although there is an element of that—there is quite a lot of vocational provision in universities, such as in law, medicine and allied health professions. The message that often comes out is that there is a need for people who have the capacity to learn in the right way once they arrive in business. That is why Lloyds TSB recruits physicists.

Elizabeth Smith: Another concern is about funding for university research. English universities are pulling in a fee per student and, with the absence of a level playing field in that regard, there is a slight concern that developments in research—especially in medical sciences and some areas of technology—might suffer a little. I know that you cannot comment on policy, but have you had any representations on the matter from groups from which you have taken evidence in your inquiries?

Mark Batho: There is always concern because there is no doubt that the Scottish system is in competition with the system in other parts of the United Kingdom and internationally—of course it is. It sets off from a strong base, because it gets about 11 per cent of research council grants for 9 per cent of the population at the moment. It has been punching above its weight in that territory for quite a long time and there is concern that that should be maintained. That will be part of the continuing dialogue and I am sure that the issue will be raised when Universities Scotland meets the cabinet secretary tomorrow.

Jeremy Purvis: We have seen some of the cabinet secretary's comments on university funding. She and the First Minister said that half the request had been met. Are you able to give details of how the Scottish Government has come to that?

Mark Batho: Yes. The headline figure that Universities Scotland has used is a real-terms increase over baseline of £168 million in year three—2010-11—but the bid was also about getting to that point in 2008-09 and 2009-10.

On a cash basis rather than a real-terms basis, the total amount across three years that Universities Scotland sought in its bid was £526 million. The settlement is exactly half that in cash across the three years.

Jeremy Purvis: And in real terms?

Mark Batho: In real terms it is less than that, because of inflation. I do not have the figure with me, but that is where the 50 per cent figure derives from. The settlement is 50 per cent of the cash that Universities Scotland was seeking.

Jeremy Purvis: You have included within that the £50 million for—

Mark Batho: Capital.

Jeremy Purvis: For the next financial year.

Mark Batho: It is across the piece. The £50 million is taken into the calculation.

Jeremy Purvis: As I see it, you have already added the capital funding to the figure. Within the £263.2 million, which I understand is your figure, you have already included the capital grant for higher education institutions.

Mark Batho: The £50 million?

Jeremy Purvis: No, no.

Mark Batho: There are two capital figures. One is the baseline for the three years and the other is the £50 million that will be applied to higher education as capital across the three years out of the £100 million.

Jeremy Purvis: Plus you have added the £87.4 million, £94.7 million and £95.2 million capital grants for higher education institutions.

Mark Batho: Those are the two elements of capital that I was talking about. That is the baseline continued through and increased.

Jeremy Purvis: Forgive me. You have added together the capital grants for the three years and the one-off £50 million.

Mark Batho: Yes.

Jeremy Purvis: We heard that it is not actually a one-off £50 million, but you think that it will balance out over the piece, including the capital grants, about which you will write to me to explain.

Mark Batho: The line of three years that you quoted will be enhanced by a total of £50 million across the three years.

Jeremy Purvis: Where?

Mark Batho: We need to write to you about the mechanisms for that, but a commitment was given that, across the three years, the £100 million that was announced a few weeks ago to be delivered from the end-year flexibility resource that came up from the Treasury will, across the piece, be distributed to universities and colleges on a 50:50 basis. The issue arose a few minutes ago. I need to speak to the funding council about the mechanisms, but the principle is as I stated it. To help you get through the figures, I need to describe how the funding will actually be delivered.

Jeremy Purvis: You say that you met half the bid. I think that it is acceptable to analyse that. The circular on the £100 million from the funding council is clear about the £40 million. It divided up the figure using the formula that every university

knows is likely to result in £40 million. I do not know where the additional £10 million will come from, unless it is the £10 million in the budget document for increased capital. If that is the £10 million, you have double counted.

Mark Batho: I will respond to you. I am clear that there is no double counting, but I am afraid that I am unable to fight through the thicket today without my talking to the funding council.

Jeremy Purvis: I appreciate that. I think you said that the matter is over and above the funding council, but we will wait until you get back to us. I am concerned that there could well be a significant amount of double counting.

Mark Batho: I will register the point.

The Convener: There may well be a point to pursue with the funding council when it is here next week, Mr Purvis.

Mary Mulligan: I thought that the £100 million that was announced was for 2007-08. Is that right?

Mark Batho: Yes. Technically, it was allocated as an in-year resource. The reality is that capital is spread over projects over long periods. The funding council has the capacity to carry forward underspends or whatever. In announcing the money, the cabinet secretary made it clear that she regards it as a forerunner to further resource going into the college and university sector during the spending review period. Technically, it is not spending review resource, but in practical terms it is additional resource for the universities and colleges in the period to 31 March 2011.

Mary Mulligan: In accounting terms, however, it would be in this year's budget line and not that of 2008 to 2011.

Mark Batho: Exactly, yes.

Elizabeth Smith: When you clarify the figures, will you clarify a further point? I think I am right to say that the universities requested a baseline increase of 15 per cent, which was a big ask. In real terms, I think that the increase is only 2.9 per cent. Will you clarify that?

Mark Batho: Yes.

The Convener: That concludes our questions. Thank you for your attendance. We look forward to receiving clarification on the points that we raised.

Mark Batho: We will get back to you quickly.

The Convener: That would be helpful.

11:11

Meeting suspended.

11:15

On resuming—

Petitions

Children's Services (Special Needs) (PE853)

Rural Schools (Closure) (PE872)

The Convener: I reconvene the meeting. We move to the second item on our agenda, which is consideration of correspondence relating to two outstanding petitions.

Members will recall that we agreed to write to the Cabinet Secretary for Education and Lifelong Learning, Fiona Hyslop, on petitions PE853 and PE872. We have received a response, which is detailed in the accompanying papers. There is a suggestion that we may want to reflect on the minister's comments and close our formal consideration of the petitions. I am interested to hear members' comments. I welcome Cathy Jamieson, who has joined us for this item.

Richard Baker: I note that the minister says that she understands that there might be a case for keeping PE853 open. However, it might also be useful to keep PE872 open, simply because we are awaiting several developments—it would not take anything for the committee to monitor those developments. If everything fell apart in terms of proposed legislation or a member's bill—I am not saying that it will—the committee would still have the opportunity to pursue the avenue of the petitions. Although the situation looks positive and the cabinet secretary has said that the desire of the petitioners will be met, we are not quite there yet, and there are still a number of concerns around the country. For those reasons, it would be useful to keep the petitions open.

Cathy Jamieson (Carrick, Cumnock and Doon Valley) (Lab): As a former education minister, I take seriously the opportunity to speak on the petitions. I support Richard Baker's comments on keeping them open.

There is a proposal from East Ayrshire Council to close a number of small schools, including a number of rural schools. I am concerned by the arguments that are made in the council's consultation document, which suggest, for example, that the advantages of small schools are outweighed by the disadvantages. It also says that informed educational opinion is that the disadvantages are more than offset by the richer and educationally more secure environment of a larger establishment, where there is a larger pool of ideas, expertise and resources. The document later suggests that the curriculum for excellence cannot be delivered satisfactorily in small schools.

That poses some fundamental education questions.

The proposals affect Sorn, Littlemill, St Xavier's and Crossroads primary schools—although the last one is not in my constituency, it serves pupils from my area. Littlemill and St Xavier's schools are in Doon Valley, which is one of the most disadvantaged parts of my constituency.

I would like the petitions to be kept alive, if possible, so that we can pursue some of the matters further. I appreciate that the committee may simply want to hold the petitions open and monitor developments, and that would be helpful too.

Elizabeth Smith: I am happy to agree with the comments from Mr Baker and Ms Jamieson. It is important that we keep the petitions open until we are absolutely clear on the parliamentary procedure and until some of the issues that Cathy Jamieson has raised are addressed.

The Convener: If there are no further comments, it is suggested that we keep the petitions open with a view to monitoring the situation and ensuring that the cabinet secretary follows through on the strong commitment that she gave in her letter to the committee, in which she said that she intends to consult on the matter and to legislate. The committee should monitor the situation closely and return to the issue if the commitment is not followed through. I am sure that the petitioners will be pleased that we have agreed to keep both petitions open.

Schools (Class Sizes) (PE1046)

The Convener: PE1046, on class sizes, was referred to us by the Public Petitions Committee. Members have a paper that suggests an approach to the petition. I invite comments.

Rob Gibson: The petition is timely, given discussions about class sizes. I am concerned that a somewhat elongated timetable for consideration is being proposed as a result of the need to collect statistics. Of course, various parties might comment when statistics have been published, but given the currency of the issue I would have thought that we could have an evidence session on class sizes with Fiona Hyslop when she comes to the committee on 5 December to discuss the budget. Many parties seem to think that class sizes are an issue in the context of the budget.

Mary Mulligan: It is likely that we will question the Cabinet Secretary for Education and Lifelong Learning on class sizes when she gives evidence—I cannot imagine that the issue will not be raised—but we will have limited time with her, and there is a range of issues to consider.

When Mr Smith brought the petition on behalf of the Educational Institute of Scotland, was he asked for guidance on what

“significant reductions in class sizes”

means? I am not sure that the petitioner has indicated the position that we are starting from and where he would like us to end up. The clerks might know whether the matter was discussed by the Public Petitions Committee—if they do not know, I am quite happy to read the *Official Report* of the meeting at which PE1046 was considered.

The Convener: The clerks advise me that they are not aware of the discussion in the Public Petitions Committee.

Mary Mulligan: I will read the *Official Report* of the meeting, because although there is general support for a reduction in class sizes there are issues to do with what that means.

Jeremy Purvis: I do not disagree with the members who have spoken. We can keep the petition open, and we will surely ask the cabinet secretary about class sizes on 5 December. We can reserve our position, so that we can continue scrutiny if issues are outstanding after that meeting. The issue relates to policy as well as to the budget, so it would not be appropriate to consider it purely in the context of the budget. We can tell the petitioner that we will start consideration of PE1046 on 5 December and that if issues are outstanding after that meeting we will decide how to take matters forward.

The Convener: I see that Mr Gibson wants to comment, and I will allow him to do so, but first it might be helpful if I respond to members’ points.

I appreciate that the cabinet secretary will soon give evidence to the committee. Indeed, she will attend meetings in two consecutive weeks: next week she will give evidence on the Graduate Endowment Abolition (Scotland) Bill, and the week after she will give evidence on the budget. However, she will give evidence on the budget for about an hour and a half, and although we want to question her thoroughly we do not want the session to be excessive. The cabinet secretary has always tried to stay with the committee as long as possible, and she has never complained about lengthy evidence sessions.

Class sizes is a major policy issue and we would not do it justice if we crammed it in with our budget consideration. Further, the committee has already agreed to an approach paper on the budget: we said that we would focus primarily on funding for the HE and FE sectors. Although we have said that there will be an opportunity to ask more general questions, if we move too far away from our agreed focus, some of the witnesses who we have invited to give evidence on the budget—

today and next week—will not be as appropriate as they otherwise would have been.

I have no problem with people asking the minister some questions about class sizes when she comes before us in December—as Mary Mulligan said, it is highly unlikely that the issue will not be raised, as there are budgetary issues around it—but because the issue is important we should return to it in the new year. The approach that is outlined in the clerk’s paper will enable us to do justice to the petition.

Rob Gibson: I would like to propose an amendment to the timetable and suggest that we have an initial discussion on class sizes with Fiona Hyslop on 5 December. That discussion should deal with the policy aspects, because although we might be asking her about the issue in connection with the budget, the policy aspects should be dealt with separately—just as a starter—as a way of showing that we take the petition extremely seriously. I move that proposal.

The Convener: Does anyone have any further comments or does the committee wish to move to a division?

Jeremy Purvis: It is not clear what is being proposed.

The Convener: Mr Gibson is suggesting that the issue should be covered at the budget evidence-taking session.

Rob Gibson: No, I am suggesting that it be dealt with under a separate item on the same day, because it relates to policy issues, not the budget.

Mary Mulligan: I am unclear about how we would fit all of that in. I am quite happy to start earlier, but am I right in thinking that we have other witnesses coming that day?

The Convener: Prior to the evidence-taking session with the minister, we will hear from representatives of the Convention of Scottish Local Authorities and the Association of Directors of Education in Scotland.

Jeremy Purvis: I am perfectly happy to extend the meeting as the deputy convener proposes, but if we decide to do so the clerks will have to have discussions, because the meeting will go well into lunchtime, and potentially beyond, which might affect business in the afternoon. I am not sure whether the deputy convener has discussed the implications with his business manager.

Rob Gibson: The questions that we ask can be concise—perhaps we all ought to learn how to make them more concise.

The budget process restricts us to dealing with budget matters, but the petition will provide us with material, in terms of statistics, in due course. Given the political prominence of the issue, which

is not related only to budget matters, we should take the opportunity to talk to the minister. I would, therefore, like to press my suggestion and recommend that, if need be, there be discussions with the minister and the business managers about extending the meeting.

The Convener: Are you suggesting that our consideration of the petition should be limited solely to taking evidence from the minister—

Rob Gibson: No.

The Convener: So rather than hearing from all of the witnesses who we want to hear from and then talking to the minister, you are suggesting that we hear from the minister first. That is not how matters are normally dealt with. I wonder whether the suggestion relates to an argument at the Parliamentary Bureau yesterday about a parliamentary statement that has been requested, and whether this is an opportunity to have no parliamentary statement on the matter, if the committee—

Rob Gibson: I have no knowledge of that.

The Convener: Well, your Minister for Parliamentary Business certainly has knowledge of it, and questions were asked of the clerks and me yesterday.

11:30

Richard Baker: I am reminded of the phrase “more haste, less speed”. The time pressure in the evidence session with the cabinet secretary will not help scrutiny of the petition. I agree with Rob Gibson that class sizes will be a huge issue for a long time to come, therefore I am not persuaded that we should dive straight into it. The budget process demands an intense amount of scrutiny, particularly as, I hope, we will get level 3 data. Surely the paper is sensible—it proposes a more considered timescale for consideration of the petition. I do not understand what would be lost by following it.

Jeremy Purvis: I agree. We can make a start and tell ministers that we want to scrutinise the matter, but condensing consideration of it into one session without hearing evidence from other witnesses is probably not the way forward. I support Richard Baker’s position.

Mary Mulligan: I would prefer it if we did not have to go to a vote today. We all want to discuss class sizes. I acknowledge Rob Gibson’s point that the issue is likely to arise during our consideration of the budget and that we should discuss the policy as well, but it would be difficult to timetable that. The convener’s point that we might want to hear from other people is also relevant. The minister deserves to have the opportunity to respond to any other evidence that we take, so the

usual practice is probably the best one. I hope that we can agree. The matter is urgent and needs to be discussed, but fitting it into an already crowded timetable is probably not the best way to deal with it.

The Convener: There are different views but, as Mary Mulligan said, there is no doubt that everyone around the table thinks that the issue is important and wants to devote to it the time that it deserves. There can be no doubt that the Government thinks that class sizes is an important issue, or it would not have made it one of its priorities.

My concern is that if we take evidence on class sizes at our meeting on 5 December, we will be unable to give it the due consideration, attention and scrutiny that it deserves. We have other matters to pursue with the minister at that meeting. As well as taking evidence from COSLA and ADES, we need to have initial discussions on our stage 1 report on the Graduate Endowment Abolition (Scotland) Bill. We must be mindful that the committee has to comply with the timetable that the Parliamentary Bureau agreed for the bill. We do not have flexibility on that, so it would be difficult to discuss class sizes at our meeting on 5 December.

I point out that the cabinet secretary is already coming to the committee two weeks in a row, but if she is willing to come back the following week we might have more flexibility in our timetable to allow her to address the issues initially. That compromise might mean that we do not have to move to a division. We all agree that the issue is important, and it would be unhelpful to divide on it.

Rob Gibson: I hear what you are saying, convener. I point out that I was not suggesting that the cabinet secretary should not come at the end of the process as well—I was amending the suggestion so that we could have some initial thoughts from her on the policy issues.

Convener, I understand the latitude that you apply to discussions on the budget so that they can extend far beyond issues related to the actual figures. That was evident this morning in our discussion on higher education funding, which was separate from what we were really dealing with. Given that, your suggested compromise of asking the minister whether she wants to come to committee on 12 December might be good.

The Convener: If we are happy with that compromise position, the clerks will have discussions with the minister’s office about her ability to join us on either 12 or 19 December, if that is suitable.

Christina McKelvie: Thinking about petitions such as this one coming to committee, I am concerned that we are becoming a victim of our

own voracity, considering our heavy work programme. I do not know whether we have built in enough flexibility to address topical issues as they arise. Perhaps we can consider that in future.

The Convener: It is always difficult for a committee to manage its work programme. We need to be mindful that, although it is important for topical issues to be considered swiftly, the issue in the petition is not likely to go away in the foreseeable future. I am sure that we will have an opportunity to scrutinise the points that are raised in the petition and give them the attention that they deserve.

We will all bear in mind the need for our work programme not to be too overloaded, although I must point out that sometimes our work programme is determined not by us but by the Executive giving us legislation. We are one of the few committees that have legislation to scrutinise.

I think that we have agreed our approach to the petition.

Subordinate Legislation

Education

(Amendments in respect of Graduate Endowment, Student Fees and Support) (Scotland) Regulations 2007 (SSI 2007/503)

11:37

The Convener: We move on to agenda item 4, which is consideration of a statutory instrument that is subject to the negative procedure.

Members have a cover note and a copy of the regulations in their papers. No motion to annul has been lodged, and the Subordinate Legislation Committee determined that it did not need to draw the instrument to the Parliament's attention.

Unless any member wants to comment, I suggest that we move straight to the question.

Mary Mulligan: I note that the Subordinate Legislation Committee did not draw any issues to our attention. However, nowhere could I find information on the legislation under which the instrument was introduced. Perhaps it was referred to in the Subordinate Legislation Committee's papers rather than in ours. Under what legislation was it introduced?

The Convener: That is definitely not in our papers.

Mary Mulligan: I did not see it.

The Convener: Here is the list. These are the instruments that the regulations amend: the Education (Fees and Awards) (Scotland) Regulations 2007; the Students' Allowances (Scotland) Regulations 2007; the Education Maintenance Allowances (Scotland) Regulations 2007; the Graduate Endowment (Scotland) Regulations 2007; the Education Authority Bursaries (Scotland) Regulations 2007; the Nursing and Midwifery Student Allowances (Scotland) Regulations 2007; the Education (Student Loans) (Scotland) Regulations 2007; and the Education (Student Loans for Tuition Fees) (Scotland) Regulations 2006. The parent act is the Education (Scotland) Act 1980.

Mary Mulligan: That is what I wanted to know—where the instrument came from, rather than what it amends. That was helpful, convener. Thank you.

The Convener: I hope that that long list of regulations and the act gives some clarity.

Are we agreed that the committee has no recommendations to make on the regulations?

Members indicated agreement.

European Union Policy and Legislation (Scrutiny)

11:40

The Convener: Our fifth and final item is consideration of a paper by the clerks that provides some background on the Scottish Parliament's scrutiny of European Union issues and the committee's role in that respect, and makes recommendations on how we might conduct such scrutiny this parliamentary session. Do members have any comments?

Rob Gibson: I am keen to scrutinise various aspects of the Government's proposals through the prism of the European Union's priorities, and this valuable paper highlights many such opportunities.

I hasten to add that one issue not covered in the paper is the decision that was taken last week by the European Commission and the European Parliament to make 2008 the European year of intercultural dialogue. That will involve promotions at international, national and civic level, and it has implications that need to be examined urgently, because we have to find out how we in Scotland can make the most of the decision. I am sure that ministers will have a view on that, but the committee has to be on top of such matters. Indeed, I spoke yesterday to Mr Vladimir Šucha, the director for culture and communication at the European Commission, who has discussed the issue with representatives of the Edinburgh International Festival. This is just one example of something in which Scotland can be involved very directly. The clerks need to look carefully at what the EU is doing and find areas that we should interrogate people about.

Mary Mulligan: I agree. We cannot afford to ignore this area. I am pleased that the clerks have produced this paper, which provides a helpful starting point. In the past, the Parliament has taken the lead on issues that have a clear impact on people in Scotland. For example, the Justice 1 Committee, of which I was a member, considered inheritance and divorce legislation in the EU. The legislation was going to affect a lot of people, and it could have been missed quite easily, so it is important that we keep up to date with our Brussels officer's fortnightly bulletin.

I acknowledge that the Government will be keeping an eye on the various smarter Scotland priorities that are set out in the clerks' paper, but there is no reason why this committee cannot keep a watching brief on the matter and raise issues that we feel should be highlighted. I say that, convener, bearing in mind your earlier comment about the committee's workload.

Although we will probably just want to note a lot of things, it is important that we keep an eye on what is happening.

The Convener: Those comments have been helpful. This item is on the agenda partly because the convener of the European and External Relations Committee, Malcolm Chisholm, wrote to me asking whether the committee is interested in any area of the EU's work so that the Scottish Parliament's Brussels officer can keep it in mind. Perhaps we could flag up Mr Gibson's suggestion and ask the officer to monitor developments and keep the committee informed to allow us to pursue the issues.

On that basis, I think that we can agree the recommendations in the paper. The clerks will keep a watching brief on the matter and make us aware of issues that might merit closer consideration.

Our next meeting will be on 28 November and, for members' information, the *Official Report* of this meeting will be published on 26 November. I thank members for their attendance.

Meeting closed at 11:45.

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