

ENTERPRISE AND CULTURE COMMITTEE

Tuesday 9 January 2007

Session 2

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ENTERPRISE AND CULTURE COMMITTEE

1st Meeting 2007, Session 2

CONVENER

*Alex Neil (Central Scotland) (SNP)

DEPUTY CONVENER

*Christine May (Central Fife) (Lab)

COMMITTEE MEMBERS

*Shiona Baird (North East Scotland) (Green)

*Richard Baker (North East Scotland) (Lab)

*Susan Deacon (Edinburgh East and Musselburgh) (Lab)

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

*Karen Gillon (Clydesdale) (Lab)

Mr Stewart Maxwell (West of Scotland) (SNP)

*Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

COMMITTEE SUBSTITUTES

Mark Ballard (Lothians) (Green)

Donald Gorrie (Central Scotland) (LD)

*Fiona Hyslop (Lothians) (SNP)

Margaret Jamieson (Kilmarnock and Loudoun) (Lab)

David McLetchie (Edinburgh Pentlands) (Con)

*attended

THE FOLLOWING GAVE EVIDENCE:

Laura Barjonas (Scottish Executive Enterprise, Transport and Lifelong Learning Department)

Martyn Evans (Scottish Consumer Council)

Andrew McConnell (Scottish Executive Enterprise, Transport and Lifelong Learning Department)

Douglas Sinclair (Scottish Consumer Council)

Allan Wilson (Deputy Minister for Enterprise and Lifelong Learning)

CLERK TO THE COMMITTEE

Stephen Imrie

SENIOR ASSISTANT CLERK

Douglas Thornton

ASSISTANT CLERK

Nick Hawthorne

LOCATION

Committee Room 6

Scottish Parliament

Enterprise and Culture Committee

Tuesday 9 January 2007

[THE CONVENER *opened the meeting at 15:00*]

Consumers, Estate Agents and Redress Bill

The Convener (Alex Neil): I call the meeting to order. Welcome to the Enterprise and Culture Committee's first meeting in 2007. I wish committee members and all present a happy new year. This will be a very interesting year.

On a couple of housekeeping points, I ask everyone to switch off—rather than just switch to silent—their mobile phones and BlackBerrys. I have received apologies from Stewart Maxwell, who is unable to join us through illness. I welcome Fiona Hyslop, who is here as his substitute. I have also received apologies from Jamie Stone, who has been delayed but hopes to join us at some stage later.

We have only two items on our agenda today. Item 1 is consideration of a legislative consent memorandum on the Consumers, Estate Agents and Redress Bill that is currently before the United Kingdom Parliament. We will take evidence on the bill from two panels of witnesses.

I welcome the members of our first panel: Douglas Sinclair, who is the chair of the Scottish Consumer Council; and Martyn Evans, who is the SCC's director. Their submission has been circulated to members, but I ask them to say a few words by way of introduction before we move to questions from committee members.

Douglas Sinclair (Scottish Consumer Council): We welcome the opportunity to give evidence to the committee.

The SCC strongly supports the bill for two reasons. First, the bill will reduce fragmentation in consumer representation by bringing together three major consumer advocacy bodies, which are the National Consumer Council, Energywatch and Postwatch. That will be good for consumers because it will not only maintain sectoral expertise, but provide us with an additional capacity to consider consumer issues in a broader context. In effect, the bill will create a stronger advocate for the consumer. Secondly, the bill will deliver best value in the use of scarce consumer advocacy

resources, particularly by amalgamating the back-office resources of the three organisations.

We were delighted to see the commitment in the bill to continue to have, within the UK structure, a separate Scottish body with an office in Scotland. However, we were initially concerned that the bill as introduced might not adequately safeguard the SCC's important function of championing change in Scotland through independent research and policy development. In our letter to the committee, we stated that we would seek minor, hopefully non-contentious, amendments to the bill first, to ensure that our current functions and remit are secured, secondly, to clarify our relationship with the Scottish ministers and the Scottish Parliament and, thirdly, to deal with our funding arrangements. Those amendments were debated during the committee stage of the bill in the House of Lords. It is fair to say that, after a very useful debate, we no longer have concerns about the drafting of the bill in respect of the latter two issues—our relationship with the Scottish Parliament and the Scottish ministers and our funding arrangements. On the remit and functions of the new Scottish consumer council, we are still concerned that the bill as drafted does not reflect the active policy development role that is currently delivered by the SCC.

It is important to make the point that we have at no stage sought to increase the powers or remit of the SCC but have tried simply to enshrine in statute our current role. The bill describes our remit as advisory, whereas it is not simply advisory. In Scotland, the SCC undertakes all the functions of the NCC, including representation, research and information provision. However, I am glad to say that, since we first raised the issue, we have received an assurance from the Government that it recognises, and will seek to address, our concerns about the clarity of our remit and function.

Christine May (Central Fife) (Lab): Good afternoon, gentlemen. My question is prompted by the submission from Energywatch Scotland. I do not ask for comments on that submission specifically, but I want to tease out a little more, in the light of those assurances from the Government, the SCC's concerns about its policy development and research role. Will that policy development and research role cover the functions of all three bodies that will be amalgamated under the bill?

Martyn Evans (Scottish Consumer Council): As far as we are aware, the assurances that we have been given cover the new organisation and, therefore, all three of the existing organisations that, put together, will form the new Scottish consumer council.

Christine May: I want to ask about particularly vulnerable consumers who, as we discovered during our consideration of the Bankruptcy and Diligence etc (Scotland) Bill, tend to have problems relating to multiple debt and fuel poverty and are often in hock to organisations that, sometimes, have dubious debt recovery techniques. Can you talk about how the new body will be able to support such people more appropriately?

Martyn Evans: In terms of vulnerable consumers, the first thing to say is that the bill sets out what we think is an improved complaints mechanism that makes service providers deal with complaints themselves under the direction of regulatory bodies. Further, there is an ombudsman service with real teeth, which will ensure that redress is made.

There is a concern about particularly vulnerable consumers who need to be supported through the process of complaint making, including taking the complaint to an ombudsman. The new organisation will have a duty to support those who are faced with disconnection and will also have powers to help others.

Through our work, and as a result of having worked closely with Postwatch and Energywatch, we are aware that, often, vulnerable consumers have not one but many debt problems. The new organisation faces a challenge to try to work co-operatively with others who have expertise on debt.

To answer your question, we think that it is appropriate that we have the duty and the powers that I described and we believe that the wider context of complaint making and redress handling is properly addressed in the bill.

Christine May: What sort of representations do you want the committee to make to the Parliament and the minister?

Douglas Sinclair: We would like you to support our view that our remit should be included in the bill. The bill should set out our functions relating to representation, information and research, which will be devolved from the NCC to the SCC. That would reflect the current situation. We are not looking for anything extra; we are simply asking for the situation that currently pertains to be properly reflected in legislation.

Fiona Hyslop (Lothians) (SNP): I want to ask about your criteria for the changes that you would like to be made, particularly with regard to the inclusion of your remit in the bill. If those changes were not made, would you want the bill to come back to the Scottish Parliament to ensure that the remit is established? Quite clearly, we could do some of the things that you suggest. How strongly do you feel about having the remit in the bill?

Douglas Sinclair: We think that it is right that legislation should reflect the reality of the situation. The bill provides for the new NCC to devolve its functions to the new SCC and the new Welsh consumer council. However, rather than simply relying on that happening, it seems to us to be more sensible to have in the bill a statement about the powers of the new SCC and the new WCC.

Fiona Hyslop: Obviously, the wording of the remit could address some of the concerns about redress. Some of the points that were made by Energywatch related to the speed of representation and redress and it cited the Financial Ombudsman Service's scheme to ensure rapid response to complaints. Should redress be included in the wording about your remit that you would like in the bill?

Martyn Evans: No, redress is a separate issue from the remit and functions of the new organisation. We have received clear and strong assurances that the Government has understood our concerns and will seek to address them in the future stages of the bill as it goes through the legislative process in the United Kingdom Parliament.

Fiona Hyslop: I was interested in your comments about policy. I understand that the SCC has put forward policy suggestions about school transport and the parent forums. You said that there might be concerns about the policy function being restricted. If the amendments established policy functions, would that help to address those concerns?

Douglas Sinclair: It would. If the amendments that we have suggested were included in the bill, we would be comfortable. As I said, that would simply reflect what we currently do.

The Convener: As there are no more questions or comments from committee members, I thank the witnesses for their evidence, which was brief but helpful.

I welcome Allan Wilson, the Deputy Minister for Enterprise and Lifelong Learning, and his team. I ask the minister to introduce his team and say a few words by way of introduction, after which we will ask questions.

The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson): I wish you, convener, and the committee the best of luck in the new year—you will need it. On my right is Neel Mojee and to my left are Andrew McConnell and Andrew Campbell, who are, happily, here to answer any questions that the committee may have on the legislative consent memorandum. I am grateful for the opportunity to speak in support of the memorandum.

The Consumers, Estate Agents and Redress Bill aims to strengthen the position of consumers. As the committee is well aware, much of the bill deals with reserved matters. As you have just heard, the part that has devolved aspects is the creation of a new national consumer council, with a committee for Scotland, to be known as the Scottish consumer council. The core functions of the council in relation to consumers will involve representation, research and provision of information. It will have certain powers to investigate consumer complaints, but it will not have regulatory powers. Its remit will extend to all consumer areas, including food safety, which is a devolved matter. Any activities of the council that go beyond the consumer protection reservation in the Scotland Act 1998 will also be devolved.

It is essential that the new council can exercise its functions in any area of consumer activity, as the present Scottish Consumer Council does. Therefore, as you have just heard, a legislative consent motion is required. If it was not passed, the council would be unable to represent effectively the interests of Scottish consumers, which I am sure none of us wants. The Department of Trade and Industry, which is leading on the bill, at present provides core funding for the NCC and, through it, for the SCC. I know that the DTI wishes to ensure that the current excellent work of the SCC continues. We have made it clear to the DTI that the bill should enable the SCC to continue the work that it does now.

The detail of how that is to be achieved is being debated at Westminster. I am sure that the peers and members of Parliament will listen to the views of the SCC, which have been shared with the committee this afternoon. Last week, Lord Truscott, the DTI minister in the House of Lords, wrote to Lord O'Neill of Clackmannan, who is known to several members, to say that he will consider whether anything further ought to be done on the remit of the new SCC. The report stage will possibly be on 22 January. I will speak to Lord Truscott about the issue to reinforce what we have just heard.

The bill will also merge the UK consumer bodies Postwatch and Energywatch into the new council. As was discussed, the council will exercise an important Scottish function in relation to postal and energy customers, which should strengthen the Scottish consumer voice in those sectors.

I hope that the committee supports our view that a legislative consent motion is necessary. I am happy to deal with any questions that arise.

Christine May: I will pursue similar questions to those that I asked the Scottish Consumer Council representatives. Given their replies to me, which you heard, what will you now say to Lord Truscott

when you meet him, particularly on the remit and powers of the new body in Scotland in policy making and in dealing with the Scottish ministers?

15:15

Allan Wilson: At the risk of repeating myself, we support the Scottish Consumer Council's approach. The DTI and the Westminster Government have no wish or intent to dilute or otherwise fragment the existing remit and responsibilities of the Scottish Consumer Council. In fact, the thrust of the bill is to improve and increase the consumer's voice, to ensure that it is adequately represented and, as you say, to ensure that disadvantaged consumers may have advocates to represent their interests. There is certainly no intent on the part of the DTI, the UK Government, the Scottish Executive or anybody else associated with the bill to do otherwise. That is the context in which Lord Truscott wrote to Lord O'Neill last week.

The Convener: Energywatch raised a number of concerns in its submission. The first was about resources; the second was about the widening of the duty in clause 12 of the bill to ensure that the new consumer advocacy body can intervene on behalf of all consumers who are off supply or at risk of being off supply. Another of its concerns was about the ability of the SCC to interrogate company performance on consumer complaints. What is your attitude to Energywatch's points?

Andrew McConnell (Scottish Executive Enterprise, Transport and Lifelong Learning Department): Energywatch has been in discussions with DTI officials. I understand that the DTI is considering Energywatch's points closely.

The Convener: Does the Scottish Executive have a view?

Andrew McConnell: We are keen to ensure that vulnerable consumers are protected, to maintain the current provision and to increase protection for vulnerable consumers.

The Convener: Is it fair to say that you have some sympathy with the broad thrust of Energywatch's comments?

Allan Wilson: Yes, if you extend what I said generally about all consumers to include specific groups of consumers, whether they consume energy services or other utilities. That is our position and that of the DTI. I do not anticipate any issues in that context.

The Convener: Do committee members have any other questions or comments?

Shiona Baird (North East Scotland) (Green): I am slightly concerned that we are being asked to recommend agreement to a motion on a bill that

has not yet completed its progress. We are not absolutely certain that the amendments that the SCC asked for will be included. What redress will there be for us in Scotland if what is asked for is not granted?

Allan Wilson: That is a fair point. Given that the legislative consent motion per se strengthens the voice of consumers more generally, the outcome would have to be balanced with the product of the discussion to which I referred. I repeat the reassurance that the outcome of those discussions about the amendments that we all wish to be adopted will be positive.

In the unlikely event that the amendments are not adopted, we will require to return to the process to make alternative provision. I reassure members most strongly that nobody here wants in any way to dilute, fragment or undermine in any other circumstances the existing powers and remit of the Scottish Consumer Council. It is a question of ensuring that the wording in the bill reflects that policy intent.

The Convener: If everybody is happy, I suggest that we recommend that the motion be agreed to, subject to the qualifications and assurances that the minister gave us. Is that reasonable?

Members *indicated agreement.*

Further Education and Training Bill

15:19

The Convener: I ask the minister to stay in his seat for item 2, which concerns the legislative consent memorandum on the Further Education and Training Bill, which is UK Parliament legislation. We have a change of officials, so I ask the minister to introduce his team and say a few words about the bill, after which we will go to questions.

Allan Wilson: I am joined by Laura Barjonas and Gerhard Mors to my right and Margaret Sutor and Kirsten Simonnet-Lefevre to my left. They are all happy to respond to any questions.

I am grateful for the opportunity to speak in support of the LCM for the Further Education and Training Bill. You will know that the bill was introduced at Westminster on 20 November 2006 and implements relevant aspects of the commitments that were made in the white paper "Further Education: Raising Skills, Improving Life Chances", which was published in March last year.

Much of the bill is concerned with the structure of the Learning and Skills Council for England, improved interventions in the further education sector, enabling higher education corporations to form or be involved in companies and charitable incorporated organisations and the powers of the National Assembly for Wales in relation to education and training. The bill deals mainly with reserved matters in that the majority of its provisions extend only to England and Wales, but there are three areas in which the Scottish Executive would like it to apply to devolved matters.

First, we wish to be empowered to work with the Learning and Skills Council on the sharing of data on learners and learning access throughout the UK under the managing information across partners programme. MIAP, as it is known for short, is a major project for joining up such information across the entire post-school education sector in the UK, so it will be advantageous to have an enabling power to allow the Scottish ministers, if they so wish, to use software and procedures that have already been developed in other parts of the UK. The result could be significant savings in Scotland and reduced bureaucracy for learners who participate in the Scottish and English systems during their lives.

Secondly, we wish to effect a procedural change to make the operation of career development loans more efficient and effective for learners in

Scotland. The career development loans scheme is a UK-wide scheme and is operated by the Learning and Skills Council. Provisions in the Further Education and Training Bill will enable the Scottish ministers to vary the eligibility criteria for career development loan learners and/or providers should we wish to do so to address specific Scottish circumstances.

Finally, we wish the amendments to the Industrial Training Act 1982 that are in the Further Education and Training Bill to apply in Scotland. They ensure that agreement to the amount of levy that industry training boards charge to liable employers is obtained from a wider range of organisations in the relevant industry. The current requirements limit the organisations that are consulted. The range is considered to be too restrictive and no longer representative of industry and employers. Applying the amendments will ensure that a wider range of businesses is consulted on the levy each year and that the range of businesses that are consulted in Scotland is consistent with that in England and Wales.

I hope that the committee supports our view that this legislative consent motion is necessary. It will ensure that Scottish learners and Scottish employers will benefit from, and not be disadvantaged by, proposals that affect learners and employers in the rest of Britain.

Christine May: Is there an information-sharing agreement between the sector skills council network and any of the bodies that are referred to in the legislative consent memorandum? Would that have implications for Scotland?

Allan Wilson: Yes. I do not know whether we will discuss Lord Leitch's review at any point. Part of the bill's implementation will be determined by the response to that review and the relationship between the sector skills councils, the Sector Skills Development Agency and the Learning and Skills Council that will flow from it. The short answer to your question is yes on both counts.

The Convener: As you know, with your assistance, we hope to take evidence from Lord Leitch before the Parliament dissolves in March.

Allan Wilson: I have written to his office to encourage that process. The letter went out only last week or the week before last, so I have not yet heard back from Sandy Leitch. I have told him that it would be a worthwhile exercise.

Christine May: I refer to paragraphs 12 and 13 of the memorandum, on career development loans. I was not aware that only the Department for Education and Skills could give instruction on the issue. Can you talk me through what happens at present to Scottish applicants for career development loans and whether the process will

be materially different once the bill has been passed?

Laura Barjonas (Scottish Executive Enterprise, Transport and Lifelong Learning Department): At the moment, the whole system is administered by the LSC in the same way, irrespective of whether applicants are from Scotland, England or Wales. In practical terms, the bill will not change how things work, but it will give us the ability to vary the registration procedures, for instance, for providers in Scotland only.

Fiona Hyslop: I have some concerns about the bill, especially about the fact that it potentially provides for wider-ranging powers than are itemised in the memorandum. Clause 10, on provision of services, provides for ministers to add to the list of persons and bodies with which the council may make arrangements. Given that a consultation is under way on the careers service—currently Careers Scotland—and that in the future we may want to have a Scottish full employment agency that covers employment, skills and careers, is it not premature for us to agree to a legislative consent motion in a fundamental area in which we know Scotland will want to legislate in future and to make very open-ended provision for ministers to transfer to external bodies powers in areas such as skills and employment? The legislative consent motion is far too open-ended. Would you like to respond to the points that I have made?

Allan Wilson: Without exception, the areas that you have mentioned will be devolved to the Parliament and any future Executive. Undoubtedly, there will be political differences between us on how best to legislate in the future to provide for the eventualities to which you refer. I reassure you that we are seeking only the power to ensure that if, for example, we need in future to regulate better the application of career development loans in Scotland, we will have the power to do so. That would in no way undermine, influence or otherwise change the policy or legislative intent in relation to future provision for skills training, workforce development or other areas of devolved policy.

This is a belt-and-braces approach: the intention is for us to have the powers, should we wish to exercise them, in devolved areas that will prospectively be affected by the passage of the bill. For example, it will give us the power to consult a wider range of businesses that are affected by industry training board levies. I hope that I have addressed your concerns.

Fiona Hyslop: The bill seems a bit premature, as it deals with a fundamental area in which we know we want to see change in Scotland. Why are we pressing ahead with a legislative consent motion when the provisions could be incorporated

into primary legislation in Scotland? The issue of Careers Scotland is important, as it may be appropriate for us to take a different perspective on career development loans. It would be strange to give Westminster permission to legislate in an area in which we are looking to legislate.

Allan Wilson: I take your point. The area of pressing concern for us, given the difference in cycles between the two legislatures, is MIAP. We want to ensure that Scotland benefits from the software developments that are taking place down south and will assist the exchange of information between Administrations. That is why we want the provisions to be adopted.

15:30

Fiona Hyslop: I am sorry to pursue this point, but it seems to be a fundamental aspect of government that so much is governed by information technology systems. I have seen the same thing in another committee, in relation to vulnerable groups. IT systems can drive policy. I can see the cost benefits of a shared system, but my concern is that it could prejudice future policies.

Will you seek an amendment to ensure that the relevant instruments have to be subject to the affirmative procedure? As I said, clause 10 is broad and allows ministers to make changes to the list of those who can have access to information and services without having to come back to Parliament. That is a blank cheque. Once we give permission, we let it go—but it may have an impact on future policy, particularly if careers advice is going to depend on information systems.

Allan Wilson: No. We are trying to ensure that we have the best of both worlds. We have legislative powers for future careers, counselling and advice services, to ensure that they are tailor-made for the Scottish situation. That is a matter entirely within the province of the Parliament and any future Executive. It is not a case of IT systems or collaborations driving policy; it is the other way about. Policy would be driven by the Executive and the Parliament, and IT systems would require to be compatible with the policy development—hence the reference in the bill to particular developments.

We have established a Scottish development group to look at developments from a Scottish perspective and to ensure that they are driven in a way that is compatible with and complementary to our own intent. At the end of the day, it is entirely within our province whether we take up or set aside any provisions on sharing information that are agreed south of the border, in Wales or in any other part of the United Kingdom, but I am sure that the committee agrees that it will benefit learners, particularly those who spend time in

different systems, if we have that provision, should we wish to use it.

Fiona Hyslop: I will let others come in.

Susan Deacon (Edinburgh East and Musselburgh) (Lab): I want to continue on career development loans. I would be grateful if you could address my anxieties.

I recognise that the decision that we are being asked to take today refers only to enabling the Scottish ministers to vary the eligibility criteria in the future, but what does that signify about your views on how the scheme could be developed? Will you comment in particular on any lessons that might have been learned from the experience of individual learning accounts? I know that that is not an exact parallel, but as I was involved in the Audit Committee inquiry into it, I am struck that there are parallel issues that should be considered.

Essentially, ILAs started out as a UK-wide scheme with Scottish variations, which led to some confusion and lack of clarity about rules, lines of accountability and so on, rather than to the best of both worlds that you described. When the Executive came to review the situation, the decision was made to jump completely to a Scottish scheme. Having been immersed in the issue—although I admit that some of my memories are hazy—I felt while reading the legislative consent memorandum and listening to you that some of the underlying thinking is going in a different direction from the conclusions that were reached previously. Those anxieties may be unfounded. If they are, I am sure you will put me right.

Allan Wilson: No, that is a valid point. I am not sure that the analogy with the individual learning accounts is necessarily the best, but you are right that our response was in effect to proceed with a Scotland-wide system of individual learning accounts. That is now up and running, and I would argue that it is an improvement on the previous UK-wide model.

The difficulties were experienced outside Scotland rather than within Scotland. Only about 1,000 learners are involved each year. There are slightly different approaches north and south of the border in relation to provision for postgraduate and undergraduate learners. We seek the power to vary the UK-wide scheme to take account of such differences. The Parliament would wish the Scottish ministers to have the power to ensure that the UK scheme for career development loans operates in the interests of Scottish learners.

Laura Barjonas: One of the outcomes of approving the legislative consent motion will be a clearer line of accountability for the Scottish ministers in respect of Scottish learners. If the

Scottish ministers wish to do something specific to protect learners or providers, they will have the power to do so more directly by instructing the Learning and Skills Council.

Susan Deacon: They will have the power to change the rules rather than assume operational responsibility?

Laura Barjonas: Operational responsibility will sit with the Learning and Skills Council, on instruction from the three devolved Administrations that participate in CDLs—if the LCM is approved.

Allan Wilson: As I understand it, the bill tidies up the legislative basis on which the scheme operates.

Christine May: The minister said that there are about 1,100 applicants a year. That seems fairly low. Does he hope that the new scheme will increase the number?

Allan Wilson: That is a good point. We might wish to market the scheme better to Scottish students. The scheme is paid for by the UK taxpayer, so there would be no financial consequences for us in doing so. That is a good example of the benefit that could accrue from the provision. We could market the scheme better and more Scottish learners could take advantage of a scheme that is paid for by the UK taxpayer.

Fiona Hyslop: The general point of the bill is to restructure the Learning and Skills Council in England. What do you envisage will be the relationship between the council and the skills committee of the Scottish Further and Higher Education Funding Council? Is there a danger that the operation of the funding council will be undermined if the Learning and Skills Council wants to exercise wider powers on skills and employability?

Allan Wilson: No. What we propose will give the Scottish ministers greater influence over the Learning and Skills Council's decisions on the aspects of devolved policy over which it has influence. I do not think that there is cause for concern there. The proposal will not affect the relationship between the skills committee of the funding council and the Executive or any interaction between the funding council and the Learning and Skills Council in England. I do not dispute that those important issues will arise in the Leitch review, but Leitch was clear that devolved areas of workforce development, skills training and the like should be determined here in Scotland and should not be influenced or altered by developments south of the border in relation to the Learning and Skills Council or restructuring of the regime there. I suppose that the various elements come together in the sector skills councils, the Sector Skills Development Agency and the creation of the new commission. I think that that

will greatly benefit future skills training here and will give the Scottish ministers and the Scottish Parliament greater influence over future skills development and training in Scotland.

Susan Deacon: I would like to return to career development loans. It being the new year, my mind is perhaps turning slowly through this.

Christine May pointed to the relatively small number of people who access career development loans, and I remember from my former professional life that the loans scheme has had quite a limited impact. I take your point, in response to Christine May's question, that there is a pot of funding from the UK Government that we want to make use of, but I presume, especially if the issue is up for discussion at the moment, that there are other ways—at least in theory—in which we could do that.

I presume that there could be some transfer of resources and that a completely different scheme could be developed here in Scotland. I would be interested in your comments on that. Under the scenario that you propose, were you to vary the eligibility criteria in such a way that significantly more people could benefit, there would be an associated cost. What would be the implications for financing that?

Allan Wilson: The cost—if any—would fall on the UK taxpayer rather than on the Executive. Such a measure would have no economic disbenefit for us. We cannot look at career development loans in isolation from the wider provision of student support. That is a devolved matter, as you know, and career development loans are a complementary part of that process. All we are seeking to do is ensure that we have the powers to regulate the scheme and its operation in Scotland to the benefit of Scottish learners. The financial implications of that are for others to consider.

Susan Deacon: That is an intriguing reply. I seek an assurance that any decision that is made under this piece of UK legislation will not preclude further change in the future, if a future Executive considers a more radical change to the overall scheme.

Allan Wilson: No. Part of the advantage of addressing the matter through UK legislation is the fact that the legislation will underpin the provision of career development loans to Scottish learners, which could otherwise be contested in different circumstances.

The Convener: That is even more intriguing.

Fiona Hyslop: Such as what? In what circumstances?

Allan Wilson: In my time in the department, it has been a relatively unique provision. The

extension of UK schemes into areas that are principally devolved so that they apply across devolved boundaries is of benefit to Scottish learners. As we have heard, around 1,000 Scottish students currently benefit from the scheme. I am sure that you are the last person to want to disadvantage those students.

The Convener: On that rather provocative note, I ask committee members whether they are minded to recommend approval of the legislative consent memorandum.

Fiona Hyslop: I am minded not to do so. There are too many uncertainties, and we will have the opportunity to produce consolidated Scottish legislation in the area in the future.

The Convener: Okay. The committee has three choices: to make no recommendation; to recommend approval of the memorandum; or to recommend that Parliament does not approve the memorandum. Fiona, are you saying that we should not take a position or that we should recommend that Parliament does not approve the memorandum?

Fiona Hyslop: I think that we should recommend that Parliament does not approve the memorandum.

The Convener: Is anyone otherwise minded?

Christine May: I think that we should approve the memorandum.

The Convener: We will go to a vote. The question is, that the committee recommends that legislative consent on the Further Education and Training Bill be granted by the Parliament.

FOR

Baird, Shiona (North East Scotland) (Green)
Baker, Mr Richard (North East Scotland) (Lab)
Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
Fraser, Murdo (Mid Scotland and Fife) (Con)
Gillon, Karen (Clydesdale) (Lab)
May, Christine (Central Fife) (Lab)
Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)

AGAINST

Neil, Alex (Central Scotland) (SNP)
Hyslop, Fiona (Lothians) (SNP)

Stephen Imrie (Clerk): I do not think that there are any abstentions.

The Convener: No, I do not think that there are any. We can tell that Stephen Imrie is up on his maths.

The result of the division is: For 7, Against 2, Abstentions 0.

I thank the Deputy Minister for Enterprise and Lifelong Learning and his team—or rather teams—of officials. I also thank committee members. I remind you that we will meet at 2 o'clock on

Tuesday next week, when the main subject will be aging—a subject in which most members no doubt have a specific interest.

Meeting closed at 15:45.

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