

MEETING OF THE PARLIAMENT

Wednesday 7 February 2001
(*Afternoon*)

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Scottish Parliament

Wednesday 7 February 2001

(Afternoon)

[THE PRESIDING OFFICER *opened the meeting at 14:30*]

Time for Reflection

The Presiding Officer (Sir David Steel): Good afternoon. We welcome Sister Patricia O'Brien, a pastoral worker in Glenrothes, to lead time for reflection.

Sister Patricia O'Brien (Roman Catholic Pastoral Worker for Glenrothes): As I stand in this hallowed place, where laws are made and decisions taken that affect the lives of the people of Scotland, I am struck by the utter contrast that it makes with my ordinary life.

Much of my work these past years has been with people who are disabled: people who need help with the ordinary daily tasks that we take so much for granted. During that time, I have come to realise how much those people can teach us about patience, about welcome, about compassion and, most important, about unconditional love. I have also discovered in some of them a depth of pain and anger caused by rejection by families and by society. Joy and pain intermingled is the experience of us all.

Disabled people in general do not hide their feelings. They help us to laugh and they help us to cry. They show affection easily and they are great levellers of society because they challenge the ways in which we communicate with each other and with them. They teach us how to strengthen the gifts of our hearts and not to rely solely on our minds. What a gift for today's world, where there is so much stress on ability, competence and competition. The reality is that we are all disabled: no one is completely strong or perfect. We are human and we all need healing and love. We are on a journey towards fullness of life.

Another lesson I have learned is how to appreciate and understand silence. Sitting beside someone who utters no sound can be a profound experience of the union of hearts and minds. It is the way God communicates with us—the quiet voice from within the depth of our hearts. In a busy schedule, it is difficult to find time to go within, but all religions call us and challenge us to find space for reflection on our lives, so that the spiritual dimension may inform our choices and decisions.

Let us now use a moment of this time in silence,

to let our God speak to us and bring us healing and peace.

[*Silence.*]

May our God, who has created us in love, help us to transform our society so that the weak and the strong may recognise their need of each other and be united. May all here who are elected to government continue to be open to all and willing to work for the good of the people of this land. May they find life and joy in what they do for others.

Amen.

The Presiding Officer: Before we move to the main item of business, I remind members that a question-and-answer session on the Holyrood project is being held in the chamber tonight, from 6 pm to 7 pm. I commend to members the newsletter issued by the Holyrood progress group today.

Points of Order

14:34

Des McNulty (Clydebank and Milngavie) (Lab): On a point of order, Presiding Officer, I want to inquire how you intend to ensure that back benchers' interests in speaking in tomorrow morning's debates will be adequately safeguarded. I understand that there are three topics for discussion in the latter part of the morning and that opportunities for back benchers to make contributions may be significantly limited.

The Presiding Officer (Sir David Steel): As in any short, half-hour debate, the time limits will be set by whoever is in the chair at the time. We will do our best, but the business motion was agreed by the Parliament last Thursday.

Tommy Sheridan (Glasgow) (SSP): On a point of order.

The Presiding Officer: Is it the same point of order, Mr Sheridan?

Tommy Sheridan: Des McNulty should be aware that the mover of each of tomorrow's motions will take only four minutes to open and two minutes to sum up. That should provide more time for back benchers to contribute.

Des McNulty: Further to that point of order, Presiding Officer. It is difficult to compress a discussion of any topic into half an hour, especially if we are to have only a four-minute introduction. My perception of your role on behalf of the Parliament is that you should safeguard the interests of members participating in the discussion. The way in which those debates are likely to be structured will exclude members such as myself from being given an adequate opportunity to contribute to the debates.

The Presiding Officer: That point was raised by Lord James Douglas-Hamilton during the passage of the business motion last week, as I remember. The fact is that the Parliament passed the business motion and the subjects have been chosen by the party that has been allocated the half day. What I can tell you is that the Parliamentary Bureau has already agreed to look in the light of experience—it is the first time that this has happened—at how tomorrow's debate goes and to consider the matter after that.

Des McNulty *rose*—

The Presiding Officer: Surely you cannot have another point of order, Mr McNulty.

Des McNulty: I am not satisfied with that answer and I certainly hope that the situation will be considered as a matter of urgency by you and

by the Parliamentary Bureau. Fundamental democratic issues are involved and must be addressed.

The Presiding Officer: You may not be satisfied with the answer, but I am bound by the fact that Parliament passed the business motion last week, and that business motion sets out the three topics for debate. That was your opportunity. If you wanted to vote against the business motion, you could have done so, but you did not. I have said that the Parliamentary Bureau will review the way in which the business works once we have had the debates tomorrow.

Local Government Finance (Scotland) Order 2001

The Presiding Officer (Sir David Steel): I suggest that we move on to the main item of business, which is motion S1M-1598, in the name of Angus MacKay, on the Local Government Finance (Scotland) Order 2001. I have particular pleasure in inviting Angus MacKay to address the chamber.

14:37

The Minister for Finance and Local Government (Angus MacKay): I would not want you to think, Presiding Officer, that I am becoming at all nervous or paranoid about points of order before I rise to make a statement in the chamber.

The order that we are asking Parliament to approve is of significance to all Scottish councils and to council tax payers. The Local Government Finance (Scotland) Order 2001 provides the grant support for Scottish councils' revenue expenditure in 2001-02. Local government revenue funding accounts for more than a third of the total Scottish Executive assigned budget. I welcome the opportunity for members to comment on this vital element of the Parliament's responsibilities.

This is undoubtedly an excellent local government settlement. It follows a spending review in which we allocated an additional £1.2 billion to local authorities over the next three years. It is the best settlement for many years and was warmly welcomed by the Convention of Scottish Local Authorities and by individual councils. It enables us to announce three consecutive years of real-terms increases for all councils in Scotland for the first time in more than a decade.

The order that we are considering provides the first instalment of that £1.2 billion. It increases local authorities' revenue grant by 6.4 per cent next year, and gives every council an increase of at least twice the predicted rate of inflation. Every council, whether urban or rural, whether its population is growing or shrinking, will get at least 5 per cent more than it did this year. That is a real-terms increase in grant for every council and emphasises our commitment to investing in improving services for the Scottish people. Next year's grant increases, plus the security of guaranteed real-terms increases for the following two years, will allow councils to focus on delivering real improvements to services.

The bare figures set out in the order should be seen in the context of the genuinely radical reform of the local government finance system that has

been initiated by the Executive. We have transformed the financial environment for local government in a variety of ways. We have established the stability of three-year settlements long sought by councils. We have asked councils to echo our commitment by publishing council tax levels for the coming three years. We have introduced a fairer and more stable distribution system. Underpinning all that, we have concluded the revaluation of non-domestic rates with minimum disruption to businesses.

As in previous years, the grant distribution has been established following consultation with local government, through COSLA. This year, we have given particular weight to tackling the problems associated with deprivation. We conducted a review of deprivation and, as a result, have allocated an extra £12 million in the settlement to help councils to tackle deprivation in schools. That is in addition to the 13 assessments that have been adjusted to take account of deprivation and that underpin the settlement for the next three years.

Following the special islands needs allowance review, we have extended the allowance to three more councils, which has been warmly welcomed in the areas affected. On top of that we are allocating an additional £90 million over the next three years specifically to tackle deprivation in Scotland's most deprived areas. That £90 million is in addition to the allocations set out in the order and is direct proof of our commitment to achieving social justice in Scotland.

The order is accompanied by a report, which details how the figures in the order have been calculated in consultation with COSLA. As I have said before, we value the regular contact, discussions and partnership that we have with COSLA on local government issues and firmly intend that it should continue.

Donald Gorrie (Central Scotland) (LD): I agree with what the minister has said—it is a great change from last year.

Councils still seem to be confused about what we might call the McCrone money. Will the minister confirm that councils are due to contribute the amount that a normal pay increase for teachers might have been, as agreed by COSLA, and that everything above that will come from the Executive, so they need not budget for it? I think that some councils are budgeting for it, possibly erroneously.

Angus MacKay: I am happy to confirm that the Executive has always said that it would fully fund McCrone. There is a ballot to decide the matter in the next few days and we look forward to its results—I hope—which will be an affirmation of the agreement reached. Councils will not have to

make a contribution to the McCrone settlement other than that negotiated and agreed with COSLA, as the councils' representative body. I hope that that provides some comfort to the member.

Last year, we announced to Parliament details of the £25 million modernising government fund. The fund covers a two-year period and is part of the wider drive to modernise government. The fund's principal objective is to encourage innovative ways of providing services that are responsive to public need. Due to demand, I approved an increase of £1 million for the fund, bringing its total to £26 million. In December, I was able to approve the allocation of resources to 36 projects, 22 of which, with total funding of £17.5 million, will be led by Scottish councils. The projects bring together partnerships across the public sector and many involve the private sector, too.

Bruce Crawford (Mid Scotland and Fife) (SNP): There is good news about three-year budgeting, more money for deprived areas and modernising government. That is fine, but does the minister accept that many councils still need to find savings in their budgets? Perth and Kinross Council, for example, is looking to save £4 million from its budget and is considering reducing contributions to the area tourist board and to Perth & Kinross Society for the Blind by 15 per cent, just to stay within the confines of the Government's settlement. The reality is very different from—

The Presiding Officer: Order, Mr Crawford. You may not make a speech in the middle of somebody else's contribution.

Angus MacKay: I will touch on some of the concerns that councils have about budget constraints later. I repeat that this is the most generous settlement for local government in more than a decade, encompassing real-terms increases year on year for each of the next three years. That is not to say that councils do not still have an obligation to manage their budgets—they have real choices to make. All of us—the Executive, councils and, I hope, every party in the chamber—must recognise that one cannot prioritise every single part of one's policy agenda. If national or local government wants to be responsible, decisions must be taken.

Andrew Wilson (Central Scotland) (SNP): Will the minister give way?

Angus MacKay: I am sorry, but I must press on. I have lost some ground due to the interventions that I have taken.

The injection of new funds from the modernising government fund will help to deliver improvements in services to the public. The Executive will monitor project plans, progress reports and

examples of good practice from each project and full details will be documented on the 21st century government website. In that way all councils will benefit from the projects. Members of the public will also be able to monitor the progress of individual projects by accessing that website.

I have covered the main points on the order. I will now address some longer-term issues and look to the future.

I said earlier that, overall, this is a very good settlement. It is an excellent start to what is a fundamental change to local government finance in Scotland. Not only has there been a commitment to three-year allocations in funding, but councils will now deliver three-year council tax charges. That stability in funding for local government will allow councils to set their budgets with a view to ensuring that the electorate can see a difference in the quality of local services. What we have done is start to put in place a system that enables local authorities to best allocate resources in their own areas to tackle local issues, and which gives them the flexibility to focus their resources on the needs of their electorate.

On 22 November I announced my intention to abolish the expenditure guideline arrangements. Devolution has allowed us to establish a new financial partnership with local government in Scotland. Whatever members may say about the level of the settlement, I hope that they agree on that point.

As well as the stability of three-year budgets we have given councils additional flexibility in setting their council tax levels, with from next year the abolition of explicit expenditure guidelines. We have retained our reserve capping powers, but we hope that we will not have to use them. Local electors will know the council tax commitments in their areas for each of the next three years.

The purpose of allocating those additional resources, and of renewing the financial partnership between central and local government, is to provide better services for the citizens of Scotland. The ultimate test of those arrangements will be whether they produce outcomes that improve the quality of people's lives. We must not lose sight of that. That is why the Executive attaches such importance to extending the partnership on financial matters into a partnership that shares ownership of the outcomes that we are seeking to achieve.

That means that we must have arrangements that secure the delivery of the national priorities supported by the Parliament, while providing the flexibility that each local authority needs to respond to local circumstances. To that end, we intend to pilot local outcome agreements between the Executive and local authorities in several key

policy areas, including school standards, social justice, children's services and community care. We intend to work closely with local government on those. In that spirit of partnership, I intend to conduct a joint review with COSLA to consider further how we can introduce that new approach to reducing and ending hypothecation. If that produces the desired results, we will be able to review the need for the ring fencing of resources that we allocate to local authorities. That will come to grips with some of the issues that Bruce Crawford raised.

Those ring-fenced resources represent less than 10 per cent of the total Government grant. We have already announced our intention to review the scope and operation of the excellence fund, which forms a significant proportion of that 10 per cent. We will continue to push for further progress so that the focus of our partnership is improving services, rather than the detailed financial arrangements between us.

Mr Keith Raffan (Mid Scotland and Fife) (LD):

I welcome Angus MacKay's comments on ring fencing and hypothecation, as that is causing councils a lot of concern. Is he moving towards a position where the Scottish Executive will concentrate more on outcomes and be able to allow greater flexibility by reducing the proportion of funding—currently 10 per cent—that is ring-fenced?

Angus MacKay: As Keith Raffan knows, I focused on that when I dealt with expenditure on the drugs issue. It is no less correct to introduce that approach, as far as possible, into local government expenditure. It is the outcomes of expenditure that matter, not the inputs. That is what we want to move towards.

I will say a few words about capital allocations. As with revenue support grant, capital allocations will also receive a significant boost. By 2003-04, mainstream allocations will have increased by nearly 40 per cent. That is only part of the overall support for capital investment over the next three years; we have also delivered, for the first time, a three-year capital allocation and with it a guaranteed increase for every council of 20 per cent next year.

Andrew Wilson: Everyone welcomes the extra capital allocations. Can the minister tell the chamber whether, when that increase comes through, capital allocations will be higher or lower than when the Conservatives left office?

Angus MacKay: I am afraid that I do not have the answer to that question precisely at my fingertips. I would be happy to look into the matter and come back to Mr Wilson. I am sure that he will have a view. Whether I agree with it is another matter.

As part of the on-going reform agenda, we will be looking at the way in which we deal with capital expenditure in the round. The current system of capital controls is rooted in the 1970s. What was appropriate then is not necessarily appropriate now. The state of their schools and the local road network are the measure by which communities tend to judge their councils. We want to give local authorities the opportunity to meet the expectations of their electors. We want to do that by allowing them to manage their finances in a much more flexible way, to facilitate joined-up working with other public sector agencies, and to take forward capital investment decisions on a genuinely best-value basis. We intend to work with local government to develop a system that delivers those improvements.

I have tried to cover the main points of the order and of the attached report. I have highlighted other ways in which we are already acting to assist local authorities, such as through outcome agreements and the proposed review of capital controls.

Iain Smith (North-East Fife) (LD): Will the member give way?

Angus MacKay: Not at this stage. I am sorry, but I am nearly finished.

I know that the Local Government Committee is reviewing local government finance issues and I look forward to working with that committee and to discussing its findings.

I want to acknowledge the absolutely central contribution that local government makes to the quality of life and opportunity available to people in Scotland. The settlement that we are inviting agreement upon today provides councils with the financial support that they require to expand and improve those services.

The partnership Executive is clearly demonstrating its commitment to the future of local government: a local government that will deliver for local people and be held democratically accountable to them. We are delivering on commitments that we have made and we will continue to do that in each of the next three years. We look forward to continuing to work together with local government to deliver for Scotland.

As someone who previously served in local government, I can confidently say that the financial environment in which we have now placed Scottish councils is unrecognisably better than the environment in which they struggled to function over the past 20 years. The partnership members were people who fought tooth and nail for many a long year to protect local government and the critical services that it delivers, first from Margaret Thatcher and then from a succession of others. Those local councils were successful not only in defending their own structures, but in continuing to

deliver services upon which people depend acutely, day in and day out. We have now turned that situation round; those services will be expanded and can look forward to planned growth over the coming years.

I commend the order to the chamber and move,

That the Parliament approves the Local Government Finance (Scotland) Order 2001.

14:53

Mr Kenneth Gibson (Glasgow) (SNP): Given that the time that is available to me in this year's debate on the local government settlement order is seven minutes shorter than I had last year, I will not respond to every point that was raised by the minister, but will focus instead on a few key areas of concern for COSLA and the wider local government community. My colleagues will pick up other issues as the debate progresses.

On 22 November, the Minister for Finance and Local Government announced his intention to introduce three-year budgets for local authorities, which we welcomed. Although the details of each local authority settlement were not released until 7 December, the minister spoke of real-terms increases in spending over three years and of flexibility in spending those additional resources.

The aggregate external finance figures will front load additional resources into the first year of the settlement—coincidentally in a Westminster election year—and the most deprived local authorities will receive below average settlements, apparently in favour of local authorities that equate to marginal constituencies. We have heard condemnation of the settlement from, among others, the minister's Labour party colleagues in Glasgow. Indeed, the leader of Glasgow City Council has stated that by 2003-04 Glasgow will be £72 a head worse off in terms of grant—£45 million in that year—than when the Tories left office, despite new burdens and responsibilities having been imposed on the council since 1997. However, I will leave others—notably members on the Labour benches—to detail those specific concerns.

I am happy to answer the question that the Minister for Finance and Local Government was unable to answer. By 2003-04, the capital that will be available to local government will be approximately £188 million less than when the Conservative party left office.

Angus MacKay: Does Mr Gibson acknowledge the statement that was made by Charlie Gordon, the leader of Glasgow City Council, on 26 January in the *Local Government Chronicle*, in which he said:

"We now have a breathing space to maintain modest

service growth and below inflation council tax rises"?

Does he also acknowledge that under this Administration's expenditure per head of population in Glasgow will be higher in real terms than it was under the Conservatives? Can he confirm exactly how much beyond this settlement the SNP would have contributed, or will contribute in future, to local government?

Mr Gibson: When the next local elections come, we will provide a fully costed manifesto that will detail all the information that the minister requires. I know that many of his Labour colleagues feel that Glasgow got a raw deal—they have spoken to me privately about the matter. However, for once I shall not quote Charlie Gordon in my speech. Instead, I shall address hypothecation and the spending pressures within the overall local government settlement.

Resources are always an issue and always will be, not only because of the amount of resources that are available, but because of the way in which they are spent in particular council areas. I was pleased that the minister touched on hypothecation. It is now clear that the extent of ring fencing and the Scottish Government's direction of the use of resources are causing significant difficulties for councils in maintaining core service provision. Those factors are also undermining efforts to introduce a more appropriate balance between central direction and local flexibility. In announcing individual councils' figures, the minister stated:

"The three-year grant allocations that I am announcing today for both revenue and capital will assist all local authorities to plan their budgets better and to provide their local electors with certainty about their tax commitments."—*[Official Report, 7 December 2000; Vol 9, c 690.]*

He reiterated much of that today. However, commenting on the three-year settlement, the president of the Convention of Scottish Local Authorities, Norman Murray

"warned that councils would continue to face difficult decisions in setting their budgets for the next three years."

Why should that be, given the apparent generosity to which the minister has referred repeatedly today?

Analyses of specific grants for the next three years show that, for next year in particular, although overall AEF—aggregate external finance—is to increase by 6.2 per cent, ring fencing within that total is to increase by 10.7 per cent. That restricts the resources that are available for general grants to local government. The increase in ring fencing through specific grants is at odds with the minister's statement to Parliament on 7 December. He said that there is

"an increased focus on service outcomes".—*[Official Report, 7 December 2000; Vol 9, c 690.]*

That is a message that he repeated today.

Ministers have indicated their willingness to examine the possibility of more flexible arrangements for specific grants for years 2 and 3 and to consider putting in place arrangements that will allow greater flexibility between capital and revenue. However, such consideration needs to be undertaken as a matter of urgency, especially in relation to the use of available excellence fund resources, which the minister touched on.

There are several facets to the problem of ring fencing. First, ring fencing is set within the context of resources that are demonstrably insufficient to meet the needs of Scotland's communities. Secondly, the process is rigid and bureaucratic. Thirdly, it is fragmentary and militates against a strategic joined-up approach. It is disingenuous to place so much focus on initiatives that raise public expectations, when the reality is that funding is being displaced from other high-priority areas. An urgent review of hypothecation in the system must therefore be undertaken.

On 7 December, when the Minister for Finance and Local Government announced individual councils' settlement figures for the next three years, significant background detail was outstanding in relation to the Executive's assumptions in its calculations. Prior to receipt of that analysis, the focus on settlement figures had been largely on the bottom-line settlement. Ministers said that the settlement took account of the existing pressures in local government and that there would be less focus on inputs.

The detail that has since been made available places in some doubt the substance of those statements. It is clear that the Executive has placed considerable direction on the use of available resources. The devil is, of course, in the detail—the detail shows that every penny of the new money has been directed by ministers. That significantly distorts the efforts that have been made in reviewing local government finance systems to introduce a more appropriate balance between central direction and local flexibility. There must be more local discretion and flexibility in the use of such resources.

Fundamentally, the lack of local flexibility that has been brought about by the Scottish Government's detailed breakdown of available settlement resources demonstrates little partnership or trust, yet that was what the minister spoke of today. There needs to be more honesty in settlement announcements; it is disingenuous of ministers to suggest that previous cutbacks and the funding of core service provision have been recognised in this settlement. Resources have been targeted largely to specific areas in education, social work, the police and the fire service. Direction of funds to those areas will

mean disproportionate cuts in core service provision and in other service areas.

On top of that, different messages are coming from the centre and from service departments in the Scottish Government with unacceptable levels of hypothecation. An example of that is the recent issuing of circulars that direct and specify in a detailed manner the most appropriate use of available social work resources—an area that is already substantially under-resourced.

A further example of an area of concern that relates to the Executive's announcements is road maintenance. On 28 September 2000, the Minister for Transport stated in a press release:

"Years of neglect have left our local roads and bridges in an appalling state. To tackle the backlog of repairs I am allocating an extra £70 million to local authorities up to March 2004."

That is fine, but she continued:

"I expect councils, at the very least, to maintain this year's level of current and capital spending on roads, street lighting and bridge maintenance."

In short, she said that the new spending must be used as additional funding, not as a way to make up the existing budget. No provision has been made in the settlement calculations to assist councils in addressing and restoring much-needed on-going revenue maintenance to roads.

Mr Murray Tosh (South of Scotland) (Con):

On a point of order. As all members have received the COSLA briefing, could we take it as read and proceed with the rest of the business?

The Presiding Officer: That is not a point of order; it is a point of argument.

Mr Gibson: I thank Mr Tosh for his point of order. He is correct in saying that much of the information that I am using was received in a COSLA briefing. That is because COSLA is the organisation that speaks for local government in Scotland. I can assure members, however, that some of what I say is my own words.

Because local government has less discretion over its funding than it has over its services, it is hard to apportion responsibility for locally delivered services. As a result, there is confusion about responsibility and accountability; central Government and local government blame each other when things go wrong. To make accountability clear, local government's discretion over its funding must be closely aligned with discretion over its services. For its part, local government must play its part in helping the Government of the day to meet its objectives. Those objectives, however, are best achieved not by central direction or hypothecation, but by joint policy and the development of such policy by local government and the Executive. By definition,

priorities should be limited in number and the focus should be on jointly agreed outcomes, which will allow local government to use discretion in achieving those outcomes.

Last summer, councils faced a number of new burdens and spending pressures that have still not been addressed. They include: increased employer superannuation contributions; the impact of green taxes; the demographic pressures that are caused by the increasing number of single-status elderly households; and a major funding problem in relation to police and fire service pensions. That amounts to a minimum cost of £146 million next year alone, in addition to the necessary restoration of previous cutbacks which, it would appear, have not been adequately reflected within the settlement calculations. As a result, there will be significant pressure on councils' capacity to fund existing core service provision while recognising levels of urban and rural poverty.

Other pressures that are appearing on the horizon include the impact of the award of the new trunk road contracts, the outcome of Lord Hardie's judgment in the MacGregor case and the cost of the new executive agency's regulation of housing management, which Glasgow City Council believes will cost it £8 million a year. Other hidden burdens have not been accounted for. Last Monday, for example, I was advised that the cost of service provision for autistic children has risen 700 per cent in Glasgow in six years, but there has been no recognition of that at the centre. The minister will be aware that that service to autistic children will soon receive Glasgow's COSLA affiliation fee, following Glasgow City Council's withdrawal from that organisation.

The Scottish Executive defined a new burden that will be taken into account in settlement calculations as a situation in which

"as a result of the Executive's policies a new initiative, duty or responsibility was placed specifically on local government in such a way that imposed additional costs on authorities"

or

"where there was a transfer of functions or responsibility from the Executive or other government departments to local authorities in such a way that imposes additional costs on authorities."

The Presiding Officer: You must wind up now.

Mr Gibson: Indeed. I am on my last section.

In assessing the overall spending needs of local government, a more realistic account needs to be taken of all the spending pressures and inescapable costs that are faced by local government. A realistic assessment must be made of the capacity to introduce further efficiency savings for local government. The Scottish

Government's narrow definition of new burdens must be expanded to recognise all spending pressures within settlement calculations.

A grant distribution system cannot solve the problems of inadequate resource levels and an inadequate tax base. The overall inadequacy of resources is at the root of the problem in attempting to consider the allocation of available settlement resources.

The Presiding Officer: I am sorry, Mr Gibson, but you are running well over time.

Mr Gibson: I am just finishing.

I hope that ministers will give a strong commitment to the Local Government Committee's inquiry and that they will act promptly to effect any changes that might be proposed for the financial arrangements. The current system confuses accountability, creates dependency and includes too many central controls. Partnership between ministers and local government is essential if we are to make progress with optimum service delivery.

The Presiding Officer: I am sorry to have had to interrupt you, Mr Gibson, but I point out that I have a long list of members who wish to speak. The Deputy Presiding Officer will not be able to call everybody who wants to speak unless members use less than their normal time.

15:05

Mr Keith Harding (Mid Scotland and Fife) (Con): I welcome the opportunity to debate again the local government settlement. I refer the Minister for Finance and Local Government to his statement of December last year. He said that

"local electors . . . will be interested in how local authorities readjust to the challenges of investing real-terms increases instead of making cuts".

Mr Iain Smith, the minister's Liberal Democrat ally, asked a question after that statement, and said:

"this is the first time that a local government settlement will be welcomed by every council in Scotland."

I hope that both the minister and Mr Smith will be able to explain to "wider Scotland"—to use Mr MacKay's words—how the settlement provides more moneys for councils, when almost all councils must cut core services and set council tax increases that are well above the level of inflation.

In opposition, Labour was always critical of the Conservative Government's dealings with councils, saying that we provided insufficient funding. That continues today—Labour says that we provided insufficient funding. We heard constant talk that there was a crisis that was damaging to services and which reduced the

number of jobs.

If the Conservative Government had presented the settlement that we are debating today, COSLA would certainly have claimed that there was a huge crisis. The main problem with the settlement is that all the extra funds that many councils will receive are tied to the Executive's priorities. As a result, other services will have to be sacrificed to meet the Executive's demands—that is an erosion of local democracy. Why should anybody care about their council when elections to those councils are to be submerged by being held on the same day as the Scottish Parliament election and their decisions are all determined by the Scottish ministers?

All that comes from an Executive that is made up of two parties that squealed for years that the Tories were attacking local democracy by taking powers to the centre. The truth is that the only minister to instigate an overall relaxation in Government controls on councils in recent years was the former Secretary of State for Scotland, Michael Forsyth.

Let us get to the nub of the problem. At the end of last year, COSLA welcomed the statement, with its promise of jam today—even if it was to be spread a little thinly over the next year and the following year. In my question after that debate, I warned that there were many new burdens, and that

“the devil will be in the detail.”—[*Official Report*, 7 December 2000; Vol 9, c 698-700.]

Despite COSLA's public welcome—to assist its members' colleagues—the comrades are less happy in private. Here are a few of the issues that were raised at the recent council leaders meeting, and which are in the briefing that COSLA provided for today's debate, which I will quote. It says:

“The tax burden is transferring to local government. Over the Spending Review period this equates to an increased pressure on the council tax of 2.6% . . . There is concern over the extent of new burdens and central direction on the use of available resources . . . Resources have largely been targeted to the services of education, social work, police and fire. Direction to those areas will mean disproportionate cuts in other service areas.”

Those are telling points. However, the most devastating one is this:

“There needs to be more honesty in settlement announcements. Whilst the bottom line figures announced in September last year appeared better, it is disingenuous for Ministers to suggest that previous cutbacks and the funding of core service provision have been recognised in the settlement.”

Andrew Wilson rose—

Mr Harding: Not at the moment, thank you.

COSLA tells us:

“Ministers indicated that because of commitments

already in place it may be difficult to significantly change arrangements for year 1. They are however committed to examining the possibility for more flexible arrangements for years 2 and 3.”

What kind of commitment is that? It is a simple rejection of any of the problems that councils are wrestling with. I remember that there were changes and greater flexibility when councils squealed about Conservative settlements, even by the so-called dictatorial Mr Forsyth.

Much worse than that, because of the way in which the extra money for education is tied to the McCrone settlement and the excellence fund, even the Executive's priority area of education will be hit. The *Edinburgh Evening News* learned from insiders that there is a £5 million shortfall in education. The likely shocking result in Edinburgh is that there will be more classroom assistants from ring-fenced funds, but fewer teachers.

One of the biggest examples of the minister's soundbite politics was his announcement on 28 September that additional resources of £70 million would be made available to councils for roads maintenance. The problem is that that represents only 7 per cent of the £1 billion backlog that has grown because of the Government's cuts to councils' capital funding. That backlog will keep growing even after the minister's small injection of funds, because it is caused by a lack of revenue.

Angus MacKay: I am intrigued by Mr Harding's references to the permanent Christmas during which Michael Forsyth presided over local government—I do not recall Michael Forsyth abolishing guidelines or introducing three years of real-terms increases for local government. However, I know that Mr Harding is committed to local government and wants to support it, so I invite him to support councils' stability and forward planning by telling us what proportion of the £16 billion of cuts that the Tories propose to make if they win the general election will be implemented in Scotland, and in local government in Scotland in particular. I think that councils would welcome that knowledge so that they can have stability and plan ahead.

Mr Harding: I know that the minister is doing his best to address local government, but if he devoted some time to reading the press he would know that the proposed cuts amount to £8 billion and that how they will be achieved has been fully explained.

The Executive has not got rid of guidelines; it has indicated that it will not use them—there is a slight difference.

Andrew Wilson: Just to be helpful, I ask whether the member accepts that the first two years of damage and havoc that have been wreaked by the Labour party on local government

were based on his party's spending plans from previous years.

Mr Harding: Andrew Wilson has confirmed that it was Christmas-time when Michael Forsyth controlled Scotland.

Road repairs from revenue are likely to be hit again this year, because they are not one of the Executive's priorities. I am not alone in saying that; COSLA backs me up. Angus MacKay's so-called mammoth increase in capital is spread over three years and is likely to leave Scotland's councils short of the amount that they had in 1995.

Since Labour came to power, council tax has risen by more than 25 per cent—two and a half times the rate of inflation—but the public receives nothing in return. That is the ultimate example of Labour's all-tax-and-no-delivery attitude to government. Once again, Labour has broken its promises and has increased stealth taxation of ordinary, hard-working families.

However, I have some sympathy for the Executive, which has allocated more resources to local government, but is being blamed for service cuts that are determined by its colleagues in local councils.

Angus MacKay: Will the member give way?

Mr Harding: Again? I will give way as long as the Presiding Officer allows for the time that has been taken up by interventions.

The Deputy Presiding Officer (Mr George Reid): Yes—but we are quite tight for time.

Angus MacKay: Surely Mr Harding cannot be right. I looked for a quotation from a Conservative local government leader in Scotland but was, sadly, unable to find one. However, does Mr Harding agree with the statement that Brian Adam MSP made to *The Press and Journal* on 7 December, to the effect that the settlement should provide some scope for restoring services which were cut and help to keep council tax down.

Mr Harding: Regrettably, the statement would be accurate only if we had some Conservative councils to implement it.

The current scenario will continue unless and until there is a radical culture change in councils. The recent letting of roads contracts shows what savings can be achieved. How much more is being overspent and wasted in other council services? It is time that councils sat down with blank sheets of paper, open minds and a fresh approach. They should ask themselves: "Why do we provide this service? Can someone else do it better? Are we the most cost-effective?" They should consider sharing costs with other public bodies by sharing buildings, facilities and payroll services, and through joint professional services

such as personnel, legal and architectural services or management buy-outs of direct labour organisations.

Bristow Muldoon (Livingston) (Lab) rose—

Mr Harding: I will not give way. I am in my last minute.

That culture change is a challenge that the Executive should be setting. It could not only go a long way to address the so-called budgetary difficulties, but invigorate local government and give councils a rewarding and meaningful role.

The Conservative party cannot support the settlement, because of the basis on which it has been distributed.

15:14

Iain Smith (North-East Fife) (LD): What a difference a year makes. Many of us will recall last year's debate on the local government settlement order—some of us will recall it in a cold sweat because of our previous lives. The situation then was certainly different from the one that we face today, because we can all broadly welcome today's local government order and the ministerial statement.

Andrew Wilson: Will the member give way?

Iain Smith: Not at the moment—I have just started.

The tone of the debate reflects the fact that the local government settlement has moved on significantly since last year. We welcome the fact that local government is getting a real-terms increase for the first time in many years. Liberal Democrats fought hard within the Executive and within the partnership Government for that increase.

We reluctantly supported—at least, the majority of us did—last year's local government settlement on the ground that it was the best that we could do in the circumstances. However, we pledged that we would fight for a better deal for local government in this and future years. I believe that this year's local government settlement reflects the better deal that the Liberal Democrats have been able to achieve within the Scottish Executive.

Andrew Wilson: Iain Smith is, of course, concentrating more on constituency matters these days. Can he tell the chamber how hard he fought, given that Fife Council in his constituency has received a lower increase than the Scottish average? Does he boast about that locally?

Iain Smith: We must consider the local government settlement in the round and the settlement is a good deal for local government as a whole. Every local authority is getting a real-

terms increase of at least 5 per cent, which is good news for Fife Council as much as it is good news for authorities elsewhere.

Perhaps the SNP could answer—*[Interruption.]*

The Deputy Presiding Officer: Order, Mr Gibson.

Mr Gibson rose—

Iain Smith: I will not give way to Mr Gibson at the moment.

Perhaps the SNP will advise the chamber later in the debate whether it thinks that Angus Council is getting a good deal. The SNP claims that it wants more money for Glasgow City Council in the local government settlement. However, the leader of Angus Council, Rob Murray, said:

“Angus Council is losing £891,000 in grant support as its contribution over the three year period to subsidise Glasgow.”

Will the SNP support Angus Council by saying that that council should get more, or will it support Glasgow by saying that other councils should lose support in order to fund Glasgow? That is what a motion that Kenny Gibson lodged last year suggested. The SNP should answer those points, because it has never told us how it would find the extra money that it claims Glasgow should get. From which councils would it cut money in order to fund Glasgow? Perhaps SNP members could get round to answering that point later in the debate.

Mr Gibson: Will the member give way?

Iain Smith: I am sorry—

The Deputy Presiding Officer: Order. The member is not giving way, Mr Gibson.

Iain Smith: The SNP will have plenty of opportunities, both during the debate and when summing up, to answer that point. Patricia Ferguson told me off for encouraging interventions in a previous debate—I am not going to fall for that again.

As I was saying, the Liberal Democrats broadly welcome the settlement, because it is good news for local government. During the last three years of the Conservative Government, central Government support for councils in Scotland fell by £520 million in real terms and capital grants fell by £590 million in real terms. This Executive party accepts that those cuts were not resolved immediately by the election of a Labour Government in Westminster. Only since the Scottish Executive got to grips with local government finance is local government getting a better deal.

Mr Gibson: Say that with a straight face.

Iain Smith: I can say it with a straight face: only

since the Scottish Executive came to power and got to grips with the situation, with the Liberal Democrats making their influence felt, is local government getting a better deal.

We have a number of concerns on which we would like to make progress. We do not accept yet that all is milk and honey for local government. There is a long way to go before local government is 100 per cent satisfied with the settlement—I do not think that local government will ever feel that way. For example, I welcome the minister's comments that he is willing to consider positively with local government how to reduce the amount of ring fencing and hypothecation.

Tommy Sheridan (Glasgow) (SSP): Will the member give way?

Iain Smith: I am sorry, but I wish to carry on.

COSLA raised the issues of central direction and of how the priority areas of education and social work will take up the bulk of the increase. We accept that many other services, which have been hit hardest in the past, will continue not to benefit. We accept that the settlement does not fully address leisure and recreation, community services, the voluntary sector and road repairs. However, there is a limit to the additional money that is available and it is up to local councils to prioritise that money. We must address those cross-cutting areas in future and I am confident that within the Executive, ministers, the Liberal Democrats and the Labour party will continue to examine those important issues.

A couple of big areas are not covered directly by the local government settlement and I hope that, when the minister sums up, he will address how those areas will be dealt with. I appreciate that additional money is to be provided to local government to fund the central Government aspect of the McCrone settlement, when the teachers accept the deal.

We have to be clear how that money will be distributed. My colleague, Mr Gorrie, has mentioned the concerns of some councils about that. We have to make it clear that the money will have to go to where the additional costs are. It cannot be distributed in such a way that some councils end up with a windfall gain because they receive more support than they need to pay their teachers, while others end up struggling because they have more teachers than the current grant-aided expenditure assessments suggest. Discussions must continue with COSLA and the councils about how the additional money from central Government is to be allocated. I hope that the minister will assure us that those discussions will take place.

I hope that there will also be discussions with COSLA and the councils on the consequences of

the trunk roads maintenance contracts decision. Most of us recognise that there will be additional costs to local government as a result of the loss of the trunk roads contracts and that they will have some difficulty in maintaining levels of service on local roads. There will also be knock-on effects on their direct labour organisations. I hope that discussions with COSLA will quantify those costs and effects and that ways of alleviating those difficulties will be considered. The minister may reassure us in his summing up.

I welcome the minister's comments to the effect that he will work with the Local Government Committee—Trish Godman's committee—in what will be a lengthy and, I hope, comprehensive study of the future of local government finance. Many areas need to be addressed. Many members will have read the COSLA briefing on the level of control that local government has over its own revenue and on the ways in which capital is dealt with. Those issues must be addressed and I am glad that the Local Government Committee will do so.

We are having a much calmer debate this year than we did last year. I believe that this is a good settlement. I congratulate the minister on it.

The Deputy Presiding Officer: We move now to open debate. Trish Godman, as convener of the Local Government Committee, will have up to five minutes; everyone else will have up to four minutes.

15:21

Trish Godman (West Renfrewshire) (Lab): I suspect that I will not take five minutes. Iain Smith is right: the first debate in this Parliament after the official opening was indeed on local government and the McIntosh report. Many of us spoke in that debate.

Things have moved on apace this year: there has been action to provide firm figures for councils for the next three years; there is a more simplified and stable approach for grant allocations for years 2 and 3; revenue grants and capital allowances are significantly above the forecast rate of inflation; and expenditure guidelines have been abolished—subject, of course, to councillors' publication of council tax levels for the three years. All those announcements have been greatly welcomed. They should allow local councils to improve their service delivery.

No one can argue that there has not been a change. They may argue that there has not been enough of a change, but they cannot argue that there has not been a change. Why, then, does there appear to be some division and dissent in local government? Answers include, "Too much ring fencing and central direction" and, "Not

enough local flexibility." Those comments have been made too often to be ignored—both in here and outside. The minister has partly addressed those points this afternoon.

Real gains in forward figures for three-year funding will, I believe, be achieved only if councils are given freedom and are trusted to work towards their shared priorities within that financial framework. I welcome Angus MacKay's comments on that because if we believe in subsidiarity—and I think that we do—we should trust councils. We decide the policy parameters—that is why we are here—but councils should be left to make local decisions within those parameters. If we are serious about having a genuine partnership with local government, I believe that it should be involved at a very early stage in policy development.

It was clear after the settlement announcement was made that there was a disagreement between the Executive and some councils about allowances for deprivation. That needs to be resolved. It needs to be resolved by all councils sitting round the table with the Executive. I do not mean that the Executive should say, "Let's call them in, give them half an hour and a cup of tea, and send them off." The converse of that would be the councils' saying, "We're not going because we're not going to get what we want." If councils and the Executive do not sit round the table and talk, the issue will not be resolved. If they do, I think that that will go some way towards avoiding the kind of conflict that we experienced recently over the division of the block, over the formula and over population and deprivation. I listened to both sides of those arguments. Both sides presented genuine cases. I think that there was a misunderstanding that needs to be addressed. There needs to be genuine dialogue.

When I spoke in the debate in July 1999, I said that I thought that the Scottish Executive should have an independent review of local government finance. I still believe that and so do 32 councils. We cannot all be wrong. We need a review of local government finance.

Tommy Sheridan: As the convener of the Local Government Committee, does the member agree with COSLA that

"Capital receipts set aside arrangements for housing should be removed with immediate effect"?

Trish Godman: I am the convener of the Local Government Committee. Housing comes under the remit of another committee. We have not considered the matter in any depth in the Local Government Committee. I have my own opinion on the matter, but I am not prepared to express an opinion as committee convener.

The Local Government Committee has taken the

decision to undertake a review of local government finance. We considered the matter yesterday and it is clear that the review will be very complex and will take until the middle of June. My hope is that the Executive will change its mind. What I do not want is for the Local Government Committee to do all the work and the Executive to take the credit by doing a wee thing afterwards.

Overall, we are on the right track. There is much to be done and many differences to be settled. There is no doubt about that. However, as Angus MacKay said, we are committed to local government delivering the services. Local government—the officials and the councillors—is doing great work and deserves credit for that. We must reinforce the commitment to local government that we made this year and the day after the Parliament opened. We must move forward with councils to resolve their difficulties.

15:26

Brian Adam (North-East Scotland) (SNP): I am extremely flattered that the minister chose to quote me. I hope that this is the start of a new relationship and that he is now going to pay heed to what I have to say. I look forward to the minister agreeing with what I shall suggest this afternoon.

I stand by my comments in *The Press and Journal* in reference to Aberdeen City Council and Aberdeenshire Council, the principal council areas served by that newspaper. Those comments were made when we were unaware that, in the first year, something like 10.7 per cent of the allocation was ring-fenced. The fact that the Executive has ring-fenced the money means that the scope for improving services is lost, as is the scope for cuts or below-inflation rises in council tax.

As I understand it, Aberdeen City Council is currently facing possible cuts of £1 million with a 10 per cent increase in council tax, or cuts of £8 million with a 3 per cent increase in council tax. Ring fencing will undoubtedly lead to cuts in services and above-inflation rises in council tax. That is something I regret.

I may be stepping into dangerous waters again—the minister is likely to quote or misquote me—but I should say that I recognise that progress has been made in the past year. We have taken some tentative steps towards redressing the many years of neglect of local government, but I ask the minister to examine closely the distribution formula arrangements. The formulae do not recognise factors such as population change early enough. They tend to be picked up afterwards and can cause distortions, particularly in places such as Aberdeen and several east coast authorities where populations

are growing. There is a lag. The minister's predecessor was good enough to pick up the need to address deprivation, but he did not accept the advice to address population change—I hope that Angus MacKay will.

Angus MacKay: The new formula for years 2 and 3 predicts population changes. That point should have been addressed in the new distribution formula.

Brian Adam: I welcome any change that will do that, but it is not reflected in the settlements. Aberdeenshire receives a below-average increase over the three years; if population change were recognised as an important factor in the distribution formula, the settlement would have been above average.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Will the member give way?

Brian Adam: No, thank you. In terms of—

Mr Rumbles: He is wrong.

The Deputy Presiding Officer: Order.

Brian Adam: I would welcome more clarity in the formulae that are used for working out the distribution of additional moneys. A substantial amount of the money distributed through the neighbourhood fund has gone to one council in particular. There are also formulae that apply to less than the whole of a council. European Union structural funds and assisted area status work at a ward or sub-ward level, but for some reason the neighbourhood fund seems to work at a whole-council level.

The recent distribution of moneys to local government for drugs work is very welcome but appears to be based on a population basis whereas it ought to be based on a needs basis. There should be much more clarity in the distribution formulae. Each time an announcement is made, it ought to be made on the basis of what particular formula has been applied at the time.

I appeal to the minister to remove the restrictions on capital expenditure for housing in the same way as he removed restrictions for general services last year. That would mean a major injection of finance into housing stock. Not all local authorities will go down the housing stock transfer route and such action would be a major fillip to local authority housing.

15:31

Mrs Mary Mulligan (Linlithgow) (Lab): I welcome the vastly improved sums of money that are being channelled into local government. There can be little doubt among those who have been around local government in the past 20 years that the sums represent a great improvement.

In 2001-02, total revenue will increase by 6.2 per cent—more than twice the rate of inflation. More important than such bald figures, however, are the service improvements that can be delivered to the people of Scotland by that increase. Before I consider those service improvements, I would like to add my comments to what has already been said about forward planning and three-year figures. It is worth repeating that they are a positive move for local authorities. Forward planning was particularly difficult for them, especially when working in partnership with other agencies. The inability to commit to future spending was a particular problem.

Some services have been in the news of late—the police service, for example. Lothian and Borders police, which covers my part of West Lothian, has a settlement that will enable it to increase police numbers to a stable level of 2,602 next year, which is higher than it has ever been. Support staff numbers will also be stable, so there will be no backfilling of vacancies by police officers. The result will be more police on the beat in communities, offering the service the public have asked for. My constituents will be pleased by that.

I mentioned services where councils are working in partnership. West Lothian Council works closely with West Lothian Healthcare NHS Trust, particularly on older people's services. The increase in revenue and the forward allocation of three years means that such partnerships can be more meaningful. For individual constituents, that will mean fewer people being placed inappropriately in hospital beds rather than nursing homes. I am sure that better forward planning will result in better value, because spending priorities can be planned and adjustments made according to the demands on the service, rather than the time of year.

Andrew Wilson: Mary Mulligan mentioned police numbers in Lothian and Borders police. Does she accept that there are fewer police on the beat in Lothian and Borders now than when the Conservatives left office? How many more police are there now? In fact, the number is less than 10, yet the population in West Lothian has increased by more than 10,000 and, since Labour came to power, the council tax has gone up by more than 37 per cent. That is the reality in her constituency.

Mrs Mulligan: If Andrew Wilson had listened to me, he would know that I said that the figure of 2,602 officers is higher than it has ever been. That figure was given at a recent meeting with the chief constable of Lothian and Borders police, so Andrew Wilson should take the matter up with him if he thinks it is incorrect.

While there is much to be welcomed in this budget, there is an issue—I hope that the minister

will not take this badly, because I may sound like Mr Kenny Gibson—with hypothecation. The amount of hypothecation can give councils some difficulties. The Executive wants its commitments to the electorate to be fulfilled, but they could be achieved through local outcome agreements that have been agreed by local authorities and the Executive. The absence of a formal framework for joint planning can cause disruption and distortion of local planning prioritisation. It is important to distinguish between consultation and joint planning. We must recognise that joint planning implies agreement on how and when objectives are achieved and acknowledges and respects local circumstances.

I am aware that the minister and his deputy have met representatives from my local council. I hope that further discussions will take place to ensure that joint planning agreements and outcomes are agreed between the Executive and councils. Such arrangements would benefit all our constituents.

15:36

Mr Murray Tosh (South of Scotland) (Con): Some years have passed since I was involved in considering local authority budgets. In those years, an important qualitative change has taken place with three-year forward planning, which the Minister for Finance and Local Government outlined again today. We all recognise that as an improvement and genuine progress.

However, in many respects, the debate remains what it has always been: the Government of the day presents the story that the settlement is adequate—even generous—and the Convention of Scottish Local Authorities and councils brief the opposite, pointing to the extra burdens and costs that accompany extra money and complaining that services will have to be squeezed.

Mr Gibson comprehensively and carefully described the genuine complaints among local authorities. Bruce Crawford talked about Perth and Kinross. My local council, South Ayrshire, had to make severe, highly controversial and well-publicised cuts in its budget last year. I am well aware that it is again considering what the minister would call managing its budget—in other words, it faces significant retrenchment.

The three-year forward plan invites us to think about the reality of the situation. I think that all political parties agree that councils could spend more money than they have or will receive on maintaining schools or non-trunk roads, but the issue is deciding what the councils should do with the resources that they have. The councils' position is no different from that of the Executive and the Parliament. We are collectively coming to terms with the reality that investing more money in

implementing the Sutherland report or paying teachers requires us to comb through budgets and make economies and sacrifices.

I suggest that two recent events provide an important lesson for local government. The first is the recent trunk road tendering exercise. We are likely to debate that issue next week. I appreciate that the councils make a strong argument that, had they tendered on the same base quantities as the successful contractor, they might have been able to offer the same savings—but the point of the tendering exercise was to find savings. If they are delivered, the outcome is acceptable and is an appropriate objective for the Government to set. We can argue about the detail, but the principle is sound.

The second issue is a matter for which competitive tendering is not appropriate and on which the Executive has had to move in a different direction. When challenged at question time last week about the economies that the water industry commissioner is insisting on, Sam Galbraith made the strong point that the Executive and the Parliament are custodians of public service. If there is evidence that diseconomy and waste are occurring and that money can be saved, money must be saved and redirected in the interests of consumers. We champion the consumer, not the producer.

Mr Gibson: What room do the Conservatives believe remains in local authority budgets for further efficiency savings? Will the member explain how they would work for each council—or even just for South Ayrshire?

Mr Tosh: I was building towards the point that tendering or—more suitably in the public sector—benchmarking to identify where economies might be made is appropriate.

Best value is the Executive policy. My concern about best value is not the principle, but whether it is achievable and whether the mechanisms to achieve it are in place. Since Mr Gibson has a voracious appetite for reading, I am sure that he will have seen last year's Accounts Commission review report on best value, in which it suggested that not much progress is being made.

A practical way to make progress with best value would be to work with councils to get better financial information, council by council, so that councillors, who are the best people to assess the value of services and the allocation of resources, can identify where their councils are efficient and have services that are good value for money and where efforts must be concentrated. That is a missing ingredient in the best value exercise. The Executive could give local authorities a lead on that and assist them in doing what we all have to do, which is to recognise that there is only so

much we can do within assigned budgets if we are to get best value and serve our customers.

15:41

Kay Ullrich (West of Scotland) (SNP): We have had four years of new Labour at Westminster and two in the Scottish Parliament. Today we must address that record in relation to local government. To do so, I will look at a typical Scottish local authority—North Ayrshire, where I live.

Last year, like many Scottish councils, North Ayrshire Council made an assessment of local people's needs for local government services and made budget proposals. Then came the curve ball. The council was notified of the level of funding that it would receive from the new Labour Scottish Government. As a result, it had to slash £6.25 million from the budget identified as meeting the needs of the people in its area. That is not new, of course. We had year after year of that from the most recent Tory Government. The difference is that whereas Labour councillors were louping up and down and baying at the Tories about the underfunding of local services then, now they just keep their mounts shut and put party loyalty above their obligations to the people they are supposed to represent.

The price North Ayrshire people pay because of new Labour Government underfunding includes North Ayrshire Council's inability to meet people's educational needs. This year alone, £1,859,000 was cut from the education budget, including more than £75,000 from special educational needs. North Ayrshire Council is unable to meet people's social services needs—more than £2.5 million has been cut from that budget. The situation for people who have been assessed as needing long-term residential or nursing care is dreadful—instead of getting that care they are added to a council waiting list where they remain until the all-too-elusive funding becomes available.

Mr Tosh: I invite the SNP to identify any councils that receive too much money. If the point is that local government as a whole needs to be better resourced, which budget should the money come from?

The Deputy Presiding Officer: Kay Ullrich.

Alex Neil (Central Scotland) (SNP): Will the member take an intervention? Is it not the case—

The Deputy Presiding Officer: Mrs Ullrich is responding—are you not?

Alex Neil: Is it not the case that if Mr Portillo's £8 billion of cuts were implemented, Scottish local authorities would suffer as much as anyone else? *[Interruption.]*

Angus MacKay: It is okay—she has the answer now.

The Deputy Presiding Officer: Order.

Kay Ullrich: I have almost forgotten the question. I was not aware that I had let Alex Neil in, but he did awfully well anyway. If it was not for the Barnett squeeze, local authorities would be able to provide the services that are needed.

Back to the important issue of people languishing as they wait for long-term care. Let us be clear what we are talking about: despite new Labour's much-vaunted money which, in October—I believe—was targeted at delayed discharge, North Ayrshire Council's cut from the additional money allowed it to move only 14 people from a waiting list of 100. I will quote from a letter sent to me by Mr Bernard Devine, the chief executive of North Ayrshire Council:

"It is quite obvious that local authorities throughout Scotland are unable to fund all persons assessed as requiring residential or nursing care".

There is no equivocation in that statement—councils simply cannot meet the needs of the people they are supposed to serve.

That was before Lord Hardie's judgment in the case of *MacGregor v South Lanarkshire Council*. Lord Hardie's judgment made it clear that local authorities have a duty to provide immediate nursing care for everyone who is assessed as requiring it. The Hardie judgment has not been appealed and will not be appealed. There is now no doubt that local authorities must place into nursing or residential care everyone who is on their waiting lists for placement. New Labour is dragging its feet and pretending that the Hardie judgment never happened. Well, it did. The Executive has to make available the funds to allow justice to be done for our frail and elderly citizens.

As is evidenced by North Ayrshire Council, local authorities have already had to slash services. In its briefing to members, COSLA makes it clear that it is concerned that even that reduced provision of care cannot be maintained. That is the reality.

15:46

Mr Keith Raffan (Mid Scotland and Fife) (LD): I welcome this settlement. It is much better than last year's. It could hardly have been worse. However, the total settlement of £6.51 billion amounts to 33 per cent of the block. The minister will be aware that, two years ago, the local government settlement amounted to 36 per cent of the block and that five years ago it amounted to 40 per cent of the block. Local government revenue spending is up 7.5 per cent after inflation, but most of that is absorbed through ring-fenced initiatives. I will come to that point in more detail.

While overall spending by the Executive is up by 12 per cent, which is extremely welcome, certain areas have increases that are much higher than average: transport is up by 21 per cent; justice is up by 20 per cent; and communities—primarily housing—is up by 19.5 per cent. All that puts the settlement into context. Local government has a significantly better deal but no bonanza; indeed, its increase is less generous than in many other programme areas.

I warmly welcome the move to three-year funding, which will allow councils to plan ahead. It is widely and warmly welcomed by all five councils in my region. I ask the minister about the future. Will there be a roll-over? If so, how will it happen? Will the last year in the current three-year cycle be the first year in the next cycle, which would be similar to the comprehensive spending review? I would be grateful if the minister could respond to that point when he winds up.

The principal area of concern among the councils in my region is ring fencing, or hypothecation, which now amounts to 10 per cent of the total budget. Almost all the real increases are hypothecated for the Executive's priorities. Local authorities are left with the usual problem of managing back the other local authority services. The hypothecation concentrates on three or four main areas—including education, community care and police and fire—and specific grant areas such as drug rehabilitation.

As a result, and despite an apparently generous three-year settlement coupled with the fact that council tax throughout Scotland will rise above the rate of inflation, there is still a need for savings in many services: roads and footpaths; libraries; sport and recreation; and planning and economic development. That underlines the point I was trying to make in my intervention during the minister's speech, which is that there is a need to allow councils greater flexibility. That should become all the more feasible as the Scottish Executive moves towards outcomes.

I received an e-mail this morning from the chief executive of one of the councils in my region. He said:

"There is increasingly no room for local opinion to influence the balance of public service priorities. My view is that a lot more could be achieved if the Scottish Executive would allow local priorities to shape the budgets of various public services. There are fewer and fewer opportunities to do this as budgets are focused on Scottish Executive priorities and then delegated down the silos. It is a question about trust and whether local democracy is allowed to operate".

I hope that we can move quickly towards much greater flexibility.

I welcome the fact that, for the first time in eight years, there has been a recognition of pay

inflation, although a significant proportion of it must still be absorbed by councils. There are also other burdens. As Iain Smith said, there are particular concerns in Perth and Kinross and other parts of the region about the implications of the trunk road contracts for direct labour organisations and about the additional costs to councils.

There are additional pressures from community care and the additional burdens resulting from legislation passed by this Parliament. The Finance Committee examines the financial schedules of bills. I know, as a former member of that committee, that they are sometimes extremely vague about the potential impact on local government.

We are seeing a shift from central to local taxation. In Stirling, for example, council tax raised 11.1 per cent of the budget in 1988-89; by 2003-04, it will raise 18.4 per cent. Council tax is a regressive tax. Local income tax would be much fairer. I am glad that the Local Government Committee is to carry out what sounds like an extensive and intensive inquiry into local government finance. I only wish that the Scottish Executive had initiated such an inquiry more than a year ago, as the McIntosh committee report recommended. If it had, we might be receiving a report on local government finance now, rather than being about to initiate an investigation.

The Deputy Presiding Officer (Patricia Ferguson): I call Tommy Sheridan, to be followed by Michael McMahon.

15:51

Tommy Sheridan (Glasgow) (SSP): On a number of occasions, I have accused the Executive of neglecting the city of Glasgow and, in fact, of betraying the city of Glasgow, given the loyalty that its citizens have shown to the Labour party for many years. The Local Government Finance (Scotland) Order 2001 is proof yet again that the Executive is willing to neglect the people of Glasgow. The settlement is a bad one for Glasgow.

Let us put Glasgow into context. It is the city with the highest council tax in Scotland—25 per cent higher on average than for the rest of Scotland. Council house rents in Glasgow are 20 per cent above the Scottish average, but average incomes in Glasgow are 20 per cent below the average across Scotland. According to the report on poverty in Scotland by the Westminster Select Committee on Scottish Affairs, Glasgow is the poverty capital of the United Kingdom. Glasgow has been neglected by this Parliament in relation to health, education, roads and social work; it has also been neglected in relation to this local government settlement.

The recently announced settlement includes average grant increases of 6.4 per cent, 5.1 per cent and 3.8 per cent over the next three years. By the end of year 3, grant levels for councils will have increased by 16.1 per cent. In the case of Glasgow, the total grant will increase by 6.8 per cent, 4 per cent and 3.4 per cent over the next three years. By the end of year 3, the city's grant will have increased by 14.8 per cent. In other words, Glasgow will receive an increase that is 1.3 per cent below the average increase for the whole of Scotland.

Mr Frank McAveety (Glasgow Shettleston) (Lab): Will Mr Sheridan remind me how many times as a member of Glasgow City Council he proposed a higher increase in the council tax than any of the Labour administrations did?

Tommy Sheridan: Frank McAveety has asked me a question that is easier than usual to answer. The answer is none.

Mr McAveety: Will Mr Sheridan accept a further intervention?

Tommy Sheridan: Frank McAveety should sit down.

I am all in favour of a bigger cake to be divided out, but Glasgow's share shows that we have been sadly neglected. We have the highest average council tax in the whole of Scotland. It is 35 per cent higher than East Renfrewshire's council tax and 32 per cent higher than East Dunbartonshire's, yet those two councils received grant increases of 19.5 per cent and 19 per cent respectively—the second and the fourth highest increases in the whole of Scotland.

The minister mentioned the response of the leader of Glasgow City Council to his meeting with the First Minister. The First Minister was brought to Glasgow and was told, in no uncertain terms, that something had to give and more money had to be given because Glasgow had been utterly neglected by the settlement. Even with that extra money, the leader of the council is quoted as saying on Friday:

"Welcome though the First Minister's intervention through the better neighbourhood fund was, the fact is that even with that taken into account, Glasgow's settlement is still . . . below the Scottish average at a time when we have more deprivation than any other council area."

Mr Rumbles: Will the member give way on that point?

Tommy Sheridan: I hope that I will be allowed to.

The Deputy Presiding Officer: Very quickly.

Mr Rumbles: Does the member accept that the redistribution of wealth, important though it is, is a central Government function? Does he accept that

the grant settlement is about the provision of services and that it costs more, for instance, to empty bins in rural Aberdeenshire than it does in cities? That is what the grant settlement is about; it is not about the redistribution of wealth.

Tommy Sheridan: I do not accept that at all. The settlement should be about the redistribution of wealth as well; it should take account of poverty and deprivation. The settlement discriminates against the city of Glasgow.

Let me finish by quoting what Glasgow City Council's chief executive said to me about the settlement in a letter only yesterday. He said that

"relative to the cash increases received by other Councils, Glasgow's settlement"—

I hope that the Glasgow members are listening—

"is one of the lowest increases of any of the mainland Councils.

The Council cannot accept that other areas of the country are in greater need of additional resources than Glasgow. To a large extent, the Council's arguments have been recognised with the allocation to Glasgow of an additional £27 million through the Better Neighbourhoods Fund which brings us within 0.5% of the average settlement in the 3 year period".

In other words, the settlement for Glasgow is 0.5 per cent below the average settlement for the rest of Scotland.

The Deputy Presiding Officer: Will the member wind up, please?

Tommy Sheridan: Glasgow was meant to be made a special case—that is what we were told in 1997. Special case? I think not. We have continued to be neglected as we were under the Tories.

The Deputy Presiding Officer: A number of members still wish to be called. I have already mentioned Michael McMahon, who will speak next. I will call Gil Paterson if both he and Mr McMahon keep to the time limits.

15:57

Mr Michael McMahon (Hamilton North and Bellshill) (Lab): As a member of the Local Government Committee, I have spent a lot of time listening and talking to various individuals, trade unionists and local government representatives about these issues. Each of those groups believes in a modern, open and collaborative approach to local government, based on accountability to the people whom local government serves and supports; that is what I believe in, too. Therefore, I welcome, as does COSLA, the Scottish Executive's recent steps, outlined by the Local Government Committee's convener. In particular, I welcome the scrapping of annual spending guidelines, which will allow local authorities the

autonomy to budget over three years.

The settlement will enable local authorities to make significant progress across the board. The financial support given to local government will reach record levels. The total Scottish Executive grant will greatly enhance capital investment. Without doubt, improved public services will result.

A lot has been done, but there is still a lot to do. The settlement has afforded local authorities the ability to plan ahead, allowing more flexible strategies aimed at providing stability and, I hope, a more effective budgetary map for longer.

As the member for Hamilton North and Bellshill, I am in the fortunate position of being able to liaise regularly with local authority colleagues in North Lanarkshire and South Lanarkshire. I am delighted to say that I have encountered favourable responses to the recent settlement.

Jim McCabe, the leader of North Lanarkshire Council—who, I assure members, is not a man easily impressed by local government settlements—took the view that he looked forward to improvements. He described the 16.8 per cent increase allocated to North Lanarkshire as "very encouraging", as it would allow the local authority to make the best use of available resources. He recognised that £27.5 million over three years is a substantial amount of money, which will allow the targeting of priorities such as the local economy, community safety, health, housing and social inclusion. Having listened to the needs, requests and aspirations of the people of North Lanarkshire, Jim McCabe stated that the local authority had already

"taken account of the investment needed to upgrade and improve council facilities across all services".

He added:

"this package provides the best value for all tenants".

Councillor Eddie McAvooy, Jim McCabe's counterpart in South Lanarkshire—another person who is not usually given to expressing undeserved praise—agreed that the three-year capital programme with annual spending announcements

"would enable councils to plan ahead and target investments in services".

South Lanarkshire is receiving a 15.9 per cent spending increase.

With the simplified distribution formula, three-year revenue grant settlement for each council, three-year capital allocation for each council, abolition of expenditure guidelines and the piloting of local outcome agreements, the aim of promoting stability, flexibility and simplification for efficiency and effectiveness will never have a better chance of being achieved.

Quality public services are essential in our local

communities. Those services must be—and be seen to be—efficient and effective.

Alex Neil: Michael McMahon refers to quality public services. Is not it the case that North Lanarkshire Council has privatised many of its services and engaged in one of the biggest ever private finance initiatives, which in the long term will cost the council tax payer an enormous amount of money and will probably lead to a reduction in the quality of public services?

Mr McMahon: Alex Neil is right that there has been privatisation in that area through public-private partnerships. However, his analysis of the outcome is totally wrong. The SNP wanted to see large-scale redundancies and a waste of money, but that did not happen; that is why the SNP is disappointed.

There are still problems, such as the concerns of Glasgow City Council and Dundee City Council about tax burdens and settlement levels, but I welcome the positive feedback from many local authorities. They must be reassured that the Scottish Parliament will work in partnership with them to make the new system of strategic financial planning work for everyone.

I am pleased that we in the Labour party have promised for local government and are delivering for it. We are modernising local government, listening to our communities and ensuring best value, for a more stable, fairer long-term plan.

The nation's taxpayers deserve the best possible services for their money. Through this programme, we are delivering on the shared priorities of central Government and local government—to work together to improve services across the board. I warmly welcome the measures that Angus MacKay has announced.

16:02

Mr Gil Paterson (Central Scotland) (SNP): Local authorities are meant to work in partnership with Government to deliver local services and address local needs. However, the details that have emerged from the spending review show a lack of resources and a lack of flexibility in the relationship between local and central Government. Moreover, parts of the review appear to contradict the European Charter of Local Self-Government and go against the spirit of its principles. That is alarming, especially as the Government has already ratified the charter.

Two paragraphs of the charter stand out. The first states:

“Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.”

Predictions show that, by 2003-04, the increase in settlement is set to slide to 3.78 per cent. The stark reality is that council tax has increased by an average of 34 per cent—not 25 per cent, as Keith Harding said—since Labour came to power. That has meant horrendous rises throughout Scotland: 43 per cent in Glasgow; 42 per cent in Aberdeen; and a whacking 46 per cent in Dumfries and Galloway. That is all because the Government, both here and elsewhere, has decided not to support local government adequately. Those figures apply even before we take into account the fact that water and sewerage charges are going through the roof.

The other paragraph of the charter that stands out states:

“As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.”

The constraints imposed by this financial settlement, in the form of ring fencing and the strict direction on the use of resources, means that the extent to which councils can respond to local needs and address local problems with local solutions is being reduced.

The result is that funding for core services is falling. Repairs and maintenance programmes have borne the brunt of reductions in funding, which has led to the all-too-evident deterioration of public assets such as roads and schools.

Greengairs in Lanarkshire provides an excellent example of that. Villagers have been campaigning for four and a half years for traffic-calming measures to deal with the heavy traffic that passes through the village to access the landfill site and the opencast mine. The local authority's response is simply that it has no money. Because of the financial constraints, the local authority has decided to target its funds at those areas with high accident numbers. Not enough people have been killed or injured in Greengairs for it to be on the local authority's list—well, not yet.

In November, I spoke about Airdrie Academy, which has been left to rot, because there is not enough money to fix it. At this stage, to build a new school would probably cost less than to repair the damage to the existing school.

Caldervale High School, which is also in Airdrie, is going the same way. Although it is not in as bad a way as Airdrie Academy is, lack of maintenance has allowed it to fall into a frankly unacceptable state of disrepair. The report that Her Majesty's inspectors produced at the end of last month highlighted water damage that has closed a maths room; unhygienic and unsatisfactory toilet facilities; and inadequate heating, lighting and

ventilation. How bad does the situation have to get before something is done?

Although local authorities need the flexibility and freedom to react to local problems, they also need the financial support to deal with them effectively. Waiting for schools to fall down and accidents to happen before taking action should not be an option. I urge the Executive to reconsider.

16:07

Donald Gorrie (Central Scotland) (LD): As my colleagues have said, this year's settlement is certainly much better than last year's; all the Liberal Democrats will vote for it, which is something that I certainly did not do last time. In light of that agreement, I will make some suggestions about where the settlement could be better or clearer.

I welcome the fact that the Government will fully fund its share of implementing the McCrone recommendations. That share was agreed with COSLA, which also agreed a share from councils. However, the Government money for McCrone must be divvied up per teacher, not through some other formula, as it is related to the pay and conditions of teachers.

The good relations that the settlement and the Executive have helped to recreate with local government after last year's debacle have been severely undermined by the new debacle of the road maintenance money. The minister must make a confident statement to the local authorities that, if their financial loss is severe, the Government will provide compensation from its alleged savings through this measure.

My friend Mike Rumbles has encouraged me to assure the Parliament that Brian Adam's comments are not correct. Although Aberdeenshire did much worse than other councils last year, there has been a distinct improvement; it is doing much better than the average under this year's settlement.

We can take comfort from the fact that, yet again, where Scotland has led, England follows. The Home Office in London has announced today that the Westminster Government will pay for the English and Welsh equivalents of the Scottish Criminal Record Office checks—that is, the police checks on voluntary workers. Jim Wallace announced that the Scottish Parliament would pay for SCRO checks, an issue on which many of us have campaigned for some time, and the Home Office's decision shows that devolution has many virtues.

However, that raises the wider issue of the voluntary sector, which has particularly suffered from local government cuts over many years. We

must bring the Parliament, the Executive, councils and the voluntary sector together to find a way of providing stable core funding for voluntary organisations across the board.

We must also make more progress with joined-up budgeting. We all talk about joined-up government, but it does not actually happen that much. The minister and the Government are making progress towards joined-up government and they genuinely believe in it. However, we have more work to do. Government and local government officials, who tend to operate in little boxes, must break the habits of a lifetime.

Many members are worried that there may be cuts to some councils' budgets as a consequence of the settlement, rather than economies and reasonable decisions concerning priorities. If cuts are imposed in core services, we must reconsider the settlement and improve on it next year.

I am encouraged by the minister to suggest that councils should, with Audit Scotland, take the lead in working out output and outcome measurements—councils are skilled at that. I am sure that the Executive would support them in working out more flexible settlements and in getting rid of this ghastly ring-fencing business.

16:11

Bill Aitken (Glasgow) (Con): I congratulate the minister. Members may think that that is an act of uncharacteristic generosity, but the fact is that he has achieved something this afternoon. He claims to have put more money into local government—indeed, he has put more money into local government—yet, simultaneously, he has managed to offend both the councillors and the council tax payers, who are paying more, while bringing about only a minimal increase in public services. That achievement cannot be boasted by many, and he is to be congratulated on it.

The reaction up and down the country to the local government settlement is interesting. Angus MacKay claimed that this was “an excellent settlement”. If local government is better off, why are there increases in council taxes? Why are the councillors in Glasgow squealing like a collection of stuck pigs? Why does Councillor Charlie Gordon seem almost to be praying for the return of the Conservative Government?

Why are tax levels going up? The answer is that there is now so much ring fencing in local government expenditure that councils have less money to spend than they feel their electorate would want them to. In a thoughtful and constructive speech, Trish Godman underlined that fact. Although Kenny Gibson was excoriated for plagiarising the COSLA report, it is worth reading some of the statements that it contains—

especially when COSLA underlines the fact that the extent of ring fencing and direction in the use of available resources has undermined the efforts that it is making, through the local government system, to introduce a more appropriate balance between central direction and local flexibility. It sometimes seems as though councils are being asked to act like old-time colonial administrators, following through the policies that are laid down by their high panjandrams at the Scottish Executive. That is not democracy.

What is the likely outcome of the settlement? Aberdeen City Council's settlement is likely to be above inflation. In Mike Rumbles's beloved Aberdeenshire, the council is talking of "fairly hefty" increases. I do not know whether Brian Adam or whether Mike Rumbles is correct—or whether both are—but the fact is that the council is talking about "fairly hefty" increases.

Mr Rumbles: Last year, when I voted against the financial settlement, Aberdeenshire Council received 13 per cent less than the average settlement for councils. This year, it is receiving a settlement of 8 per cent above the average settlement for councils and, over the next three years, it will receive a 17 per cent increase—it is doing very well indeed out of this settlement. The important point is that more money than ever before is being provided for councils.

Bill Aitken: It is not only the arithmetic of the Liberal Democrats that concerns me. At times, they appear to live an Alice-in-Wonderland existence.

The local government settlement has been an opportunity lost. The Executive should have made sure that collection rates were increased; it should have linked grants to collection rates. It is not acceptable that in Scotland only 87 per cent of council tax is collected, whereas in England 96 per cent is collected. Of course, Glasgow's plight, which was well outlined by Tommy Sheridan, would be less if Glasgow City Council had increased its collection rates to the average.

The credibility of local government is at stake. Local government will have to think long and hard about how it is to carry out its function in the future; the Executive should have used this opportunity to nudge and guide it in the appropriate direction.

16:16

Andrew Wilson (Central Scotland) (SNP): We are having an important debate this afternoon. The processes of driving power closer to the people and of devolution cannot and should not stop at Edinburgh. Unfortunately, the settlement does not help that process. As we are well aware, local government has taken a pasting for years, first

under the Conservatives and then under Labour, which carried forward the Conservatives' plans.

There are elements in this announcement—and there have been elements in the past year—that it would be churlish not to welcome. My colleagues have put on record our welcome for three-year settlements, the abolition of spending guidelines and other issues. However, a range of questions is still left unanswered after today's debate.

Despite all that has been said by the minister and his colleagues, even the dogs in the streets are aware that there are cuts and dilapidation in councils across Scotland. It is a fact that services are worse and council taxes are going up. The burdens are increasing and the population in some areas is increasing, yet the grant has not been keeping pace. Councils are being asked to do more with less at their disposal. For example, the harsh reality is that local government's share of the Scottish budget has consistently fallen under Labour. As we have heard throughout today's debate, burdens have increased. The annual expenditure forecast is up by 6.2 per cent this year yet, as Kenny Gibson said, ring fencing is up 10.7 per cent.

New burdens to do with demographics, superannuation, new Government taxes, trunk roads and the Housing (Scotland) Bill are all putting a greater pressure on the councils, yet budgets are not keeping pace. All of the increase that has been applied to councils as a result of the comprehensive spending review announcements is ring-fenced and hypothecated. Councils have no extra scope for manoeuvre. That is what is going on under Labour.

Mr McMahon: Is Mr Wilson aware that, when representatives of COSLA came to the Local Government Committee and were asked to identify the figure at which the issues that Mr Wilson mentions could be taken into account and what the settlement should be for this year, they said £1.2 billion? Is he also aware that the Scottish Executive delivered in excess of £1.2 billion?

Andrew Wilson: The figure of £1.2 billion that COSLA referred to is an annual figure, but Mr McMahon's figure is over three years. That means that the Executive is one third of the way towards what was asked for. Mr McMahon displays fuzzy maths of the best type.

In each of its first few years in office, Labour has spent less than the Tories did on local government when they left office. It is projected that the figure might catch up with Conservative spending by 2002. At the same time, of course, council taxes have risen exponentially. Aberdeen City Council—which, for the benefit of Mr Rumbles, I should point out is near Aberdeenshire—has had a 41.68 per cent increase. Argyll and Bute Council's

council tax has risen by 45.91 per cent, Dumfries and Galloway Council's by 45.4 per cent, Highland Council's by 33.88 per cent, North Lanarkshire Council's by 21.3 per cent, Shetland Council's by 62.12, Stirling Council's by 39.38 and West Lothian Council's by 37.52.

Under Labour, taxes have risen consistently and council tax payers, through a regressive, unfair tax, have paid more to receive fewer services. After next year's council tax rises, the average family in Scotland will be paying more than £224 extra in council tax than they were when Labour came to office. That is almost half of the figure that Gordon Brown announced this week for working families tax cuts. He is giving back less than half what he has already taken away in the form of council tax rises. The Labour party will have to answer for that. Council taxes have soared under Labour throughout Scotland. Anyone who walks across Scotland with their eyes open will see that services are not keeping pace.

The state of the roads is well documented; the state of the pavements and the extent of littering are disgraceful; town centres are in a state of decay; school buildings are unacceptable for Scotland in the 21st century; cleansing departments are suffering cuts; libraries, sports centres and community facilities are being shut across the country. That is not a background of progress and growth. If Jim McCabe of North Lanarkshire Council is happy with that, that is fine for him to take to his electorate. The hard reality is that people in North Lanarkshire, as across Scotland, are not satisfied with the managed decline against the backdrop of growing taxes under the Labour party.

The minister hailed and rejoiced in the increase in the capital allocations for 2003-04. However, as Kenny Gibson pointed out, that allocation will, at the end of the comprehensive spending review period, still provide £188 million less investment than when the Conservatives left office, which will then have been seven years previously. Labour is welcoming a capital investment in the infrastructure of Scotland that will be nearly £200 million less than in 1997. Against that backdrop, the number of private finance initiatives is increasing five times faster in Scotland than in the rest of the UK. It is the mortgaging of the future of council tax payers.

In one of his most remarkable responses to an intervention—which I am sure people in Hamilton North and Bellshill will see coming to an election leaflet near them—Michael McMahon said to Alex Neil, who was talking about costs being put up and services being reduced because of privatisation, "Alex Neil is right." That will be in the *Official Report*, and the point will be repeated. That is the reality of Labour's privatising of services and

raising council taxes, but with a reduction in the quality of services. That shows the complacency of Labour representatives across central Scotland, which has led to the seepage in their support over the past few years.

The minister consistently called for us to consider outputs, not inputs. He was absolutely correct to do so. The Labour party talks about growth in spending, but the reality on the streets is much diminished. Mary Mulligan made an excellent speech, but without answering the central point: there are fewer police officers on the streets today compared to when Labour took office. When Labour leaves office—[*Interruption.*] That is the reality. The figures from answers to Labour members' own parliamentary questions confirm it. The number of police will increase next year, but by how much? By less than 40 across the entire country of Scotland.

Homelessness is at a record level after four years of the Labour Government. Does that satisfy anyone on the Labour benches? Council taxes are at their highest level in history. We have the highest council taxes and the highest-taxed businesses in the UK. This is the reality of the first four years of the Labour Government: services declining and taxes up. Labour will have to pay the price for that at the ballot box. Unfortunately, people and services throughout Scotland have already had to pay too heavy a price.

16:23

The Deputy Minister for Finance and Local Government (Peter Peacock): This has been a good debate, with many good contributions. I will try to pick up as many points as I can. I am grateful for what I think was a genuinely warm welcome among all parties for many features not only of our announcements today but of those made in previous months, in particular the move to three-year budgets and the removal of expenditure guidelines, which gives local authorities much more freedom than they had in the recent past. Many members have acknowledged the greater level of resources that are flowing into local authorities throughout Scotland. Those are helping with what has been, for many years, a very difficult budget situation.

Even Bruce Crawford and Kenny Gibson—whose speech, although seven minutes shorter than it was last year, seemed just as long if not considerably longer—as well as Brian Adam and many other SNP members have acknowledged the fact that we are making progress. Sadly, Keith Harding failed to rise to the occasion: he did not give the same welcome that Murray Tosh gave, in what I thought was a thoughtful contribution. I will return later to some of the points that he raised. Trish Godman also made a thoughtful contribution

on some of the bigger issues that we still need to challenge. Even Bill Aitken acknowledged that we are making progress in a number of ways.

Andrew Wilson, however, reverted to type, promising everything without specifying for a moment where anything would come from. He argued that local government would have a lower percentage of the current Scottish budget. Given that we have a fixed budget, if he wants to give more to local authorities, he will have to take that money from somewhere else. Where would more money for local government come from? There was not a single word on that subject from Andrew Wilson. Would it come from the health budget or the transport budget? Andrew Wilson's approach was typical: there was no detail because the SNP has no policy on these matters.

Andrew Wilson: Is it not the job of the Opposition to point out failures in Government policy? Does the minister agree that the local government share of the overall budget has declined under the Labour party but council taxes have increased?

Peter Peacock: When the Opposition criticises the Executive's policy, its job is to give its alternatives. Those are singularly absent from anything that the SNP says.

I will examine four of the main themes that have been raised. I will speak about what have been called cuts, and I will discuss hypothecation, deprivation and McCrone.

Some members have said that cuts are taking place across Scotland, but we should be clear about what is happening in local authorities. There are three components to the equation. First, undoubtedly, there is growth in local government services, particularly in education, but also in areas such as social care, police, fire and transport. I hope that nobody will deny that there is significant growth in key services in councils. Equally, there is a process of reprioritising in councils. They are considering which services should continue to have priority, and which should have a lower priority.

Mr Gibson: Will the minister give way?

Peter Peacock: I will finish my thesis. Equally, councils are seeking efficiency gains, using the best-value processes that every council should be using.

Murray Tosh made some useful points about the culture and atmosphere that we should adopt in all public services. It is not just a question of giving additional resources and expanding services, which the Executive is doing. Although that is valuable and worth while—it is why we are here—we have to achieve value for every pound that we spend. That requires scrutiny. In the new

management structures that are being developed in local authorities, the scrutiny function will come further to the fore. If Murray Tosh was saying that that is an area that should be developed, I agree with him.

Let us not deny the fact that there is more money going into the system. There are minimum increases of 5 per cent this year, 4.3 per cent next year and 3.4 per cent in the year after that—that is a 10 per cent real-terms increase over the next three years. Capital funding will increase by a minimum of 20 per cent. There will be no spending guidelines, so councils will be free to raise tax as they see fit and be accountable to their electorates for doing so. That is the essence of local democracy. There will be no automatic capping.

Mr Tosh: The point that I was making was that if councillors are to do a good job of refining their services, they need to be able to benchmark. They need good reliable information. At the moment, the systems that are in place do not lend themselves to benchmarking. I speak from experience of trying to find costs with which to compare. The Executive has to take a lead in that area so that it can empower councillors to control and steer the councils that they run.

Peter Peacock: I agree that more benchmarking information is required. Part of the best-value process is to elicit that information from other parts of the public sector and from the private sector, both internationally and domestically. Progress is being made, but I accept that we could make more progress.

Mr Gibson: What proportion of the additional resource that is being given to councils over the next three years is being prioritised by the Executive? How much will local authorities be allowed to prioritise?

Peter Peacock: That question helpfully leads me to the issue that I wanted to address next—hypothecation, which was raised by many members. We have to be clear that there is a tension on that question that exists for the SNP and Conservatives as much as it does for the Labour party and the Liberals in the Executive.

In Scotland, we have a fixed budget. An Executive is elected to power on the basis of a manifesto that it wants to deliver: it wants to improve transport, education and a whole range of other services. However, the means to deliver those improvements is not in the Executive's hands, but in the hands of the local authorities, who are the principal deliverers of services in Scotland. It is unreal to suggest that there is no real tension in the debate between the Executive and local government. In the past, the situation has inevitably been that the Government of the day has sought to attach conditions to local

government expenditure to deliver that Government's priorities and the policies to which it committed itself in the election. That creates a genuine tension.

Angus MacKay and I, and our colleagues, are clear that we want to move away wherever possible from hypothecating expenditure heavily. If we are to be able to do that and to deliver our priorities, which we were elected to deliver, we must find a new mechanism for doing so. Therefore, we must look to the outcomes of expenditure, not the inputs, and to outcome agreements. Once we have done so, we will be able to dehypothecate expenditure in a way that has not been seen in the recent past.

We are entering uncharted territory—this is a new science and no one has all the answers. We are genuine in our attempt to move forward and we will work with COSLA to try to make progress.

Mr Gibson: Will the minister give way?

Peter Peacock: I am conscious that I am running out of time.

Mr Gibson: If the minister is genuine about moving forward, will he tell us what percentage of the new money will be unhypothecated and what percentage will be hypothecated?

Peter Peacock: There is no new hypothecation in the grant settlement. Jack McConnell has made it clear that he wants to review the excellence fund. Discussions with local authorities are continuing about outcome agreements in educational attainment, which would allow us to dehypothecate in that area. No new set of expenditures in the settlement is hypothecated. I want to be clear that hypothecation is attached to only about 10 per cent of the total block of expenditure. There is huge freedom within the system.

I am conscious that time is moving on, but I wish to pick up the point that Trish Godman made on deprivation. During the current year, the deprivation factors were reviewed and local authorities were involved in the working party that undertook that review. As a result, £12 million more has been added to expenditure in teaching areas with particularly deprived communities. The better neighbourhood fund has been targeted specifically at areas with the most acute forms of deprivation, to ensure that progress is made in those areas.

We recognise that the debate on how to distribute resources must continue. As we move forward towards the next three-year settlement, we will have to form a view on how we distribute resources. We want to form that view in partnership with the local authority community, which has many good points to make to us. I say

to Trish Godman that we will consider that issue in a genuine partnership with local authorities.

Presiding Officer, I am unclear about when you wish me to conclude. Am I running out of time?

The Presiding Officer (Sir David Steel): You have just over one minute.

Peter Peacock: That is fine. In that case, I will pick up a couple more points.

Iain Smith and Donald Gorrie raised the issue of the distribution of McCrone money. I must be clear that the McCrone issue has yet to be settled. The unions have still to conclude their ballots and we will consider the distribution of the money once that has happened—if, indeed, agreement is reached. The order that we are discussing provides some resources for McCrone, but some are being held back for distribution at a later date.

I am conscious that, in the past few days, figures have emerged from one council in particular, which is suggesting an alternative means of distributing those resources. We considered those figures overnight and, from what we saw, we believe that they are not well founded. A degree of confusion is also beginning to emerge about the funding for McCrone and the grant distribution system as a whole. That confusion is raising further questions about how we distribute grant for all education expenditure, not just McCrone.

If we were to reconsider the entire system, we would have to deal with profound issues and would be required to consult fully the local authority community before we could implement any changes. That would begin to undermine the rationale for how we distribute certain resources at present. I am thinking in particular about the special islands needs allowance and the additional money for education spending in rural authorities.

I urge colleagues to consider that matter carefully before we push the boat out too much further. We might lose a lot, as grant distribution would take a long time to sort out. We should take some time to consider carefully the impacts of the suggestion to which I referred on local authorities.

Keith Raffan asked when we would roll forward the three-year settlement. It is our intention to revisit that point in year 2 of this settlement, with the firm intention of rolling the settlement forward for a further three-year period.

I could have picked up many other points that were made during the debate, but I must conclude. The settlement that we have debated today is good news for Scotland, for Scottish councils and for those who benefit from council services throughout Scotland. I commend the Local Government Finance (Scotland) Order 2001 to the Parliament.

Criminal Justice and Police Bill

The Presiding Officer (Sir David Steel): We now come to a short debate on motion S1M-1618, in the name of Jim Wallace, on the Criminal Justice and Police Bill, which is UK legislation. I invite Iain Gray to speak to and move the motion.

16:34

The Deputy Minister for Justice (Iain Gray): The Criminal Justice and Police Bill, currently being considered by the Westminster Parliament, introduces a range of measures to tackle crime and disorder. Its provisions would apply primarily to England and Wales but some would also apply to Scotland.

Some measures relate to reserved matters, for example, travel restriction orders for drug trafficking offenders and the organisation and personnel of the National Criminal Intelligence Service. There are three measures that are within the legislative competence of this Parliament but which we believe are best dealt with in the bill. Those concern: the disclosure of information for the purposes of criminal investigation and proceedings; the extension of seizure powers of certain bodies, such as Her Majesty's Customs and Excise, to allow material to be removed for sifting; and the execution in Scotland of warrants issued in England and Wales for certain materials. We are asking this Parliament today for its consent that those provisions are included in the bill to be considered at Westminster.

The proposals on information disclosure extend and rationalise the rules governing the disclosure of information that is needed for criminal investigations. They also create new disclosure provisions for the Inland Revenue and HM Customs and Excise, which currently cannot share information, even in criminal investigations. At present, the Inland Revenue may, for example, obtain information about drug trafficking but be unable to disclose it to the police. Some disclosure provisions currently prevent information from being shared before the start of any criminal proceedings and therefore hamper the police investigation.

The bill would amend existing disclosure provisions, which are contained in a large number of existing statutes, some of which relate to devolved matters. The Parliament would have competence to legislate separately on the disclosure of information to detect and prevent crime for matters that are not reserved. However, the bill's aim is to standardise those disclosure provisions. That is best done across the UK to ensure the necessary consistency. The Executive

therefore proposes that both reserved and devolved disclosure matters should be dealt with as a whole in the Westminster bill.

The proposals on powers of seizure would allow investigating officers to remove material from premises and individuals for sifting if that is not possible at the time of the search. For example, investigators could remove a large number of documents that they suspected included some for which they had a search warrant, and then go through the documents at their own premises to establish which ones they could seize. Although the Scottish police do not have those powers now, we do not propose that the provisions be extended to them. The current practice of sifting on the owner's premises or removing material with the owner's consent does not cause practical difficulties in Scotland.

However, the provisions in the bill also cover the powers of a number of bodies that operate UK-wide, such as HM Customs and Excise and the Inland Revenue. There are also provisions affecting the powers of local authority officials, such as trading standards officers. The Executive accepts that those bodies and officials should have the same powers to do their job in Scotland as they would in the rest of the UK. There are also certain UK bodies, notably the Financial Services Authority, whose seizure powers are exercised through police constables. To preserve the UK-wide regime for those powers, the Executive proposes that they be exceptions to the general exclusion in the bill of Scottish police officers from the provisions.

The final provision allows the execution in Scotland of warrants issued in England and Wales for excluded and special procedure material—that is, material of a confidential nature, such as personal records, journalistic or commercial material. Those warrants can be obtained only from a circuit judge in England and Wales, and a loophole in the current law means that warrants from those judges cannot be enforced in Scotland. We do not have the same problem enforcing Scottish warrants in England and Wales.

The bill would therefore amend the Police and Criminal Evidence Act 1984 to allow such warrants to be executed in Scotland. Although, once again, it would have been possible for this Parliament to legislate, the Westminster bill is the simplest and most effective way of closing that loophole.

The Criminal Justice and Police Bill includes, of course, other substantive provisions that will not apply to Scotland. This motion simply ensures the closure of a loophole and avoids any risk of creating new ones in areas such as information disclosure. It is no more than commonsense co-operation between Parliaments in our common purpose of the fight against crime.

I move,

That the Parliament notes the provisions on information disclosure for criminal proceedings and powers of seizure contained in Parts II and III of the Criminal Justice and Police Bill currently before the UK Parliament; recognises the practical value of consistency across the United Kingdom for information disclosure for criminal investigation, and for powers of seizure as they relate to certain United Kingdom bodies and local authority officials, and agrees that the relevant provisions to achieve this end in this Bill should be considered by the UK Parliament; further notes that the Bill allows certain warrants issued in England and Wales to be executed in Scotland, recognises the importance of mutual execution of warrants for law enforcement, and agrees that the relevant provision to achieve this end in this Bill should be considered by the UK Parliament.

The Presiding Officer: This is a short debate and members have three minutes each for speeches.

16:39

Michael Matheson (Central Scotland) (SNP): I regret the fact that, for the second week running, the Parliament is being asked to consider a Sewel motion, as a result of legislation going through Westminster that affects areas of devolved responsibility. Last week, we considered a Sewel motion relating to a private member's bill that was going through Westminster, which amended areas of devolved responsibility. Today, we are being asked to pass a Sewel motion that will impact on the Scottish criminal justice system and, in particular, our police.

As the minister will know, the SNP has consistently raised concerns about the use of Sewel motions. Over the past year, there have been several Sewel motions relating to our criminal justice system. My concern today is not so much the Criminal Justice and Police Bill, but the fact that the Parliament has not been given an opportunity to consider the bill's provisions in detail. Clearly, everyone welcomes new measures that allow us to deal with crime and disorder more effectively. However, as a Parliament, we also have a responsibility to scrutinise legislation in a detailed fashion, in order to be satisfied that its provisions are in the best interests of the Scottish criminal justice system.

Gordon Jackson (Glasgow Govan) (Lab): Will the member give way?

Michael Matheson: I am sorry, but I have only three minutes.

Part III of the bill has already raised concerns because of its human rights and civil liberties implications, as it will extend police powers to seize materials. As a Parliament, we have a responsibility to ensure that we consider such concerns and, if necessary, to ensure that the bill has sufficient safeguards to protect individual

human rights.

Iain Gray: Will the member give way?

Michael Matheson: Time is against us.

The motion fails to give us sufficient time to consider such matters in full. Earlier this afternoon, Des McNulty made a point of order on the three half-hour debates in the name of Tommy Sheridan, which will take place tomorrow, because he was concerned that there would be insufficient time for back benchers to participate in the debate. Des McNulty's concerns about those debates could be applied equally to those on Sewel motions.

As I have said, the issue is not the potential benefits of the Criminal Justice and Police Bill, but the fact that we have not been afforded sufficient time to give its provisions detailed consideration. I hope that the Executive will reflect further on its use of Sewel motions.

16:42

Phil Gallie (South of Scotland) (Con): To a degree, today's debate is farcical. Although the bill contains many important measures, it is unlikely that the Labour Government will ever implement it, given that Tony Blair seems set on a 3 May election. If that time scale is stuck to, it is most unlikely that the bill will be passed in time. I suggest that Tony Blair might bottle out of that time scale—I would not blame him, given the shambles of the Labour party both at Westminster and Holyrood. I am rather surprised at the Liberals' position. They have been bought out in Scotland, but not in England. There are elements of the bill, particularly the provisions on DNA, at which the Liberals may take offence.

I welcome the fact that the Labour party is at last being seen to try to come to grips with the problems that arise in respect of law and order issues south of the border. In many areas, the bill falls short of meaningful action against criminals. However, for a Labour Government it is a breakthrough.

Some elements of parts II, III and IV of the bill are of significance to Scotland. Part II refers to disclosure of information for the purpose of criminal investigation. I suggest that that will be of tremendous advantage to us in the war against drugs in all parts of the UK. We must remember that criminal activity does not recognise borders.

I am disappointed that the minister has said that the police in Scotland will not be given the same powers to sift material that police in England and Wales will enjoy under part III. There would be some advantage in allowing the police to make use of those sifting arrangements, particularly given the fact that police resources in Scotland are

overstretched because of the drop in resources given to them by the Executive.

The execution of English and Welsh warrants in Scotland also seems to be a very welcome move. Reciprocal advantages can be gained in England, Wales and Scotland. Those will prove of great benefit to those who try to uphold the law in those countries—in fact within the UK.

I very much regret that Alex Salmond, with his Westminster interests and involvements, is not here. I would have thought that the motion would be the sort of thing that he would try to persuade his nationalist colleagues to back. I am sure that Alex Salmond will have an input when the bill goes through Westminster and I suggest that the SNP should change its stand on the motion and give the Government a little support.

16:45

Euan Robson (Roxburgh and Berwickshire) (LD): I wish to add my support and that of my colleagues to the motion.

We have reservations about the number of Sewel motions that are being moved, but a judgment has to be made as to whether practical considerations outweigh the loss of opportunity for the Parliament.

In this particular case, there are some problems with the volume of legislation in the justice field. It is important to act quickly in the area that the bill addresses. As the UK bill had its second reading on 29 January, Westminster would appear to be the swifter route although, as was pointed out, the bill might get caught up in the forthcoming general election.

The three areas of concern—disclosure of information, the extension of seizure powers, and the execution of English warrants in Scotland—are important in tackling crime and, to use the Deputy Minister for Justice's phrase, the

"common purpose of the fight against crime"

must be enhanced with these measures.

It is also important to mention that on-the-spot penalty notices for disorderly behaviour, child curfews and the retention of fingerprints and DNA samples are not being extended to Scotland by the Sewel motion.

In closing, I will say that I did not understand Phil Gallie's point. It flew well above my head.

The Presiding Officer: Three members wish to speak, so if they stick to three minutes they should all get in.

16:47

Gordon Jackson (Glasgow Govan) (Lab): I say to Michael Matheson that I do not think that Sewel motions should be used indiscriminately. I would be the last person in the chamber to suggest that substantive changes to Scotland's distinctive legal system should be made in Westminster rather than at Holyrood, but it is a matter of balance and judgment.

I have no quarrel with Michael Matheson being vigilant and always asking, "Is Sewel being abused?" However, in this case, the answer is no. One only has to consider the issues that are being legislated on in England, but which could be legislated on here. At the same time, one should also consider what is not being included in this approach. For example, information disclosure is included in the bill. It is sensible, when dealing with the many agencies that operate on a UK basis, to have consistency throughout the United Kingdom. Anything else would be ludicrous, so the current approach is sensible and right.

Power of seizure is a more difficult issue. To my mind, clause 67 of the Criminal Justice and Police Bill is a good example of how carefully and discriminately the matter is being dealt with. Where we do not need this legislation in Scotland, it is being excluded. Iain Gray referred to the power of a constable, which is an exception. On the other hand, we have exceptions to the exception, for example where a constable is dealing on behalf of a UK authority, such as the Financial Services Authority. My point is that the bill makes careful discriminations.

HM Customs and Excise, the Inland Revenue, the Department of Trade and Industry and the Office of Fair Trading are just some of the bodies that operate throughout the UK. If we do not deal with them in a consistent and nationwide way, we run the serious risk of lots of legal arguments being raised about whether powers are being exercised lawfully, or whether powers are devolved or reserved. I tell members, as someone who has spent half my life making such legal arguments, that the only people who will benefit are the wrong people. Consistency is important.

It is hard to see how anyone could object to the execution of warrants across borders. I agree with Michael Matheson—theoretically, we could legislate for that, but it is difficult for me to find a realistic objection to such a provision.

Michael Matheson *rose*—

The Presiding Officer: Gordon Jackson is in the last minute of his speech, so no interventions are allowed.

Gordon Jackson: I am in my last 20 seconds.

A great deal of the bill—such as on-the-spot penalties, provisions to deal with intimidation and child curfew orders—will not apply to Scotland, because they fall into an entirely different category from the measures that we are considering. They are substantive changes to the law and are not concerned simply with those methods of detection. It is right that the Parliament deals with those issues. I like the bill, because it distinguishes the detection methods. That will prevent advantage from being accorded to criminals through substantive changes to the law.

The Presiding Officer: Time up.

Gordon Jackson: Sometimes, we go our own way, but I think that the proposals are sensible and workable. We should support them.

16:51

Christine Grahame (South of Scotland) (SNP): The point that Michael Matheson made is that we have not had enough time for scrutiny. We are having only a half-hour debate. Everything that the Executive says may be correct, but we do not have time to consider it.

Neither the Justice 1 Committee nor the Justice 2 Committee has considered the relevant clauses. I do not know whether they have been sent to the usual suspects—if I may call them that—such as the Law Society of Scotland and the criminal defence fraternity; it would be useful to hear from them. Everything may be hunky-dory, but we have not had the opportunity to find out. That is the issue.

Phil Gallie: Does Christine Grahame agree that the SNP sends members to the Westminster Parliament who have responsibilities for such issues? The Law Society of Scotland is involved down there and can take up the points.

Christine Grahame: I thought that the Conservatives had come round to accepting devolution. The bill deals with devolved issues that involve the Scottish criminal justice system.

Generally, we risk allowing some legislation through on the nod. That may not include the bill in the motion that we are debating, but we have not had the opportunity to scrutinise it adequately. I will raise some questions that the bill brought to mind and to which I do not know the answers.

Clause 45 relates to disclosure of information from one public body to another. How will that be regulated? Will that be done by warrant? I do not know. I cannot find anything about that in the bill or in its explanatory notes, which have been made available by the House of Commons. How does the measure connect with the huge list of affected statutes in schedule 1? I do not know.

Were I to be the subject of a criminal investigation—who knows?—could my building society be required to disclose the balance in my account? I do not know. Could the Inland Revenue declare the state of my assets? I do not know. I would like to know the answers to those questions before agreeing to the motion. What if items and assets were disclosed wrongly or I was wrongly suspected of criminal activity? Would I ever be told about the disclosure? I cannot answer that question. I appreciate the need to be rigorous in pursuing crime and its proceeds, but what about the honest citizen?

Part III of the bill concerns powers of seizure. I will quote from the *Financial Times*.

The Presiding Officer: Last minute.

Christine Grahame: I am being quick—I have three minutes.

The *Financial Times* said that the Law Society in England

“was ‘very concerned’ about the increased power the bill would give police to seize material”

and considered that

“there were no safeguards to prevent confidential or third party information being taken.”

Clause 53 refers to items that are “subject to legal privilege”. Will authorities have to read such items to decide whether they are subject to legal privilege and no longer deserve that security? I do not know.

I would like to make another point about clause 53, but I must move on swiftly. Clause 58 is meant to provide a right of appeal, but instead provides a right of return. If someone’s assets are wrongly seized, they can get them back, but they will have no remedy against the state. If such a remedy were available, I would like to know what it is.

If the Justice 1 Committee or the Justice 2 Committee had conducted a short one-hour investigation, all those questions would have been discussed.

16:54

Donald Gorrie (Central Scotland) (LD): Following discussion at a group meeting with the Minister for Justice, I am happy to support the Sewel motion, but I will make two points. First, I have great sympathy with the points that the two Scottish National Party speakers made—to which Euan Robson alluded—on the frequency of Sewel motions, on how some are more important than others and on the need for adequate discussion and possible consideration by committees. The Procedures Committee should, among other things, be asked to take on the issue. The number of Sewel motions is much higher than people

might have envisaged.

My second point is that the motion says at the end that it would be nice if the English paid some attention. It

“agrees that the relevant provision to achieve this end in this Bill should be considered by the UK Parliament.”

Will the Deputy Minister for Justice, or perhaps the Presiding Officer, say whether we have any powers to enforce that. Is it open to us to say that we will sign up to Westminster’s legislating on part of a devolved matter, but that it must include a certain point? If we do not have that power we should, because we are surrendering a right to Westminster and, on devolved matters, Westminster should follow our wishes. That should be explored.

Devolution is, to a great extent, about friendly pressure; that is what we should exert. If we say that it would be nice if Westminster voted for something, that will be thrown in the bucket. If we say that a matter must be voted for, or we will not play ball in the Sewel process, that will be treated differently. We should have a way of ensuring that Westminster delivers what this Parliament wants on devolved matters.

16:56

Iain Gray: Michael Matheson made the point that the SNP has consistently opposed Sewel motions in this Parliament. That is true. It is manifest in this half-hour debate, which we are having because the SNP consistently opposes Sewel motions.

Michael Matheson: I said that the SNP has “consistently raised concerns”. I did not say “opposed”.

Iain Gray: My memory is that he said, “consistently opposed”, but I am happy to concede the point. My point is that the Sewel motion is the crux of the debate for the SNP. Michael Matheson owned up to the fact that the SNP has, for the moment, no interest in the substance of the legislation to which this Sewel motion refers.

Christine Grahame: That is not an appropriate remark, given that I did look at the substance. I went through the clauses where I had concerns as quickly as I could. As I said, if either of the justice committees had had an hour, we could have looked at those areas of concern. Perhaps then we would have agreed that everything was fine, but we have not had the chance to consider it.

Iain Gray: I think that if Mrs Grahame looks at the *Official Report* tomorrow she will find that Mr Matheson says that the SNP’s concern is not with the content of this legislation but with the use of the Sewel debate. He was open in acknowledging that the SNP’s interest is simply in making that

single constitutional point yet again. When Mr Matheson wished to illustrate the importance of the scrutiny that has been denied to this Parliament, he picked the extension of the power of seizure for police officers. That will be excluded from the Sewel motion, as was explained later by other speakers in the debate.

Phil Gallie: Will the deputy minister explain why that has been excluded? Will not that create an extra complication? Should it be excluded?

Iain Gray: The reason is simple and answers in part the SNP’s criticisms. The police in Scotland have not brought any practical problem with that provision to our notice, so there is no need to make the change here that is required in England. If there is a problem in future we will address it, but there is no reason to do so now.

The bigger point that Mr Matheson missed is that, while we might be denying ourselves the opportunity to scrutinise the bill for good reasons, we are not denying the opportunity for scrutiny on behalf of the Scottish people. Phil Gallie was right—that will be the responsibility of Scottish MPs, including the SNP MPs, in Westminster.

Gordon Jackson made the key point—that we are being selective in the application of the legislation. It will be applied where we believe it will be the most effective way of ensuring a consistent regulatory regime or convention throughout the UK. If we create anomalies for the sake of a constitutional point, as Gordon Jackson said, the only beneficiaries will be the criminal fraternity.

Much criticism has been made of the fact that the debate has been short—only half an hour. That criticism came from SNP members, but the criticism is not relevant because, in the end, for the SNP all debates are one and the constitutional question runs through each debate. Half an hour, three hours or every day—for them, it is the same single debate.

Decision Time

17:00

The Presiding Officer (Sir David Steel): There are no Parliamentary Bureau motions today, so we move to decision time. I remind members about the question-and-answer session on the Holyrood project, which our colleagues in the Holyrood progress group will hold in the chamber between 6 pm and 7 pm. All members are welcome.

There are two questions to be put as a result of today's business. The first is, that motion S1M-1598, in the name of Angus MacKay, on the Local Government Finance (Scotland) Order 2001, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Canavan, Dennis (Falkirk West)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Finnie, Ross (West of Scotland) (LD)
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Etrick and Lauderdale) (LD)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)

Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Simpson, Dr Richard (Ochil) (Lab)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Wallace, Mr Jim (Orkney) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Davidson, Mr David (North-East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Gallie, Phil (South of Scotland) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Johnstone, Alex (North-East Scotland) (Con)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Mundell, David (South of Scotland) (Con)
 Scott, John (Ayr) (Con)
 Sheridan, Tommy (Glasgow) (SSP)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)

ABSTENTIONS

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the vote is:
 For 61, Against 16, Abstentions 30.

Motion agreed to.

That the Parliament approves the Local Government Finance (Scotland) Order 2001.

The Presiding Officer: The second question is, that motion S1M-1618, in the name of Mr Jim Wallace, on the Criminal Justice and Police Bill, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Aitken, Bill (Glasgow) (Con)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brown, Robert (Glasgow) (LD)
 Butler, Bill (Glasgow Anniesland) (Lab)
 Chisholm, Malcolm (Edinburgh North and Leith) (Lab)
 Craigie, Cathie (Cumbernauld and Kilsyth) (Lab)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Davidson, Mr David (North-East Scotland) (Con)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (South of Scotland) (Con)
 Finnie, Ross (West of Scotland) (LD)
 Galbraith, Mr Sam (Strathkelvin and Bearsden) (Lab)
 Gallie, Phil (South of Scotland) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Grant, Rhoda (Highlands and Islands) (Lab)
 Gray, Iain (Edinburgh Pentlands) (Lab)
 Harding, Mr Keith (Mid Scotland and Fife) (Con)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Jamieson, Margaret (Kilmarnock and Loudoun) (Lab)
 Jenkins, Ian (Tweeddale, Etrick and Lauderdale) (LD)
 Johnstone, Alex (North-East Scotland) (Con)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lyon, George (Argyll and Bute) (LD)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 MacKay, Angus (Edinburgh South) (Lab)
 MacLean, Kate (Dundee West) (Lab)
 Macmillan, Maureen (Highlands and Islands) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 McAllion, Mr John (Dundee East) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McGrigor, Mr Jamie (Highlands and Islands) (Con)
 McIntosh, Mrs Lyndsay (Central Scotland) (Con)
 McMahan, Mr Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Mundell, David (South of Scotland) (Con)
 Munro, Mr John (Ross, Skye and Inverness West) (LD)

Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Peattie, Cathy (Falkirk East) (Lab)
 Radcliffe, Nora (Gordon) (LD)
 Raffan, Mr Keith (Mid Scotland and Fife) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mr Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North-East Fife) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Thomson, Elaine (Aberdeen North) (Lab)
 Tosh, Mr Murray (South of Scotland) (Con)
 Wallace, Ben (North-East Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)
 Young, John (West of Scotland) (Con)

ABSTENTIONS

Adam, Brian (North-East Scotland) (SNP)
 Campbell, Colin (West of Scotland) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fabiani, Linda (Central Scotland) (SNP)
 Gibson, Mr Kenneth (Glasgow) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Hyslop, Fiona (Lothians) (SNP)
 Ingram, Mr Adam (South of Scotland) (SNP)
 Lochhead, Richard (North-East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Ms Margo (Lothians) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 McGugan, Irene (North-East Scotland) (SNP)
 McLeod, Fiona (West of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Paterson, Mr Gil (Central Scotland) (SNP)
 Quinan, Mr Lloyd (West of Scotland) (SNP)
 Robison, Shona (North-East Scotland) (SNP)
 Russell, Michael (South of Scotland) (SNP)
 Salmond, Mr Alex (Banff and Buchan) (SNP)
 Sheridan, Tommy (Glasgow) (SSP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Ullrich, Kay (West of Scotland) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Wilson, Andrew (Central Scotland) (SNP)

The Presiding Officer: The result of the division is: For 76, Against 0, Abstentions 32.

Motion agreed to.

That the Parliament notes the provisions on information disclosure for criminal proceedings and powers of seizure contained in Parts II and III of the Criminal Justice and Police Bill currently before the UK Parliament; recognises the practical value of consistency across the United Kingdom for information disclosure for criminal investigation, and for powers of seizure as they relate to certain United Kingdom bodies and local authority officials, and agrees that the relevant provisions to achieve this end in this Bill should be considered by the UK Parliament; further notes that the Bill allows certain warrants issued in England and Wales to be executed in Scotland, recognises

the importance of mutual execution of warrants for law enforcement, and agrees that the relevant provision to achieve this end in this Bill should be considered by the UK Parliament.

United Nations International Year of Volunteers

The Presiding Officer (Sir David Steel): Members' business today is a debate on motion S1M-1478, in the name of Cathy Peattie, on 2001: the United Nations international year of volunteers.

Motion debated,

That the Parliament notes that 2001 is the United Nations International Year of Volunteering; further notes that the year can facilitate the sharing of ideas, good practice and information about volunteering, community empowerment and the development of active citizenship within democratic systems; encourages all MSPs to take part in volunteering activity throughout the year through organisations such as the Falkirk Volunteer Network, and invites the Scottish Executive to mark the year appropriately.

17:03

Cathy Peattie (Falkirk East) (Lab): The United Nations international year of volunteers gives us an opportunity to celebrate volunteering. Volunteering is an integral part of active citizenship. The rights and responsibilities of the citizens who volunteer are a clear indicator of the strength of a country's democracy. Volunteering combats social exclusion. It is the biggest single means by which individuals can engage actively in their communities.

Volunteers come from all walks of life—every class; every ethnic group; all ages—and from all kinds of communities. Men and women from many different backgrounds volunteer. Scotland's volunteers are active in the public and private sectors as well as in the voluntary and community sectors. Volunteering is one of the key routes to improving self-confidence and self-esteem. Volunteers give their time freely to help others. They can bring about change not only in themselves but in society. Change can be brought about at local level through befriending and counselling and through participation in children's panels, school boards, playgroups, community organisations, self-help organisations, lunch clubs and youth clubs—the list goes on.

Volunteers are an integral part of organisations such as Citizens Advice Scotland, Scottish Women's Aid and Victim Support Scotland. On a national level, they campaign to protect the environment or to highlight gaps in policy. On an international level, they work to promote human rights or to highlight global concerns.

The Grangemouth-based International Rescue Corps goes to disasters all over the world to help to save lives. Members of that group visited the Parliament yesterday; they have just come back from India and told us that they managed to save

the lives of two folk by digging them out of impossible situations. They are ordinary folk from a variety of backgrounds. Some are firemen and some work for other organisations, but they go to all parts of the world as volunteers.

Scotland, I am told, has the highest rate of volunteering in the UK. According to Volunteer Development Scotland, 50 per cent of the voters in my constituency do voluntary work. I am sure that that statistic will be reflected in other constituencies. Volunteers are found in all sorts of employment, from the caring sector to industry. I know a number of constituents who are actively volunteering in the petrochemical industry; workers at BP give their time on behalf of their organisation. There are people who volunteer in everything from the bowling club to fundraising for the local elderly forum.

The value of the contribution of volunteering to the Scottish economy has been estimated at £4.1 billion. Volunteers give 10 million hours annually. Sometimes people dismiss volunteering as something that happens but which is not particularly important, but those figures make us realise just how important volunteering is and what an integral part volunteers play in our communities. Volunteers are everywhere. They are in schools, hospitals, housing associations, children's panels, community action groups, voluntary organisations, charities, sports clubs, the arts, trade unions, environmental groups and, of course, politics.

The chair of VDS attended the launch of the UN international year of volunteers in New York on 28 November 2000. The global launch took place in December, with events worldwide. In Scotland, nearly 1,500 packed into a centre in Glasgow for a convention on volunteering and community action. I hope that the international year of volunteers will help to promote volunteering throughout the country and encourage people to look at different ways of celebrating and promoting volunteering and volunteers.

I have a list of some of the plans that the Scottish committee for the international year of volunteers is considering. Those plans are drawn from the VDS members forum, which hopes that the international year of volunteers can achieve a fair amount. I should declare an interest, as I started my working life in the voluntary sector—in a volunteer bureau. Although they are now called local volunteer development agencies, their role is still the same: to encourage people, especially the folk who think that it is not for them or that they cannot do it, to think of themselves as volunteers; to find placements for volunteers; to support agencies that want to deploy volunteers; to ensure that there is good practice; and to ensure that volunteers have the support and training

resources that are required. Volunteering should never be seen as a cheap option or as something that is done when there is no money available. Volunteering is important; it needs to be resourced and valued.

The priorities of the VDS forum include an international exchange of ideas, experience and knowledge through information technology and other means. It advocates the twinning of similar projects. That makes a lot of sense, not just in industry and the public sector but in the voluntary sector, where it is important that people who are involved in different organisations and different areas are able to come together to share good practice and exchange views on current issues. There is a chance to capitalise on existing opportunities and networks and to share learning between groups, especially for young people.

Having worked with young people in volunteering, I know that the opportunity to get involved in various projects in their communities is immense. A number of years ago I worked with kids whose teachers—perhaps I should not say this—saw them as a waste of space and time. They were wee laddies with earrings in their nose and their hair all yellow and green. They went into playgroups and worked with local communities.

I recall the shock of someone who worked in social work, who said, "You're no letting that wee laddie in tae work wi these weans." I went back to visit the group a couple of years later and found the same wee laddie. He still had his hair a funny colour and the thing in his nose, but he was working at the group on a training scheme and the bairns loved him. He would never have considered volunteering, certainly not in the caring sector. I know that that wee laddie now works in the caring sector. I have not seen him recently, so I do not know what his clothing of choice is now. He worked there because of an opportunity for young folk to get involved.

The sheer change in that laddie's self-confidence was immense. The organisation decided to award all the kids who participated in the project a certificate. He was chuffed to the gutties. At that time—it was a few years ago—there was no way he was ever going to get a certificate from anywhere else. I recall a fairly uppity teacher saying, "Well, I thought he was a waste of space. I'm surprised. I don't know what you've done." Sometimes, we underestimate people's capabilities, particularly young people's. The project was a positive experience, not only for the lad, but for the kids and for the community with which he worked.

The Deputy Presiding Officer (Patricia Ferguson): Will you wind up, please?

Cathy Peattie: I am sorry—I have six more

pages.

The Deputy Presiding Officer: Another day.

Cathy Peattie: Okay.

Volunteering is important. The UN international year of volunteers gives an opportunity for people to celebrate volunteering and to consider the capacity for volunteering this year and in future.

I thank all the people in the local volunteer development agencies and at VDS for the work that they do and have done to promote volunteering now and over the years. I know that they will continue to do that. I understand that the Executive has allocated £75,000 this year to the international year of volunteers and intends to award further resources. I see Jackie Baillie making funny faces, but that is the rumour. I ask her to ensure that the money is spent at local level to give local organisations the opportunity to build their volunteering skills.

17:12

Fiona Hyslop (Lothians) (SNP): I thank Cathy Peattie for obtaining the debate. I am sure that there will be other debates that she will lead, when we will be able to hear the other six pages of her speech. She should not worry—I am sure that she will get her opportunity.

I am pleased to speak in the debate. We all agree that volunteers are very much the life-blood of our communities. In our work as MSPs, all of us recognise, and are humbled by, the work and sheer commitment of the people who work in our communities. Part of the point of the Parliament is to recognise the civic role that the voluntary sector and volunteers play in our life. Having the Parliament has given us the opportunity to expose and celebrate that.

Cathy Peattie made the point that volunteering is sometimes seen as a soft issue. It is far from that. The people who volunteer in our communities often deal with the hard edge of problems in society, whether with drugs or issues of domestic abuse. That aspect must be emphasised.

I took part, as I think we all did, in volunteers week. This year, I managed to make a Cinderella carriage out of a Tunnock's teacake at the brownies in Linlithgow, which was—I must say—challenging. More seriously, when I took part the year before, I helped at St Michael's day care centre in Linlithgow. I was struck by the fact that some of the volunteers who helped the elderly were in their 80s themselves. Last week, I got a phone call expressing concern that the centre was going to have to lay off a member of staff and the cleaner and would have to cut the hours when old folk could go to it. We must remember that volunteers are often at the hard edge of the hard

decisions that are made about public finance. I felt very sad to hear about the day care centre, not least because it was where I had spent my volunteers week.

We must also think about the politics of volunteering; it is not only a soft issue. Only last week at the Social Justice Committee, a housing association volunteer expressed her strong views. Regardless of what we all think of the politics of the right to buy, that volunteer was questioning her future commitment to volunteering because of the political decisions that the Parliament might make. The Parliament will have to make some hard political decisions that are of relevance to volunteering.

Another issue is the transmission of funding to tackle the social inclusion agenda. There are social inclusion partnerships, but I would question how central the role of volunteer networks and exchanges is within them. I would like the minister to address that point. This is a great opportunity to ensure that the social inclusion agenda is delivered, but the people in the voluntary sector, who can often deliver it, are not sure that they receive the credit and funding that they require. I hope that the Parliament can advance that agenda.

We need core funding for the voluntary sector. We have received promises, but we are waiting for delivery. I am hopeful that it will be delivered.

We must pay tribute to the UN international year of volunteers and to volunteers, but we should not think of volunteering as a soft issue; it is a hard issue and the Parliament will have to take tough decisions, which will affect the lives of those in communities where volunteering is so important.

I congratulate Cathy Peattie; I am sure that she will be able to deliver the next six pages of her speech on another occasion.

17:16

Bill Aitken (Glasgow) (Con): I congratulate Cathy Peattie on obtaining this debate and on bringing to the Parliament a lesson in the value of volunteering.

Volunteering is of value in several ways. First, it generates a feeling of self-worth in the individual who sees the benefit of their efforts for others; one would have to be a very hard person not to derive a great deal of self-satisfaction from that. Secondly, it benefits the community. That benefit might be a tangible one; in hard economic times, volunteers save national Government and local government a lot of money and allow resources to be directed elsewhere. Of course, the real benefit of volunteering is the amount of good will that it generates.

Scotland is fortunate in that, as Cathy Peattie said, about 15 per cent of its population is involved in volunteering. That is, by my arithmetic, well over 700,000 people—a tremendous figure, from which we should derive great pleasure.

We should also take great pride in the fact that so many of our volunteers contribute internationally; they bring aid to countries that have been beset by natural disasters and political problems.

I was intrigued by the way in which Cathy Peattie related the issue to the young and to teenagers—a generation that perhaps causes more than its fair share of problems. I was amused by the story that she told—perhaps when she went back the young man was there, but his hairstyle was more conventional than before.

The Parliament must recognise that we have a duty to volunteers—I said this to the Minister for Social Justice when she was Deputy Minister for Communities—to attempt to interfere less in what they do, because they know what is best for their area of concern. We must not intrusively muscle in on what they are doing.

The cost of Scottish Criminal Record Office checks are impinging heavily on many voluntary organisations. I know that appropriate steps have been taken to examine the matter; I hope that that will bring about a satisfactory conclusion.

Mr Keith Raffan (Mid Scotland and Fife) (LD): I am mystified by Mr Aitken's comment about SCRO checks. That has been addressed successfully, thanks to pressure from these benches. [MEMBERS: "What about Labour?"] It is a partnership; I meant thanks to pressure from Labour and the Liberal Democrats.

Bill Aitken: I acknowledged that we had to address the issue and indicated that we had gone down the road towards addressing it. In this consensual debate, I would not like to comment on whether the credit for that—or the odium for the first decision—rests with the Liberal Democrats or with Labour.

We must also consider charity law, as there is no doubt that the way in which aspects of it operate prejudices some well-intentioned organisations.

Today's debate is perhaps an occasion to celebrate the fact that volunteering is so successful. This is the year of the volunteer. We should pay tribute in the warmest possible terms to all those who are prepared to give so much of their time, their effort and a not insignificant amount of their money to help their fellow citizens. We should be very proud of them indeed.

17:20

Robert Brown (Glasgow) (LD): The enthusiasm with which Cathy Peattie introduced today's debate is symptomatic of volunteering; her desire to share her further six pages of speech with us is symptomatic of the whole sector.

I will address a different element of the subject by dealing with volunteering in terms of democracy. In this chamber, we have many debates about democracy or issues that exercise democracy. In some ways, we think that Parliament is democracy and that what happens here is more important than what happens outside. Democracy can be defined as government by the people, equality, consensus and popular will.

However, I ask members to imagine a democracy without volunteers or a voluntary sector. There would be no civic fundraising bodies, only professional lobbyists to give advice and expertise to committees; no cross-party groups; no way of accessing the relevant, highly experienced and committed expertise of the voluntary sector; and no pensioner lunch clubs, housing associations, carers groups, advocacy groups or citizens advice bureaux. The Scottish Executive's programme—indeed, the programme of any Executive—would collapse around our ears without the input of the voluntary sector, which is so central to the working of our civic democracy.

Although Bill Aitken mentioned a figure of 15 per cent for the proportion of people involved in volunteering across the country, I think that the figure is nearer 50 per cent; indeed, I suspect that it includes several people I know who run six or seven different voluntary groups. However, the average is said to be about four hours a week. If those figures are correct, the input across the UK must be something like 360 million hours.

We can go on adding up those figures, but the general picture is clear. The whole economy and operation of the country depend on our volunteers, who are the oil that makes our democracy work. They inform and enlighten this Parliament and they sustain our communities. They also provide great succour to individuals. That is an important point. Many of us feel that a helpful act towards one person is a drop in the ocean compared with the overriding and oppressive problems of the world. However, one drop added to another drop added to millions and millions of other drops form a major contribution and, as Cathy Peattie pointed out, change the way in which life is run.

For example, the Glasgow Old People's Welfare Association runs 2,000 volunteers in a range of residential and day facilities across the city. That work is matched by the huge activity of the Women's Royal Voluntary Service, which runs meals on wheels and other activities.

The Parliament owes a huge debt of gratitude to the activities and input of the voluntary sector. However, the way in which the sector operates is changing. It is still as committed and enthusiastic as it was, but now it is very professional at putting across its case, as any member who has dealt with representations from a visitor group will know.

Although we cannot do the volunteering ourselves, we can respond to representations, take on board the expertise that is offered and ensure that the sector is properly resourced and succoured. In particular, we can encourage volunteering among the younger age groups, as signs show that fewer young people and more older people are volunteering. That might be linked to higher employment levels; however, for young people as well as for older people, volunteering can act as a bridge to work as well as be a means of empowerment.

Today's debate is worth while. As many members have said, it is not about huge policy issues; it is about celebrating volunteering and giving this Parliament's support to the activities of many millions of people across the country who help to make our society work well.

17:25

Karen Whitefield (Airdrie and Shotts) (Lab): I, too, thank Cathy Peattie for lodging the motion.

"At the heart of volunteerism are the ideals of service and solidarity and the belief that together we can make the world better."

Those are not my words, but the words of the Secretary-General of the United Nations, Kofi Annan, from his speech launching the United Nations international year of volunteers. His words neatly link the concepts of globalisation and volunteering—concepts that appear, at first sight, to lie at opposite ends of the spectrum, but that he rightly claims are mutually dependent.

Kofi Annan argues that, if the benefits of globalisation are to be felt by the world's poor as well as by the wealthy, there is a need for support at the grass-roots level. Much of that support is provided by people who are volunteering their time and working not for material profit, but out of a sense of shared responsibility for the world in which we live. Ironically, the information technology revolution that heralded the dawn of economic globalisation is leading to new forms of community, which are based on a common purpose and in which geographical location has little or no relevance.

Central to the endeavour to turn globalisation into a positive force is the effort to ensure that the poor are not left behind in the digital revolution. Kofi Annan praises the work of the United Nations Information Technology Service, which is helping

people in developing countries to learn how to use the resources of information technology for human development. I am pleased that our Government in Scotland is also making that issue a priority. The Scottish Executive has demonstrated its commitment to digital inclusion by allocating £1.5 million over the next three years for voluntary sector information and communications technology initiatives. That investment will ensure that information and good practice are easily shared and it will increase public access to voluntary sector services.

From the Shotts addiction centre to Caldercruix food co-operative, volunteers support not only every part of my constituency but every conceivable issue. I thank the Council for Voluntary Services, Monklands Volunteer Service, CAVOC and the North Lanarkshire Volunteer Development Agency, which brought volunteers to visit the Parliament today. The support that they offer to local groups and individual volunteers enhances the lives of many of my constituents.

Volunteering is a central part of living in the United Kingdom. As Cathy Peattie said, almost 50 per cent of the people in her constituency volunteer in some way. That contrasts with the bleak picture of a mistrustful and uncaring society that is often painted by some sections of the media. British people care about their neighbours and are willing to commit their time and effort to improve the quality of life in our communities. That level of volunteering is not just an indication of the strength of our communities; it is one of the key mechanisms whereby our society is strengthened.

I welcome Bill Aitken's support for the voluntary sector. I hope that he does not agree with the former leader of the Conservative party, who once famously claimed that there was no such thing as society. Margaret Thatcher was wrong. Such rampant individualism could never have nurtured the voluntary sector that exists in Scotland today.

The voluntary sector is concrete evidence—if evidence were needed—of the caring face of Scotland. That is why we must ensure that the Parliament does everything in its power to support and nurture the voluntary sector and volunteering in Scotland.

17:29

Christine Grahame (South of Scotland) (SNP): Volunteering makes one feel better and is good for the people who are on the receiving end of it—unless it is a boy scout taking somebody across the road who does not want to cross.

In my experience, it is mainly older people who volunteer. During volunteering week, I went out with the Peebles WRVS—whom I accidentally called the WRI, for which I was nearly shot—who

are mostly older ladies. They are essential to maintaining deliveries of food to some people in the Peebles area.

In one instance, we went into a house and the elderly lady was still in her nightwear. The lady whom I was with was concerned that something had happened. She checked to see whether the elderly lady had called the doctor and had taken her medication. That was done discreetly, as an ancillary to the meals-on-wheels service. I applaud the older people taking part in that.

More recently, my mother was taken to the oncology unit at the Western general hospital. The WRVS volunteers run the tea and coffee service and water the plants. They make sure that the place is not grim, but homely and cheerful. Their manner and chat is an important part of dealing with people.

As Fiona Hyslop said, it is often the case that septuagenarians are helping nonagenarians. I am not referring to the WRVS at Peebles—I have to say that or they will be on to me for calling them septuagenarians. However, we should not exploit these people. Members' mailbags are full of correspondence about voluntary organisations that are under pressure for funding. I am thinking of day care centres, in particular, which have become much more professional over the years. Such centres must find finances from many different sources and are being squeezed by social work budgets. We all know that; it is not a party political issue. As Fiona Hyslop suggested, the decisions that the Scottish Parliament makes will impact on the voluntary service.

I want to emphasise that older people, who are often seen as a liability—how will we pay their pensions and what will we do with them?—are a huge asset to society, whether they are volunteering as granny and granddad as part of the domestic routine or in a crisis, or are working more formally for the WRVS or other voluntary organisations. We underestimate the value to society that our older people bring.

17:32

Donald Gorrie (Central Scotland) (LD): Cathy Peattie is to be congratulated on securing this debate and on her introduction. As other members said, there is a warm feeling in this Parliament towards volunteering. I would like to concentrate on how we can turn those warm feelings into practical support.

The basic point about voluntary organisations in Scotland is that, over the past two decades, many of them have had a cut in their budget in most years. There is a real problem about core funding with which we must grapple. There are various aspects of that problem. Funding is sometimes

available at national or local level for projects. That is good, but it does not help with core funding. Projects might be politically attractive because Councillor Bloggs or the minister for whatever can have their photo taken beside whatever it is. However, if a council keeps a citizens advice bureau open by maintaining its grant, there is no news story. Starting up a new project may supply a news story, but we must concentrate on core funding.

Other bodies that distribute funding—whether the money comes from the lottery, Europe or wherever—also go for short-term funding for new projects. The Executive, in co-operation with the Parliament, local government and the voluntary sector, must work out a system of continuing funding. That would allow the voluntary sector organisations to guarantee that, for three years ahead, they can pay for everything that they need to pay for. On that basis, they can do their good work.

We must also consider voluntary organisations as a training resource. From personal experience, I know that voluntary activity builds up a person's self-confidence—which is good in itself and is relevant to community development—and can lead to employment. Voluntary sector organisations are a training resource and should be funded accordingly. They train people more effectively than some of the organisations that the Executive already funds.

We must create a society in which young people are attracted into volunteering. If they were able to gain qualifications during their time as volunteers, that would help to improve their curriculum vitae and get them into employment. We must create a society that is less wage and work oriented. We all work far too hard, to be honest, and we should have to spend less time at work. That would allow more people to do civilised things such as volunteering.

Other members have mentioned the older age group, who make a huge contribution. We could recognise that by making it easier for them.

There are ways in which the Parliament, in co-operation with the Government, local authorities and the voluntary sector, could give practical help to voluntary organisations and give real effect to the warm feelings that Cathy Peattie and other members have towards them.

17:35

Dr Richard Simpson (Ochil) (Lab): I add my congratulations to those that have already been given to Cathy Peattie on securing this debate. I owe a debt because I was able to volunteer. About 25 years ago, I did not get selected to stand for the constituency that I now represent, so I

retreated into volunteering. I was involved in establishing the Strathcarron hospice, which is one of the earliest hospices to be set up in Scotland. I mention my involvement with it because my experience there over 12 years might illustrate some of the advantages of treating volunteering organisations differently, to which Donald Gorrie and others have referred.

I was initially the fundraiser for the Strathcarron hospice. It was difficult to raise funds. We got the capital, but covering the running costs year on year, with relatively little support from the local authorities at the time and only a small amount of funding from the health board, was quite a challenge. I will not tell members how we did it, but we succeeded.

By about 1985 or 1986 the Strathcarron hospice, like all hospices, was entering a crisis. We found that it was a struggle to get funds. Now, I hear from many voluntary organisations that the time and effort that is required to raise money has grown and grown, particularly in what is a time of stringency. In the late 1980s, we seconded our director—the late Tom Scott—for nine months, with a single objective. His mission was to persuade Michael Forsyth that hospices in Scotland were worth supporting.

In the end, Michael Forsyth—unlike his English colleague, who would not agree to it—came to the hospice in Denny and announced that hospices in Scotland would be funded pound for pound up to the amount of money that was raised by the public. That was an acknowledgement of the Government's absolute intention that the hospice movement in Scotland should succeed. Last night, evidence was presented to the effect that, although the cancer plan has slipped back to some extent, the Executive has renewed that commitment to 50:50 funding.

There are other examples. Through compacts with the Government or local authorities, set up through negotiations with the Convention of Scottish Local Authorities, and by saying to the public, "You raise money for this—we will match it, we will augment it and we will leverage it," we can reinforce the voluntary sector more effectively. Voluntary Service Overseas is a very good example of such an arrangement. For every £1 that is contributed by an individual to VSO, the other grant mechanisms at local, national and international levels turn that £1 into £6. I commend to the Parliament and to the Executive the concept of leverage—it is worth examining.

I will make only one more main point, because much of what I was going to say was said by other members. Although unemployment has fallen enormously—which is excellent, despite the possibility that that has adversely affected volunteering—1.6 million people in the United

Kingdom are on incapacity benefit. Thirty years ago, there were only half a million people on incapacity benefit. That may be partly related to the stress of living; it is certainly related to the enforced redundancies of the 1980s, which made people feel completely destroyed.

I believe that a substantial number of those people, with some support and help, would use volunteering as a mechanism to begin the process of getting back into work. The Scottish Council Foundation recently produced a report on incapacity benefit. I know that benefits are a UK issue, but the foundation has made a number of relevant recommendations on volunteering and therapeutic earnings. As a country, we need to consider that means of encouraging people to use volunteering as a process for getting back into work. I support Cathy Peattie in acknowledging the huge importance of volunteers and I welcome the fact that we have had this debate.

17:39

The Deputy Minister for Social Justice (Ms Margaret Curran): This has been a very good debate. I am delighted to indicate the Executive's support for Cathy Peattie's motion and welcome the support of other MSPs for the UN international year of volunteers 2001. I add my congratulations to Cathy on securing the debate and on her commitment to volunteering over many years. I think that members are aware that she is a well-known figure in the volunteering movement and is a credit to it. Like everyone else, I put on record the thanks that we owe the many volunteers for their work and, as Robert Brown said, for their contribution to the Parliament.

I will address the substantial issues. The Executive endorses the aims of the international year of volunteers, which are to recognise and celebrate the value of volunteering and the contribution that volunteers make to everyday life; to create a more volunteering-friendly environment; and to increase networking at all levels.

We welcome the publication of a global agenda for action by the International Association for Volunteer Effort. The agenda outlines five primary objectives that have been articulated for the year. They are: recognition of the value and impact of volunteering; promotion of volunteering; facilitation of volunteering through effective practices; networking in mutually beneficial ways; and participation, so that—Cathy Peattie has made this point—all people, regardless of cultural or ethnic origin, religion, age, gender, and physical, social or economic condition, have the right to participate in volunteering. Members have highlighted the barriers to participation that exist, which we have to address to facilitate further volunteering. We

shall consider the various recommendations that have been made to the government sector to ensure that Scotland remains at the forefront of best practice.

The year will focus national and international attention on volunteering and will help us to highlight how volunteering contributes to our communities and makes an impact on everyday life in Scotland. The year provides a great opportunity for volunteer-involving organisations to celebrate and promote their activities.

We are aware that more than 700,000 people take part in voluntary activities every year. That is a fantastic contribution. We are encouraging even more people to take part this year, and the Executive has already supported the year in a number of ways.

First, we have set up an international year of volunteers 2001 Scottish committee, consisting of people from the voluntary sector, the media, and the business and public sectors. The committee is chaired by Liz Burns OBE, who is the director of Volunteer Development Scotland and whom many members will know. She has contributed to the work of the Parliament and certainly to the Social Inclusion, Housing and Voluntary Sector Committee. I am grateful to her for taking on that role.

Secondly, we have dedicated £100,000 in the current financial year to supporting promotional activities that recognise volunteering.

Thirdly, the First Minister is hosting a reception at Edinburgh Castle next week to mark the year, and he has encouraged ministers to take part in volunteering shadowing opportunities during February. My notes say that nine ministers have offered to take part in volunteer activities, but I am told that the number is now 10. Those activities range from work with the homeless to packing convoys for international relief. We shall also see ministers volunteering during national volunteers week in June.

The voluntary and volunteering sectors are important partners in the Scottish social economy. Voluntary and community organisations are in close touch with marginalised groups and are well placed to identify and respond to changing needs. Volunteering is important in building community capacity by contributing to community development and empowerment.

The sector also has an important role to play in strengthening communities through promoting participation and developing the skills, which are often passed on, of individuals and organisations. The empowerment of local communities is of particular importance to social justice, and community empowerment is a central principle of the Executive's social justice policy.

The Executive has an ambitious programme for the voluntary sector. That programme acknowledges the substantial and growing contribution that volunteering and community activity make to Scottish life. We therefore aim to modernise the legal framework, financial framework and infrastructure for the voluntary and volunteering sectors to enable the social economy in Scotland to reach its full potential.

To modernise the legal framework, we have set up an independent commission, which we expect will report in the coming months, to review and reform charity law. To modernise the financial framework, we are launching new financial vehicles such as the social investment Scotland fund, and we are conducting a strategic review of Executive funding for the voluntary sector with the aim of simplifying the Executive's grant schemes and reducing bureaucracy.

I take on board the points made by Donald Gorrie and would not wish to sweep them aside superficially. Strategic funding should help us to address those points. We are also conducting a strategic review of funding for the black and ethnic minority voluntary sector.

To address some of the points raised by Richard Simpson, as members will be aware, we are committed to working with other funders such as local authorities and health boards, so that we have a coherent picture and to ensure that we are delivering on the ground.

On infrastructure and general support for the sector, we have launched the active communities initiative and are funding the new active communities development unit within Volunteer Development Scotland. We are supporting projects that will increase volunteering and community activity by older people and by people from black and ethnic minority communities, as part of our policy to empower communities.

We have taken action to address the sector's key concerns. For example, on 12 December, Jim Wallace and Jackie Baillie announced free criminal record checks for volunteers. The Executive will meet the £1 million cost and provide an additional £250,000 for a central body to process applications. All parties broadly welcomed that funding.

The funding that we provide for the voluntary and volunteering sectors' infrastructure will grow from around £4 million to more than £10 million during the Executive's first term in office. This year, we are spending over £900,000 on funding for millennium volunteers, which will give 16 to 24-year-olds opportunities to contribute to their communities and to their personal development through volunteering.

The Scottish Executive's compact with the

voluntary sector has received widespread support and is being closely monitored. We have provided funding of more than £1 million to complete the national network of local volunteer development agencies and, having completed the national network of councils for voluntary service, we shall double that network's funding from next year.

As Karen Whitefield said, we are funding IT initiatives in the sector. On 23 November, Jackie Baillie announced an additional £1.5 million over three years to support IT development in the voluntary sector.

We fully support many of the comments that members made during the debate. We recognise

the contribution that volunteers and volunteering organisations make to the fabric of life in Scotland. We could not do our business without them. I genuinely believe that the Executive makes a strong and substantial commitment to volunteering, but we would never wish to be complacent.

Finally, I pay tribute to Cathy Peattie and people like her. If she had not had the energy and commitment over the years, the Parliament might not have committed itself so strongly to volunteering. I thank Cathy Peattie for initiating the debate.

Meeting closed at 17:47.

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