

MEETING OF THE PARLIAMENT

Thursday 19 June 2003

Session 2

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Scottish Parliament

Thursday 19 June 2003

[THE PRESIDING OFFICER *opened the meeting at 09:30*]

Water Industry

The Presiding Officer (Mr George Reid): Good morning. The first item of business is a debate on motion S2M-162, in the name of Murdo Fraser, on the water industry. There are two amendments to the motion.

09:30

Murdo Fraser (Mid Scotland and Fife) (Con): I will take a sip from my glass of private water and begin.

The Government-owned quango, Scottish Water, is rapidly becoming a national embarrassment. It is failing Scotland with higher domestic bills than in England; higher—and rapidly rising—bills for commercial premises than in England; and poorer quality water. It is time for the Scottish Executive to take action to address the concerns of water consumers throughout Scotland and to consider again the quango's management and structure.

I am sure that members will have had similar experiences to mine—being contacted by numerous constituents to complain about a rise in water charges in the current financial year. I have had a number of such letters, which tell of increases of between 200 per cent and 500 per cent. To quote just one example, Hackston's of Dunkeld, who are plumbers of Cathedral Street, Dunkeld, wrote to me on 12 May to complain about an increase in their charges from Scottish Water from £73.32 last year to £344.94 in the current year—an increase of almost 500 per cent. That charge is for an office with one toilet and a cold water tap.

It is not only small businesses that are affected; voluntary groups are affected too. The secretary of Grandtully bowling club in Perthshire wrote to me on 11 May to complain about an increase in fixed charges from £13 in 2002-03 to £130 in 2003-04—a rise of 900 per cent. That is for a small bowling club with fewer than 30 members who use water only for the toilets and the occasional cup of tea.

Business organisations such as the Federation of Small Businesses, the Confederation of British Industry Scotland and the Forum of Private Business tell me that they have been deluged with complaints about the increases from members. In

some cases, the increases threaten the future viability of those small businesses. My colleague Phil Gallie tells me about Andersons Hardware and Hire in Dalmellington, Ayrshire, which has experienced an increase of more than 400 per cent in water charges since last year. When the proprietor phoned Scottish Water to complain that the increase threatened the viability of his business, he was told that it was up to him to run his business better. The words pot, kettle and black come to mind.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): If water quangos are so bad, why did the Tories set them up?

Murdo Fraser: Hindsight is a wonderful thing. We have considered the performance of the water quangos—the three boards and Scottish Water—and clearly they do not work. As Mr Fergus Ewing is aware, if one draws a comparison between Scottish Water's performance and the performance of the private water companies south of the border, it is clear which model is delivering for its customers.

The Federation of Small Businesses believes that the decisions that were taken and the rules that were made by the water commissioner and, in particular, the switches to increased fixed charges for water supply are at the root of the problem. Today we ask the Scottish Executive to consider urgently the charging structure for Scottish Water.

It is not only the increases against last year's charges that constitute the problem. Scottish businesses already pay substantially higher bills than equivalent businesses south of the border. BP's Grangemouth refinery will pay Scottish Water £12.7 million in the current year. South of the border, the equivalent bill would be in the region of £7 million. BP is considering taking Scottish Water to court to try to force a reduction.

There are some more dramatic examples. In some cases, commercial premises in Scotland pay 16 times what their equivalents pay south of the border. Water charges are placing Scottish businesses at a competitive disadvantage. It is little wonder that Digby Jones, director general of the CBI, said in Edinburgh last Friday that it was seriously likely that companies would pull out of Scotland because of soaring water bills. He said that CBI members were deeply concerned about the increased cost of water compared with charges in England and that the charges contributed to the competitive disadvantage of Scottish companies.

Bruce Crawford (Mid Scotland and Fife) (SNP): I note from Mr Fraser's motion that the Tories are reticent about saying that they want to privatise water. Given the position that the Tories are developing on privatisation, why do they not

just spit it out? They are pushing at an open door, anyway.

Murdo Fraser: I am obliged to Mr Crawford for that helpful intervention and I will develop that point if he will bear with me for a moment.

All those examples of increased charges seem to be at odds with the Executive's declaration that growing the Scottish economy is its first priority. Scottish businesses already face higher business rates than those south of the border; now they have the added burden of higher water rates. That double whammy makes Scottish business uncompetitive and makes Scotland a less attractive place in which to do business than the rest of the United Kingdom.

I appreciate that Scottish Water requires investment in infrastructure, but I wonder whether I am too cynical to suggest that the increases are directed at those in the small business sector because they are in the weakest position to protest. If the increases were applied to the domestic sector, I imagine that every MSP in the chamber would be drowned under the weight of complaints from constituents and the matter would be right at the top of the Executive's agenda for action. However, the small business sector is regarded as a soft target for Scottish Water and that is simply disgraceful.

Domestic customers, however, do not escape. Scottish household bills have increased by 94 per cent in real terms during the past decade, whereas English domestic bills have risen by only 22 per cent since 1989. The average measured household bill in England and Wales is £209 for 2003-04 compared with £245 in Scotland—that is 20 per cent higher—yet Scottish Water delivers lower water quality, more pollution from leaking sewers and more wasted water as a result of leaking pipes. The water commissioner has concluded that, as a result of Scottish Water's inefficiencies, the average household pays about £86 a year more than should have been necessary had Scottish Water been as efficient as its English counterparts.

Des McNulty (Clydebank and Milngavie) (Lab): Between 1988-89 and 1998, the following price rises occurred in England: South West Water, 142 per cent; Northumbrian Water, 112 per cent; North West Water, 111 per cent; Severn Trent Water, 108 per cent; Southern Water, 107 per cent—I could go on. The average increase was 102 per cent and, in real terms, 46 per cent above inflation. That is the legacy of Conservative privatisation. In the same period, profits in Northumbrian Water rose—

Alex Johnstone (North East Scotland) (Con): Will Mr McNulty take an intervention?

Murdo Fraser: Mr McNulty will have the opportunity to make a speech in due course. Is he disagreeing with the water commissioner, who says that Scottish householders are paying £86 a year too much because of the inefficiencies of Scottish Water? Let us remember Mr McNulty's role in the famous referendum. Perhaps he needs to reflect on that in the light of experience.

We are aware of the problems of Scottish Water. The question is, water we going to do about it?

Members: Ooh!

Murdo Fraser: First, the Scottish Executive must take urgent action to reduce the burden on Scottish businesses. That might involve examining the water commissioner's approach to fixed charges for small businesses and considering increased use of water meters.

The question of Scottish Water's inefficiency also requires to be addressed. As I pointed out, Scottish customers are paying through the nose for the inefficiencies of the Scottish water industry. I appreciate that there has been a reorganisation of Scottish Water, but that does not excuse its poor performance compared with its counterparts south of the border. It is difficult to regard the Scottish water industry without reaching the conclusion that the difference between the more efficient and cheaper water companies in England and Scottish Water is that the English companies are in the private sector. If the Scottish water industry had been privatised at the same time as the English water companies, we would today have a more efficient industry, better quality water and lower bills for more domestic and business customers. Only by moving Scottish Water into the private sector, whether as a privatised company or, preferably, as a mutual company, will we provide a proper solution.

George Lyon (Argyll and Bute) (LD): Will the member take an intervention?

Murdo Fraser: Not at the moment. I want to respond to Mr Crawford's point.

I should make it clear that my party has no ideological problem with the notion of privatisation. I do not want anyone this morning to accuse us of being wets. However, the information that we have received from industry analysts is that investors would not find Scottish Water attractive if it were sold off. Moreover, Welsh Water prospers as a mutual company and Yorkshire Water is considering a move from its fully private status to becoming a mutual company. As a result, it seems that mutualisation offers a better model.

Bruce Crawford: Which mutualisation model would the member follow? Would he follow the model of Welsh Water, which is a shareholding, or that of the Glasgow Housing Association, which is a not-for-profit trust?

Murdo Fraser: If Mr Crawford had read our motion, he would have found that we call on the Scottish Executive to investigate the different models of mutualisation to see which would be the most suitable. It is clear that mutualisation works.

I read with some interest the SNP amendment, which

“calls on the Scottish Executive to consider a not-for-profit trust”.

What exactly is the difference between a not-for-profit trust and a company limited by guarantee that returns any profits to its members? I am not sure that I see any difference at all. Indeed, I wonder whether the SNP is so ideologically opposed to the private sector that it cannot swallow the thought of using the words “private company” and instead dreams up the phrase “not-for-profit trust”.

George Lyon: I acknowledge the member’s point that we have to make major changes to Scottish Water’s structure. However, how on earth will that solve the immediate problem of the introduction of standard charges? Restructuring will have no impact whatever and is no solution to the problem that our small businesses and the voluntary sector face. Either Murdo Fraser suggests allocating some money to tackle that problem or he remains silent.

Murdo Fraser: Mr Lyon has not been listening to me. I have outlined why Scottish Water’s charging structure needs to be examined. However, in the longer term, the organisation’s fundamental structure must be addressed or we will continue to see the price rises that I have highlighted.

The Deputy Minister for Environment and Rural Development (Allan Wilson): Will the member give way?

Murdo Fraser: I am in my last minute.

The Presiding Officer: I think that, in view of the large number of interventions, I will give you about 14 minutes, Mr Fraser.

Murdo Fraser: I am grateful.

Allan Wilson: As far as the longer term is concerned, how would turning Scottish Water into a mutual company reduce charges? By necessity, the company would have to borrow on the markets and would therefore be charged a higher rate of interest on its current level of borrowing.

Murdo Fraser: I point the minister to the example of the privatised companies in England. They were able to deliver better quality service, better water quality and lower charges for a period of 10 years and more because they were in the private sector. We should follow such a model.

It is true to say that Scottish Water is burdened with a £2.1 billion debt. When the English water companies were privatised, their debts were written off, although much of that money was recovered from the sale proceeds. However, it is wrong to think that Scottish water companies have been penalised unfairly. As Peter Jones pointed out in *The Scotsman* on Friday, the net cost to the taxpayer of writing off the debts for the English water companies was around £50 per customer whereas in Scotland the figure would be about £300 per customer. There can be no argument that it is justifiable at this stage to write off more debt, at least not until such time as Scottish Water can show itself to be an efficient industry that strives to make cost savings.

A mutual company would be owned by its customers and employees and would be answerable to them. Being part of the private sector and operating in a competitive environment would give it an incentive to drive down costs. Furthermore, a mutual company would be free from political interference. I should point out that, far from the Tories having a monopoly on such an idea, the Scottish co-operative movement has also expressed an interest in the mutual model. As a result, it should command support from across the chamber.

When I saw the Executive’s amendment, I thought that it was having a laugh. The amendment says that Scottish Water

“has started the process of delivering cost effective and improved services”.

Where are they? That statement will come as a great surprise to the many small businesses that I mentioned earlier. The Executive amendment reeks of complacency. The fact is that the Executive appoints the regulator, owns Scottish Water, as it owned the three previous water authorities, and appoints the management. Ultimately, the buck stops with the Executive, which means that it must sort the matter out. However, there is no sign today that the Executive is taking the business community’s real concerns seriously.

Mutualisation offers a model for the future of Scottish Water that will deliver a better quality service at lower cost to Scottish householders and—equally important—Scottish business. It is time for the Scottish Executive to take the necessary action to prevent Scottish Water from continuing to be a burden on economic growth in Scotland and an embarrassment to the nation.

I have pleasure in moving,

That the Parliament notes with concern the dramatic increases in charges by Scottish Water to businesses in 2003-04 which, in some cases, amount to nearly 500% more than the amount charged in 2002-03; believes that

these increased charges bear no relation to the service provided by Scottish Water to these customers; is concerned that these rising costs have increased the competitive disadvantage faced by Scottish firms, particularly in relation to England; further notes that household bills have gone up by 94% in real terms over the past decade, while English domestic bills have only risen by 22% since 1989; acknowledges that privatisation in England has brought substantial capital investment which has led to lower bills for businesses and households alongside improved water quality; calls on the Scottish Executive to address urgently the concerns of domestic and business customers in relation to these higher charges and to look at widening competition with a view to reducing costs, and further believes that, as public ownership has failed customers in Scotland, the Executive should investigate models of private ownership.

09:45

The Deputy Minister for Environment and Rural Development (Allan Wilson): I add my concern to that which was expressed by Murdo Fraser over those who face increased water bills this year. No one, least of all me, wants costs to rise. However, at this point, I caution against Mr Fraser's proposal that changing the whole system would necessarily benefit customers or consumers.

I will remind members why Parliament decided in the previous session that public ownership of the water industry in Scotland represented the best deal for customers and explain why the changes to charges have been made. Scottish Water has started down the path towards more efficient services, which will keep down future charges for consumers. I say to Bruce Crawford that any change in ownership now would simply detract from that progress and would be worse for customers.

Our programme for a better Scotland makes clear the Liberal Democrat and Labour commitment to retain Scottish Water in public ownership. We must remember that Scottish Water was created only just over a year ago at the Parliament's behest. We knew then about all the problems in the water industry and we knew that there was need for further investment. We knew that we needed to protect public health and to improve water quality and customer services. Moreover, we knew then—as we know now—about the need to deliver those services efficiently. However, we knew that all those things could not be done overnight and therefore we decided, correctly, that the best deal for the Scottish people was to merge the three water authorities into one national public sector organisation. That was true then and remains true now.

As Mr McNulty has pointed out, the claim that prices in Scotland have risen at four times the rate of those in England is wrong. It does not compare like with like. A decade ago, there were no

sewerage charges in Scotland as they formed part of the general local authority charges. As a result, the Tories are comparing payments for both water and sewerage with payments for water alone.

Murdo Fraser: Will the minister confirm that Scottish domestic customers are paying on average 20 per cent per annum more than domestic customers in England and Wales?

Allan Wilson: I confirm that, as far as comparisons with England are concerned, it might be true that we are tackling problems a bit later than they were tackled in England; however, we are certainly tackling them vigorously now. I think that that is probably what Mr Fraser is complaining about. We set up Scottish Water as a regulated public sector corporation to tackle those problems and we intend to see the job through.

It is early days to be judging the performance of Scottish Water. After all, its first report has not even been laid before Parliament yet. However, I believe that Scottish Water has already made a good start in its first year. Operating costs have been significantly reduced; customer services have been improved; and the quality of both drinking water and the wider water environment is better. Indeed, I can testify to that from the example of Saltcoats in my constituency. All that has happened at the same time as we have had to merge the three former water authorities into one.

There is still a long way to go. Although much has been done, there is much more still to do.

Alasdair Morgan (South of Scotland) (SNP): I am sorry to interrupt the minister's self-congratulation. However, will he address one of the major points of this debate, which is the disproportionate impact of the new charging scales on small businesses? That situation has come about mostly because of standing charges, which in some cases have led to bills tripling or quadrupling.

Allan Wilson: I will address precisely that point.

As we all know, the water infrastructure that Scottish Water inherited was not in great condition and, rightly, there is considerable pressure to bring it up to higher standards, which requires the massive investment programme that we have embarked upon. During the four years from 2002 to 2006, we will invest £1.8 billion in the industry, which, per capita, is more than will be invested in England and Wales.

That investment will improve drinking water quality and enhance bathing water and the natural water environment, but it has to be paid for. It is being paid for partly by the current charging regime, to which Alasdair Morgan referred, and partly by increased Government borrowing. Claims that Scottish Water is required to eliminate its

borrowing by 2006 are wrong. The Executive is providing huge financial support for the investment programme—we will lend a further £250 million this year and almost as much for the next two years.

Richard Lochhead (North East Scotland) (SNP) *rose*—

Allan Wilson: Let me develop my point, because it relates directly to the issue that Alasdair Morgan raised.

No one—least of all me—wants costs to increase, which is why Scottish Water has been tasked with making significant efficiency savings, the fruits of which will be seen in future, as they will lead to lower charges in the longer term. However, we also want the charges that people pay now to be fair and equitable, which I think was the point that the honourable gentleman Alasdair Morgan made. That desire underlies the charges scheme that has been agreed by Scottish Water and the water industry commissioner for Scotland this year. The level of charges is based on two principles: charges should be harmonised throughout Scotland and they should reflect the cost of the provision of the service. People and businesses throughout Scotland should pay the same for an equivalent service and the amount that is paid should reflect the average cost of providing that service. The water industry has largely fixed costs, which is reflected in the charge increases.

Of course, members pick on the extreme examples of charge rises—I have had 50 or so representations from members, including Alasdair Morgan, on that subject—but, naturally, we do not hear from the 20,000 or so business customers whose bills are lower than they were last year, or from the many thousands more who had low percentage increases. Nor do members point out the critical fact that those who face the 500 per cent increase to which Murdo Fraser referred had bills of less than £60 last year, which is on average less than the band A householder would pay. I sympathise with those who face much larger bills this year, but we must remember that those customers have in the past paid less than the full cost of the service they have received, which means that other customers have had to pay more. That is not fair and cannot be right.

A review of ownership would create only uncertainty and would undermine the progress that Scottish Water is making, which cannot be in the public interest. We do not need more analysis; we need to allow Scottish Water to deliver on its programme of efficiencies and capital investment. It should not be deflected from that course, which is why I commend to the Parliament the Executive amendment to Murdo Fraser's motion.

I move amendment S2M-162.3, to leave out from first “notes” to end and insert:

“believes that, having established Scottish Water in 2002, this is the right means of delivering cost-effective and improved services in accordance with the requirements of the Parliament and that, in the short time since Scottish Water's establishment, it has started the process of delivering cost effective and improved services, and further believes that a review of its ownership and funding now would undermine that progress to the detriment of all customers.”

09:53

Roseanna Cunningham (Perth) (SNP): I expected to begin my remarks with the comment that surely we all agree that the present situation cannot be allowed to continue without serious adjustment or intervention, but that was before I read the Executive amendment. Is the minister saying, despite his crocodile tears, that he is perfectly content that the present situation is not only tenable, but desirable, which is the clear implication of the Executive amendment? To be frank, the staggering complacency of that attitude beggars belief.

The impact of the charges on Scottish businesses is absolutely dire and it is felt no matter how big or small the business is. The figures make depressing reading and show the effect on every high street, industrial estate and large manufacturing enterprise in every part of Scotland. We have heard reference to some of the price hikes that business must endure. Small businesses that use hardly any water are faced with 100 per cent rises—for example, Mr Barnes's Interproducts in my constituency has been faced with such rises from one year to the next—and bigger businesses are equally hard hit by price rises. Of course, there are also the invidious comparisons with water rates south of the border. Does the Executive just not care? That is the implication of what the minister said.

Comparisons with other water rates illustrate starkly the competitive disadvantage of Scottish businesses when compared with similar businesses south of the border. The disadvantage seems to be most marked in the commercial and retail sectors, but businesses such as newsagents and restaurants also pay far more.

Interestingly, the figures show that the one sector in which the Scottish average charge is lower than that in England and Wales is the brewery sector. That leads one to the conclusion that one thing that Scottish Water can do well is to organise the proverbial in a brewery. The difficulty is that people draw the conclusion that that might be the only thing that Scottish Water can do well. That perception might be a little unfair, because even the critics accept that the problem is not only for Scottish Water to resolve. Bill Anderson of the

Forum of Private Business recognised the need for Scottish Executive transparency when he said:

“Everybody is blaming everybody else. The debt charges around Scottish Water’s neck is a huge issue but if they had come to consumers and said we’re going to have to increase water charges to pay for urgent work on the infrastructure, we might have understood. But to impose unfair extra burdens on those most unlikely to be able to pay by stealth shows a total disregard for open government.”

I do not want to absolve Scottish Water of all responsibility for the current situation. The truth is that we cannot continue with the existing levels of customer dissatisfaction, from both domestic and non-domestic customers, for much longer. Businesses do not know where to turn for redress, which leads them to compare their water usage with domestic usage. The business in my constituency that I mentioned is an example of that—its charges have increased from £223.59 to £451.93, but if the owner’s small office were a flat, it would be in the lowest council tax band and he would pay around £210 per annum. He pays way more than twice that.

It is understandable that businesses should react by comparing their charges with domestic charges, but the reaction ignores the likelihood of future price rises in the domestic sector, to which I will refer shortly. However, whether customers are domestic or business, the situation highlights the lack of a clear customer champion in the present set-up. Two years down the line, we are beginning to see the drawbacks of having a water quality regulator who is responsible for quality and enforcement but whose hands are tied because financial decisions are taken by the water industry commissioner. Perhaps the time has come to consider the amalgamation of those two posts with a beefed-up role that includes customer advocacy. That post would provide a better process for Scottish Water and for customers.

I mentioned the potential for rises in domestic charges. My concern arises out of the Scottish Executive’s published spending figures for the next few years. I listened to the minister’s detailed defence of the Executive’s spending plans. In 2002-03, spending was planned at £285 million; in the present year, it is to be £256 million; but for 2005-06, it is to fall to £207 million. Those plans beg the question how Scottish Water will make up the difference. Things are bad now, but it looks like they will only get worse. Will the minister guarantee that the difference will not be made up by a further increase in domestic water rates, which, at the moment, definitely appears to be on the cards?

The Executive cannot just sit and do nothing in the face of that issue. We urgently require a full and detailed review of the financial arrangements for Scottish Water with the remit of affording Scottish Water greater financial flexibility.

Allan Wilson: I understand that greater financial flexibility means borrowing more in the financial markets, at interest rates that are necessarily higher than those available from the Executive. How would that benefit Scottish Water or its customers?

The Deputy Presiding Officer (Trish Godman): I call Roseanna Cunningham to reply, but inform her that she is in her final minute.

Roseanna Cunningham: I am in my last minute and I have two more paragraphs of my speech, during which I will deal in part with the minister’s point—my colleagues will also deal with it.

Through legislation in the coming year, the Executive will allow local authorities to decide for themselves on an affordable and prudent level of borrowing for their financial circumstances. Surely that same flexibility could be granted to Scottish Water, so that it could make its own decisions. Is that even under consideration? If such a move is being considered for local authorities, are we going to consider it for Scottish Water? Scottish Water needs to be released from the constraints of Executive diktat, and the Executive itself is constrained by Treasury rules.

I hope that the future funding of Scottish Water comes about not through privatisation, which is what I suspect the Tories—and perhaps Labour too—really want, but through a not-for-profit trust: a Scottish public services trust. Such a trust could serve as a means of levering in the investment that we all believe to be necessary. That means not a change in ownership, but a change in the way in which investment is levered into the sector. Ultimately, the solution to the high charges that are being faced by business is a sensible way forward for Scottish Water that involves precisely that.

I move amendment S2M-162.4, to leave out from “acknowledges” to end and insert:

“believes that the offices of the Water Industry Commissioner for Scotland and the Water Quality Regulator should be amalgamated to create a tough new champion on behalf of customers; further believes that a full and detailed review of the financial control arrangements for Scottish Water requires to be undertaken as a matter of urgency with a view to affording Scottish Water greater financial flexibility, and calls on the Scottish Executive to consider a not-for-profit trust to provide an appropriate vehicle for investment which would allow Scottish Water to be free of artificial constraints and keep charges under control.”

10:00

Nora Radcliffe (Gordon) (LD): One truism often heard is that we get what we pay for. Paying for what we get would seem equally reasonable. What are the customers of Scottish Water paying for? The Victorians built a superb system of piped water, serving homes and premises and providing sewers to take away waste. That probably did more to improve public health at a stroke than all the efforts of the national health service since it was created put together.

In recent times, that system and its water pipes and sewers were the responsibility of local authorities. Then it was handed over to three water companies, which were subsequently rationalised into one publicly owned body, Scottish Water. For whatever reason—over the years, there were reasons that could, at the time, have been viewed as good and sufficient ones—the stewardship of that magnificent asset left by the Victorians was lousy. We are left with the consequences of decades of underinvestment in the maintenance and development of the infrastructure. Scottish Water inherited a system that required a major overhaul and upgrading. It also inherited the data, staff and structures of three water companies that, in turn, had inherited the data, staff and structures of 30-odd local authorities. Furthermore, those handovers took place over a relatively short period.

Scottish Water has had to rationalise what it inherited: widely differing charges in different parts of Scotland; a huge and complex set of assets, some of which were in fact liabilities; not very good data about what assets it had, where they were and what condition they were in; and a requirement to meet ever more stringent quality standards. So much for how we got here and for a starting point for achieving safe, efficient, sustainable and equitable water services for the whole of Scotland.

The Conservative motion highlights dramatic increases in charges to businesses. Without trying to downplay those increases or the impact of the standing charge on small businesses and low-volume users in particular, I notice that one of the most dramatic percentage increases—626 per cent has been cited as an example—was an increase from £19 per annum to £138 per annum. The percentage increase makes the cash amount sound rather dramatic.

That pinch of salt having been taken, there is no doubt that the decision to apply a standing charge has had a big impact. The reason for the standard charge must be considered. About four fifths of the costs of supplying water services relate to the fixed assets—the pipework. I understand the fairness argument, which is that everyone should bear an equitable share of those costs, as those

costs have to be met regardless of the amount of water used or the amount of waste generated.

The other big impact on this year's water bills has been the effect of harmonising charges across Scotland. I see that harmonisation as only fair. There have been big losers, and no doubt there have been big winners, although we do not hear from them. The water users who are currently losers and who are now picking up their fair share of the costs of providing water services must previously have been getting an unfair bargain at the expense of those who were paying more than their fair share.

Murdo Fraser: Does Nora Radcliffe appreciate the fact that this year's increases are only part of the problem? The other major issue is the fact that Scottish businesses are paying much more than their counterparts south of the border—sometimes 16 times more for an office of similar size. Will she comment on what the Liberal Democrats believe to be the reason for that?

Nora Radcliffe: If I may, I will leave that point until later in my speech, when I intend to deal with it.

It should be remembered that that harmonisation hit is a one-off, in that any future increases will be roughly the same for everyone. The differential impact across Scotland arises partly because some of us—in the old North of Scotland Water Authority area—took a whack earlier.

Much has been made of comparisons between the situation with Scottish Water and the situation in England and Wales. Some of those comparisons have been very selective. There are wide differences between different areas of England. In addition, modernisation began a lot earlier in England, so direct comparison is not always meaningful.

Furthermore, privatisation was not universally beneficial, as some proponents would have us believe. Indeed, Sir Patrick Brown, the civil servant in charge of privatisation, has since said that customers lost out with privatisation. Phrases such as “mass profiteering” have been used, and we should not forget the high level of disconnections in some areas and the outbreak of dysentery in such areas.

The Scottish public made it perfectly clear that they did not want privatisation. Mutualisation might be a good option, but there is no single right answer. Scottish Water was set up last year after widespread consultation and much discussion in the Parliament during the passage of the bill that set it up. It does not seem sensible to mess about with a body that is barely a year old.

Scottish Water has a lot to do. It could perhaps have done what it did better. We cannot, however,

get away from the facts that the infrastructure must be upgraded, that harmonisation has to be achieved and that Scottish Water needs to become more efficient. The quickest route to achieving efficiency seems to be to allow Scottish Water to get on with the job that it has to do. Messing about with what was set up so very recently would be daft. I return to where I started: we get what we pay for and we have to pay for what we get.

The Deputy Presiding Officer: Many members wish to speak during the debate. I intend to try allowing six minutes for back benchers. If the position changes, I will let members know, and we will move to five-minute speeches.

10:07

Alex Johnstone (North East Scotland) (Con): In opening the debate, Murdo Fraser demonstrated at some length the extent to which the water industry has become an expensive burden on the Scottish economy. Such an extraordinary burden might in some way have been justified if it was possible to argue that the quality of service that the industry provides or its guardianship of the environment had in some way been improved as a result of the higher charges. Unfortunately, however, the reverse appears to be the case.

Scottish Water's performance has become something of a joke in certain circles. The percentage of drinking water tests passed in 2001 has fallen below the level—

Sarah Boyack (Edinburgh Central) (Lab): Will the member acknowledge the numerous projects around the country that have already been completed to improve the basic infrastructure of the water industry? When he says, in a cavalier fashion, that there has been no improvement in the quality of services, is he totally ignoring the impact of that investment?

Alex Johnstone: No, I am not ignoring the impact of that investment. I hope to go on to discuss the fact that that investment is not producing the results that similar investment in the south has produced, both for public service and for economic water provision.

Nora Radcliffe: Does Alex Johnstone accept that the investment that has been made south of the border has had about 10 years longer in which to have an effect?

Alex Johnstone: What we are discussing today is the fact that the model south of the border has been more successful. Nora Radcliffe has just demonstrated that on my behalf.

We are trying to demonstrate that the Scottish economy is being threatened, and my point is that

investment is not achieving the results that were intended, even if we disregard the level of cost.

Leakage is a particular embarrassment, with a massive 23.7 cubic metres per kilometre lost each day. That compares with 9.8 cubic metres of loss per kilometre south of the border. The water industry commissioner for Scotland, Alan Sutherland, pointed out that Scottish water and sewerage bills in 2001-02 were 60 per cent higher than they would have been under the three former water authorities, had they operated as efficiently as their English and Welsh counterparts. Consequently, we continue to suffer the economic disadvantage.

According to its amendment, the Scottish Executive's position appears to be that all in the garden is rosy. While we try to open the eyes of our opponents to the alternative structures that have delivered more successfully in our neighbouring country, the Executive's position seems further entrenched, with an increased determination to keep the water industry in the straitjacket that it has placed it in.

The Scottish Executive has told us that the draft bill that is to be introduced later this year will establish that Scottish Water alone is able to draw drinking water from and add waste water to public sewerage and water networks and will prohibit common carriage. It will prohibit anyone other than Scottish Water from providing domestic customers with retail water and sewerage services and will establish a licensing regime to control organisations that provide retail water and sewerage services to non-domestic customers. Consequently, the opportunities for competition that were brought about as a result of the Competition Act 1998 will be denied to Scottish industry and therefore further efficiencies will be denied to the Scottish economy.

The Scottish National Party's position seems equally naive, although certain questions have been raised if the comments that have been made so far are anything to go by. The SNP's 2003 election manifesto guaranteed that water will remain under public control and suggested a not-for-profit trust to deliver infrastructure investment and keep charges under control. However, questions asked this morning—they have not been successfully answered so far, in my view—would appear to indicate that the model of a not-for-profit trust that the SNP wishes to discuss is not that dissimilar to alternatives that we have proposed, such as mutualisation.

Allan Wilson: The member refers to mutualisation and not-for-profit trusts as being one and the same thing. How could either model borrow more for less in the financial markets than the Scottish Executive can?

Alex Johnstone: I did not say that they were the same thing—I said that they were not dissimilar.

What we are trying to point out is that efficiencies in the running of the industry may conceivably—in our view definitely—produce efficiencies within the structure of the industry that would far outweigh any additional cost of borrowing, which in my view remains marginal.

Richard Lochhead: Will the member take an intervention?

Alex Johnstone: No, I am into my last minute and I will have to get on.

By any standard, Scotland and its water consumers have had a raw deal from the reorganisation of the water industry. In comparison with water providers south of the border, Scottish Water is second rate in almost every respect. Not only is our water more expensive, both for the domestic consumer and for businesses, but the quality of service is below the standards of the industry's main UK comparators. Why are we in that position? Why did we not go down the same road as the English water companies, which have delivered cheap, clean water and better sewage disposal? The answer is that in Scotland, those were not our priorities. In Scotland the number 1 priority for the people I am looking at in the chamber was to deliver a politically acceptable, state-owned water provider. If the Des McNulty's of this world hoped that that would provide an example of the benefits of a state-controlled monopoly, their naivety has exposed them, for which the Conservatives are grateful. I support the Conservative motion.

10:13

Des McNulty (Clydebank and Milngavie) (Lab): I greatly enjoyed the performance of "Alice in Wonderland" put on by pupils at St Joseph's Primary School in my constituency, but none of the surreal aspects of their performance can be paralleled by the presentation from our Conservative counterparts.

The reality is that water prices in England and Wales are coming down because of the imposition by a Labour Government south of the border of tight regulation, which has cut back the super-profits that were made by privatised water companies under the previous Conservative Government. The reason that water prices have gone up so much in Scotland, compared to 1988-89, is the very low levels of investment that were permitted by the Conservatives. The Conservatives are not alone: if we go back 30 years, we can see that there has been consistent underinvestment in the water and sewerage industry in Scotland. However, the 18 years of

Conservative domination was the worst and most pathetic period for infrastructure management in Scotland. Not only did the Conservatives refuse to take the problem of water investment seriously, but they diverted attention from charging with the ridiculous procedure of the poll tax. We spent the early 1990s talking about the poll tax, whereas in England the Conservatives began to address water investment through privatisation, even if that was a flawed solution.

The solution we were given in 1994-95, to which we in Strathclyde systematically objected, was that proposed by the Conservatives. The Conservatives ignored what the people of Strathclyde wanted—and, I would argue, what the people of Scotland wanted—which led to their ending up with no Scottish MPs in 1997. Unfortunately, the Conservatives' solution persisted until last year. The underperformance of the three water quangos was a consequence of the nature of the reorganisation that the Conservatives put in place. They are responsible for the period between 1979 and 1997 and it has taken time to unravel the consequences.

Significant investment is now being made, which is leading to increases in water charges. Had that investment been balanced out over 12, 15 or 20 years, as it should have been, those increases would have been much smaller. The real, long-term responsibility rests with the Conservatives. If Murdo Fraser wants to be honest with the CBI and the small businesses that write to him, he should say, "Mea culpa. I'm sorry, we didn't put the money in in the 1980s and 1990s and we ended up with all those flawed and silly solutions." The way in which the Labour Government south of the border has sought to control—

Alex Johnstone: Why does it not do so here?

Des McNulty: I believe that it is doing so.

The water industry commissioner has reduced from £2.3 billion to £1.8 billion the amount that we will have to pay for new investment. That is not enough, and I will come to the legitimate criticisms that can be made of Scottish Water. However, the Conservatives' stance on the issue is fundamentally dishonest.

There are flaws in Scottish Water's charging regime, although I pick up from business not only issues about the charging regime, but fundamental issues about the constraints imposed by the lack of investment and Scottish Water's lack of capacity for investment in new developments. Growth opportunities in Scotland are being held back because Scottish Water cannot get the pipes into areas where investment is needed.

In my constituency, there is the case of a much-needed old people's home that people have wanted to build for more than 10 years. However,

Scottish Water cannot find the resources for the central option, which is the one that would meet the legal standards and make some improvement to the asset, although it would invest only enough to prevent further deterioration. That is the framework within which, politically, Scottish Water operates. There should be some flexibility, because we need a framework in which there is an opportunity for utilities to co-ordinate their work with developers, local authorities and others. We need to find a mechanism that allows development to take place and prevents Scottish Water from holding development back.

I am concerned that whenever I ask a question of Ross Finnie, the Minister for Environment and Rural Development, I get the answer, "This is an operational matter for Scottish Water." A couple of weeks ago, Bruce Crawford asked Mr Finnie when he next intended to meet Scottish Water. The response was:

"I have nothing in my diary".—[*Official Report, Written Answers, 29 May 2003; p11.*]

There are major issues attached to Scottish Water. I speak not only of the charging regime and the way in which that impacts on small businesses, or of the development issue that I highlighted, or of specific issues with developments such as the one in Mugdock in my constituency. Ministers must take more responsibility for such matters than they have until now. There is one doctrine that we must strongly attach ourselves to, which is that ministers have a responsibility for organisations such as Scottish Water that work at arm's length—not a day-to-day, operational responsibility but a responsibility for ensuring that they pick up the consequences of such organisations' policies and the frameworks that they set. I do not think that that is happening at present. I hope that Mr Finnie takes account of the points that I have tried to make, mends his ways and responds more positively in future when members raise issues of concern.

10:20

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Carrbridge is an attractive village in my constituency that relies substantially on tourism for its survival. There is also a garage there. I am sure that if members visit the village during the holidays they can buy some petrol from Dougie MacDonald at the garage.

However, during the Easter weekend all the residents and businesses in Carrbridge had no water for five days because of a faulty valve in a pipe. I mention that serious problem because the real cause of it goes back two years to attempts that were made to get permission to lay the new water pipeline that is needed to replace the faulty existing pipeline from Loch Einich, which is in the

northern part of the Cairngorms. It has taken two years for us to have the various quangos involved agree that the new pipeline may be laid below ground. It has taken so long because the pipeline would cross sites of special scientific interest.

It has cost Scottish Water £1 million to prepare the environmental impact assessments that are required under the Natura regulations to prove that every other possible source of water that would not involve the pipeline crossing an SSSI could not be used. Scottish Water even had to prepare an EIA for Loch Ericht, which would involve the laying of a pipeline for 30 miles at a cost of £30 million.

I want to make constructive points, rather than to contribute to the unedifying spectacle of a competition between the Labour and Tory parties about whose record is worse.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Will the member give way?

Fergus Ewing: I will give way to the member later.

All of us want to preserve and protect our environment, but the current policy is not what is required. It is a greedy, gas-guzzling Cadillac of an environmental policy, when we require a normal, respectable family saloon.

From Joe Moore, the head of operations at Scottish Water, I understand that a cost of £1 million just to lay a pipeline under the ground is the norm. I know that my constituents—especially patients in the north of Scotland who are waiting 53 weeks for a liver scan—would regard that as a massive waste of money. What are we doing spending money on it? It is no wonder that our water charges are so high.

Des McNulty is right to draw attention to the fact that when we ask questions about Scottish Water Ross Finnie and his able deputy Allan Wilson say merely that these are operational matters for Scottish Water. That is very convenient. The real reason that the Tories set up the quangos and Labour and the Liberal Democrats retain them is to deflect blame and responsibility on to the quangos. Alan Sutherland and Alan Alexander get the flak, rather than the Executive.

Sarah Boyack: The member said that £1 million for a new pipe system seemed hugely expensive. Is he making the point that it is too expensive because someone else could provide it more cheaply, or is he saying that we should not have to pay for that investment? I am not trying to score a point—I simply want to establish what the member means.

Fergus Ewing: I am happy to clarify the point. The £1 million was just for the consultation. We have not begun to pay for the pipeline. We have not even reached the stage of applying for

planning permission. The £1 million was spent just on securing Scottish Natural Heritage's agreement to the pipeline. What is that about? It is no wonder that Scottish businesses are complaining about their water rates. It is no wonder that the Golf View Hotel in Nairn told me that its standing charge has increased by 9,000 per cent—by 90 times.

Mr Monteith: Clearly, Sarah Boyack was not listening to Fergus Ewing's speech. I was, and I noticed that the member said that £1 million was spent on the study. Is this an example of the regulatory impositions that are driving down prices in England and to which Des McNulty referred, or—as we all suspect—is it an example of the fact that regulatory impositions drive up costs?

Fergus Ewing: It is an example of a lack of common sense.

I want to talk about fixed charges, which are anti-environment because they do not discourage excessive consumption. In South Africa, post apartheid, a system was introduced under which every household receives a supply of water per week that has been calculated to be more than ample to meet the weekly needs of a family. Excessive consumption is discouraged by the use of metering. The system that we have is the obverse of that: it encourages profligate use of water and, as the Federation of Small Businesses has pointed out, may be incompatible with the duties on companies under the Environment Act 1995, which requires companies to promote efficient use of water by their customers.

Where do we go from here? For the past two weeks, as a member of the Finance Committee, I have suggested that the Parliament should conduct a thoroughgoing inquiry into and review of Scottish Water. The inquiry should examine the claims of Alan Sutherland that £300 million could be saved. I do not accept those claims. I think that Mr Sutherland has done a hopeless job and would like to scrap the office of the water industry commissioner for Scotland, which would save £2 million straight away. However, if Mr Sutherland has said that £300 million could be saved, why is the Executive doing nothing about that? Why is there no inquiry or review? Will Labour and Liberal members block a parliamentary inquiry by one of the committees that would sort out the issue and find the solutions that every business and customer in Scotland wants?

10:26

John Farquhar Munro (Ross, Skye and Inverness West) (LD): No one can deny that the water system in Scotland must be upgraded: statistics reveal that about 17,000 miles of underground water pipes, most of which date back to Victorian times, need to be renewed at a cost of £2 billion.

The amalgamation of the three water authorities that existed previously made absolute sense as a way of spreading costs throughout Scotland. That was the perception. Until this year, customers in the former North of Scotland Water Authority area were paying much higher rates than were customers in the rest of Scotland, because of the geographical disadvantages of delivering the upgrades that are needed in that sparsely populated area.

I am pleased that the debate has been scheduled to address the vastly increased prices that business throughout Scotland faces. Those increases are especially galling because they seem to have affected Scotland's small businesses particularly badly. I have been contacted by businesses in my constituency that have this year received bills demanding increases of between 100 and 200 per cent. This morning we have heard reports of even higher increases in other areas.

Those increases must be considered in the context of other increases that small businesses face at the moment: increases in property insurance; the recent increase in national insurance; and the longer-term aim of increasing the national minimum wage. All those increases impact on our business community, and especially on small businesses, many of which must—because of their size—pass on cost increases to their customers in order to avoid going out of business. In the case of a small village shop, the rising costs will have to be paid by the most vulnerable members of the community—those who do not have cars and who are on low incomes, such as the unemployed, the disabled and the elderly. Rises in water charges must be considered in that context.

When the water boards were merged into Scottish Water, the water industry commissioner gave the commitment that overall charges would not increase by more than 7.8 per cent. I would like to ask the commissioner why the charges of a constituent of mine have risen from £217 to £420, which is an increase of almost 100 per cent. I do not believe for one minute that the commissioner would regard that as being something like 7.8 per cent.

In another case, a constituent read in the local newspaper a Scottish Water advert that claimed that people's charges would be reduced if they installed a water meter—a very attractive proposition. My constituent did not use a great deal of water and so had the meter fitted. When the first bill arrived he found to his amazement that his water charge had almost doubled. Scottish Water is backtracking quickly in that case, but no real solution has been arrived at. Questions must be asked about the need for a commissioner: if a

commissioner cannot control increases, is there any need for the job?

Many members will have received numerous complaints about water and waste-water charges. For industry and commerce, we all accept that the situation is especially bad. The decision to apply standing charges has penalised the smaller water user, small businesses and domestic users. It does not encourage water conservation, which is the plea of Scottish Water. Similarly, high standing charges for meter customers do not convey the appropriate price signals: people go on to a meter and are then whacked with a great extra bill. The charges do nothing to promote efficient use of water in Scotland, which is Scottish Water's objective.

Scottish Water must listen to pleas from industry, commerce, domestic users and people who are trying to make a living in our country. If the current charges continue, we will see a vast decline in the small business community and in larger industry and commerce.

The Deputy Presiding Officer: I ask members to keep their speeches to five minutes. I will try to call as many members as I can.

10:32

Shiona Baird (North East Scotland) (Green): You will be pleased to know that my little speech is probably only about three minutes long; I believe in short and sweet.

The Scottish Green Party believes that the supply of water is a basic human right and, as such, must remain in public ownership. In this country, for most of the time, we have a superabundance of water, but we must still look carefully at how we manage what is becoming an increasingly valued resource. Scottish Water has had a huge problem in being saddled with debts that were written off in England and Wales. There, not only were debts of £4.95 billion written off, but the Westminster Government invested £1.5 billion to kick-start all the improvements that are necessary. Should privatisation go ahead in Scotland and that amount of subsidy not be available, there would be even more asset stripping than in England. How could a privatised Scottish Water make any profit with the improvements that are needed, the huge salaries that would have to be paid to the directors, and the dividends that would be required to keep the shareholders happy?

Murdo Fraser: The member makes some interesting points, but the water industry in England is privatised and yet is delivering better quality water, better quality infrastructure and better investment at a lower cost to the consumer. Given that that is the case, how can all the things

that the member says are wrong with privatisation be true?

Shiona Baird: When we look into the matter we find that things are not quite as straightforward as Murdo Fraser suggests. It has been pointed out that the water authorities in England and Wales have had 10 years. I hope that we will be able to achieve improvements without going down the dangerous road of privatisation.

Alex Johnstone: Is the member saying that her priority, for political reasons, is to retain water services in the public sector regardless of any advantages that may or may not accrue from any other model?

Shiona Baird: We want to ensure that people can use the water resource without it costing them too much. We have to consider what privatisation actually costs in the long term.

Alex Johnstone: Look south.

Shiona Baird: I do not accept that. Everyone knows about statistics and damned statistics, and that we can interpret figures in different ways. The Conservatives are not mentioning the amount of misery that was caused in England when some domestic customers' water supplies were cut off.

Mr Monteith: Will the member give way?

Shiona Baird: Blooming 'eck!

Mr Monteith: The member asks us to remember instances of people being cut off, but is she aware that in Scotland it is illegal to cut people off? Is she aware that some £700 million of regional water debt was in fact written off by the Treasury when the English water companies were privatised?

Shiona Baird: I am sorry—I did not follow that point. Does the member mean that £700 million was written off for Scottish Water?

Mr Monteith: Yes.

Shiona Baird: I am pleased to hear it, but obviously we still have things to do, and I might make a few suggestions later.

The water industry in England and Wales is as heavily regulated by the Office of Water Services as Scottish Water is by the water industry commissioner for Scotland. With privatisation, there would be no real competition in the accepted sense. Consumers would not be able to change their water supplier, but would be tied to the company that supplies water in their area. To privatise the water industry at this stage would cause major disruption and do nothing to address the real issue that many businesses face, which is high water bills that cause businesses to consider closure.

Small businesses are the backbone of the Scottish economy. I feel that the Executive's role must be to take an overview, to consider causes

and effects, and to take action if one area of its responsibility is suffering because of actions in another. Could the Executive consider ways of creating a more level playing field? The most important thing would be to remove the cap on public funding so that the burden of years of debt and poor investment is not funded simply by higher and higher water bills.

Another practical solution would be for the Executive positively to encourage incorporating the idea of reuse of waste water for industry when facilities are being upgraded, and to incorporate water-saving devices in new-build homes as well as encouraging their use generally. *[Applause.]*

The Deputy Presiding Officer: I call Elaine Murray. Elaine Murray?

10:37

Dr Elaine Murray (Dumfries) (Lab): I am sorry. I did not hear because I was too busy clapping.

I, too, am familiar with the problems of small businesses. A fairly small number of small businesses have come to me about their water charges, but I have been a bit disappointed in the actions of Scottish Water in looking into their problems: responses have been standard responses rather than individual responses. However, we must not forget Fergus Ewing's point that Scottish Water inherited significant problems from the three quangos that were set up by the Tories when they took water out of local authority control. We must also not forget the 18 years during which the Conservatives starved local authorities of cash. As Des McNulty said, the current situation is the result of a long period—

Alex Johnstone *rose*—

Mr Monteith: Will the member give way?

Dr Murray: No, I want to get on. I am not even one minute into my speech.

It was considered locally that the council in Dumfries and Galloway provided a good service, although it might be debatable whether the council could have dealt with some problems that have arisen since to do with compliance with European legislation. However, that is more than could be said of West of Scotland Water, which was unpopular throughout Dumfries and Galloway. My experience of Scottish Water is that it is more responsive than was West of Scotland Water—David Mundell could confirm that following discussions that we have had about the sewage treatment works in Langholm. Scottish Water seems to be more willing to discuss those problems and more willing to discuss matters with the Scottish Environment Protection Agency than was West of Scotland Water, which described SEPA as the Taliban and did not want anything to

do with its recommendations. I am therefore prepared to give Scottish Water a bit of time to demonstrate its capabilities.

We must not forget that the Conservatives voted for Scottish Water less than 18 months ago. If they were so opposed to the idea of Scottish Water, why did they not vote against it? Why did they not come out and propose privatisation at that time? Is it not actually the case that they were aware, and continue to be aware, that privatisation of water is extremely unpopular with the Scottish electorate? The Conservatives knew that a Scottish parliamentary election was coming over the horizon, so they did not dare to talk about their plans for privatisation.

Alex Johnstone: During the past six years, when has the Labour party given the people of Scotland the opportunity to choose between massively expensive water services and an alternative structure that could deliver a more efficient service?

Dr Murray: We have given them two such opportunities—in May 1999 and on 1 May 2003.

Murdo Fraser: The Labour party lost seats at the 2003 election.

Dr Murray: We did not lose as many seats as the Conservatives did.

The Tories are simply dressing up their desire for privatisation in the clothes of mutualisation. That represents an extraordinary conversion from Conservatism to the Co-operative Party, which I simply do not believe has happened. Mutualisation was discussed extensively before the passing of the Water Industry (Scotland) Act 2002, which brought Scottish Water into being. Mutualisation was not at that time considered to be suitable because we felt that it would not be able to address some of the industry's significant problems.

The Tories' real agenda continues to be privatisation of the water supply in Scotland, so let us examine what the results of privatisation might be.

Mr Monteith: Does the member agree that Standard Life is a private company and a mutual, and that making Scottish Water a mutual company—returning it to private ownership—is, by definition, a form of privatisation? Is the member not splitting hairs?

Dr Murray: I am not splitting hairs, because a mutual company would still have major infrastructure difficulties and would have to borrow money on the private market.

Privatised water companies might well be interested in the densely populated areas of the central belt, where a lot of money could be made,

but I do not believe that they would have any interest in sparsely populated rural areas such as Dumfries and Galloway, where we have many problems. In my area, we need investment to address infrastructure issues and we have planning blight because our sewerage system is insufficient to cope with new development. No private company would have the slightest interest in resolving those issues.

If Scottish Water were to be broken up into smaller private companies, we would have no guarantee that the jobs that we have tried to keep in Dumfries and Galloway through cross-party co-operation—unfortunately, those efforts have been unsuccessful—would even remain in Scotland and not go elsewhere, as has been the case with some of the companies that the Conservatives privatised, such as BT, whose jobs we see going to India. The Tories' plans would offer no such guarantee to my constituents in Dumfries and Galloway.

10:42

Mr Jim Mather (Highlands and Islands) (SNP): The issue of higher water charges by Scottish Water first came to my attention in late April, when I took a call from a silversmith in Mull who told me that his water bill had increased by 300 per cent to almost 1 per cent of his meagre £50,000 turnover. He was angry about having to pay out a far larger proportion of his profit and he communicated his message well. Since then, the increased charges that have been imposed by Scottish Water have united opinion along the whole spectrum of Scottish life into a single voice of condemnation and a single cry for help, which the Parliament cannot ignore.

Normally moderate people—such as Bill Anderson of the Forum of Private Business and John Downie of the Federation of Small Businesses—are taking a strong and vehement stance on the matter. Bill Anderson calls for transparency; he questions the openness of the Government and voices genuine resentment about what he calls another stealth tax. John Downie seeks a full inquiry into the water industry in Scotland. That gives us some indication of the messages that they are getting from their hard-pressed members. Although such messages send a clear signal, which is backed by hard data, that smaller businesses are being hit disproportionately hard, it should be noted that large organisations are still being asked to pay significantly more than are similar entities in England and Wales.

Scottish Water is attempting to cope simultaneously with the amalgamation of its constituent parts into one organisation, with many years of material underinvestment, with high interest payments, residual organisational

inefficiencies, limited borrowing powers, compliance with the water commissioner's directions and with the rapid move to harmonised billing. In making that attempt, it would appear that Scottish Water is able neither to provide the necessary investment, nor to buffer its customers from the resultant costs.

As we know, those costs are considerable and are damaging the Scottish economy. They are deterring and limiting future investment by loading the dice even more against inward investment; by making the expansion of existing businesses less attractive; by reducing Scottish Water's spend with contractors and cutting back on many local projects—for example, primary sewerage treatment systems are being cut back to secondary sewerage treatment systems; and by limiting local commercial and residential development as a result of the failure to upgrade infrastructure, which inhibits growth.

The privatisation route is incapable of transforming the situation, because it would give up control of a monopoly utility without ensuring that our charges would converge with those elsewhere. It would offer no guarantee that the appropriate level of investment would be forthcoming or that the private owners would care about the impact of their service and charges on jobs and growth in the wider Scottish economy.

Mr Monteith: The member referred to the problem of there being a monopoly. Does that mean that he supports competition between water companies and common carriage over the network?

Mr Mather: I support competition across the board, but it is wrong when, as in the present case, we are talking about a monopoly service. Another example of such a monopoly service is a service provided by a single ferry, such as that which Western Ferries provides and which David Petrie—the Conservative candidate in Argyll and Bute—adamantly opposed, as did I.

John Scott (Ayr) (Con) *rose—*

Allan Wilson *rose—*

Mr Monteith *rose—*

Mr Mather: I will not give way, because my five minutes are running out quickly.

Our preferred solution is to use the vehicle of a not-for-profit trust, which would avoid the creation of a private sector monopoly utility provider, which could operate without providing the beneficial effects of competition. It would maximise the chances of meeting the convergence, investment and economic growth criteria and it would remove the cost of dividends and profit distribution. A not-for-profit trust would focus on infrastructure maintenance and development and in developing

an infrastructure that fosters, rather than inhibits, growth it would be working towards goals that are a subset of those of the Scottish Executive.

Murdo Fraser: I would be interested to hear the member expand on his idea of a not-for-profit trust. I invite him to set out what advantages a not-for-profit trust would have that a mutual company that was owned by its customers, all the profits of which were reinvested for the benefit of its customers, would not.

Mr Mather: As we have seen with Standard Life, mutuality is permanently under threat from the desire to create a private company or to create a monopoly, which I am firmly against.

It is important to reflect on the urgency of the current situation, which is affecting growth in business and is making the position more difficult.

Mr Kenneth Macintosh (Eastwood) (Lab): I thank Mr Mather for giving way in his final minute. We share his concern about the impact on small businesses. Will he explain how the Scottish National Party's model can deliver help for those businesses without having to borrow more money?

The Deputy Presiding Officer: The member should close.

Mr Mather: The key issue is that our proposal would open up the situation and would create a much crisper position. At the moment, the debt is £2 billion and we are paying £135 million on that, which—according to my calculations—amounts to an interest rate of 6.72 per cent. It is possible to get a mortgage for 4.5 per cent, which would give us a saving of £45 million a year for starters. Our proposal would push matters into the real world and would take the issue forward.

We must have an inquiry to open up the situation. There must be a comprehensive review of the financial make-up of Scottish Water and Scottish Water must be benchmarked against other organisations. That would let in some light and give us some fresh air on the subject.

The Deputy Presiding Officer: I have an announcement to make. This morning, the Presiding Officer has agreed to a request from the First Minister to make a statement today on the Holyrood building project. That statement will be made at 2 pm. A revised daily business list will be issued shortly.

Sarah Boyack and John Scott will both have three minutes.

10:49

Sarah Boyack (Edinburgh Central) (Lab): The debate has proved, once and for all, the extent to which the Tories are obsessed with privatisation. They are obsessed with the ownership of

organisations rather than with what those organisations do in practice. Murdo Fraser provided no historic context and did not accept the fact that the investment in the English water industry was made a decade ago.

Murdo Fraser: That investment was made because the companies were privatised.

Sarah Boyack: They were privatised by the Government, which gave them a huge subsidy. The Tories came up with no solution for us at that time, because people in Strathclyde said that they did not want a private water industry in Scotland. We had decades of underinvestment as a result of the Tories' restriction of local government finance and they offered no solution for the Scottish water industry, so it is a bit rich for them to criticise us and to demand privatisation.

Murdo Fraser: Will the member take an intervention?

Sarah Boyack: I thank Mr Fraser, but he has said enough this morning.

It is a bit rich for the Tories to criticise and demand privatisation when the massive investment that is being made is beginning to make a difference to water quality after decades of underinvestment. There is a challenge to be faced in that Scottish Water and the three previous water authorities have a huge investment to put in place in a relatively short time.

The water industry commissioner is on the side of the domestic charge payer and the big business charge payer. We have to consider the impact on small companies, but the money has to come from somewhere.

Frances Curran (West of Scotland) (SSP): Will the member take an intervention?

Sarah Boyack: I have only three minutes.

If the money does not come from the taxpayer through Executive subsidies, it must come from the users. During the debate, no one has said where else that money could come from.

The Tories have an ideological obsession. The Scottish water industry is using private sector skills and investment on major projects where that is appropriate. We must ensure that that investment is made so that there is an increase in the quality of the water that we receive.

It is untrue to say—as Alex Johnstone said—that there have been no improvements. The Tories have given members the false perspective that privatisation—which no one else in the chamber wants—would be a simple fix that would solve the problem of people having to pay for investment. That does nothing to clarify how the Tories would change the reality of having to pay for that investment.

Efficiency savings are coming through—we need only compare the number of staff who are being laid off by Scottish Water with the number who were laid off by the three previous water authorities. There have already been efficiencies of scale and that must now be driven through the whole process of the £2 billion investment. It gives a false perspective to pretend that it would be better to have a private company than it would be to have a public company using private sector skills running that process.

Members throughout the chamber agree that Scottish Water faces a massive challenge, but the solution that is proposed by the Tories would be a diversion from the task at hand, which is to invest efficiently £2 billion throughout Scotland as soon as possible.

10:52

John Scott (Ayr) (Con): In speaking in the debate, I intend to communicate to ministers the strength of feeling about increased water charges that exists in Ayrshire and, indeed, across Scotland.

In my constituency, there is huge dissatisfaction with increased charges to households and businesses alike. Household water bills have risen by an average of 10 per cent, but the real outcry has come from the small business sector, where charges have doubled, trebled and, in some cases, quadrupled in the space of one year. I am talking about small businesses such as Stanley and Aileen Kaye's St Meddan's Store in Dundonald Road, Troon. It is simply not good enough that, in the past year, water bills in Ayrshire have risen so dramatically. That is why the Tories demanded to have today's debate.

Looking back in time, we acknowledge that there has been underinvestment in our water industry structure. That is why we agreed to Scottish Water being set up. As predicted, the merger of NOSWA, East of Scotland Water and West of Scotland Water produced cost savings of £100 million in July 2002. Those savings were not used to benefit the consumer or the business sector. Instead, that £100 million was returned to the Scottish Executive and the consumers received no benefit. Instead of putting charges up to current levels, the Executive could have used the £100 million partly to defray costs to small businesses at a time when it is trying hard to encourage small businesses and get the economy moving.

That is the trouble with Executive policy. On the one hand it maintains that a key priority is the creation and development of small businesses. On the other hand, it increases water charges and business rates, which continues to drive investment out of Scotland. Constituents often ask

me why the business start-up rate is so low in Scotland. The simple answer is that the business start-up climate is oppressive and increased water charges are another nail in the coffin of that sector.

Big businesses also face crippling costs. BP appears to be threatening to bring court action over its £12 million water bill for the Grangemouth plant. Charities are also facing additional burdens, with the hospice in Ayrshire facing a fivefold increase in water costs as relief is phased out.

What is to be done? A good start would be to put the consumer first. Competition should be introduced into the industry, as Jim Mather—a late convert—suggested. However, the Executive has shied away from allowing competition because it says that it is afraid that Scottish Water would not be able to cope with it.

A new business structure must be created to replace the nationalised industry that Scottish Water, in effect, is. We propose that mutualisation of Scottish Water would deliver those goals and I welcome Nora Radcliffe's view that mutualisation is a good idea.

The CBI and the FSB take the view that the present system is unworkable and that a rethink of public ownership is necessary. Instead of the Scottish Government siphoning off profits or merger dividends, as has happened in the past, a mutual company would reinvest every penny of its income on behalf of its customers. It does not matter whether the business model is mutualisation, co-operation, or a not-for-profit trust; we must find a different structure that can deliver for its customers, withstand the rigours of competition, raise capital on the market for much-needed investment and, I hope, make a profit some day.

I urge the minister and members to support our motion.

10:55

George Lyon (Argyll and Bute) (LD): Scottish Water's introduction of standard charges across Scotland is a central problem facing businesses and voluntary organisations in my constituency as in others. Many businesses point out that the 50 per cent cut or £300 to £400 benefit that they received from the Executive through the small business rates relief scheme has been lost because of the introduction of standard charges. They are no better off financially.

No one could seriously argue that there should not be standard charges across Scotland—I do not believe that I have heard any member argue against the proposition. What causes me concern is the way in which those standard charges were

introduced. It is reasonable to argue that the charges should have been phased in over a period of time. The water industry commissioner or Scottish Water should at least have conducted proper consultation with small businesses and the voluntary sector.

In April, instead of that, bills containing huge rises in charges dropped through the doors of all such businesses. There was no letter to explain the difference between last year's bill and this year's. There was no justification for the rises in the charges. Even worse, there appeared to be a clear attempt to reduce the payment options to direct debit only. No one would disagree with the proposition that everyone should pay by direct debit, but customers should be offered all the options.

All that is an unacceptable way for a business that is owned by the Scottish Executive to deal with its customers. I seek an assurance from the minister that he will examine how the process unfolded over the past 12 months, and that he will deal with and speak to Scottish Water and the water industry commissioner to ensure that what happened is not repeated. At the very least, proper consultation might have taken some of the sting out of the rise in water charges.

This morning, we saw lots of wringing of hands from the Opposition parties about the concerns of business. Every member shares those concerns—we all have small businesses and voluntary organisations in our constituencies that face the same challenges. However, when it came to the hard question about how much extra the Opposition parties were willing to put on the table to soften the blow to business, there was a deafening silence. They offered not one penny more in the manifestos on which they fought the election. Let us have less of the hand wringing and indignation unless parties are willing to put money on the table to soften the blow to businesses.

Scottish Water was set up less than a year ago. As Shiona Baird so rightly said, it is ridiculous to suggest that we should break up the organisation before it has got into first gear. It is essential that it be given time to work and that the efficiencies demanded by the water industry commissioner come into play.

I support the amendment in Allan Wilson's name.

10:59

Richard Lochhead (North East Scotland) (SNP): The water supply situation is not just an issue for Scotland; it is an issue for the whole world. In my e-mail inbox this morning, there was an announcement of a speech entitled "The world water crisis: a Scottish initiative" to be given by a prominent individual to the Scottish Parliament's

international development group. It made me think that perhaps the minister's opening speech should have been entitled "Scotland's water crisis: lack of initiative".

The Executive's amendment is extremely complacent and seems to tell those small businesses whose plight we have been discussing that they must grin and bear it and everything will be all right on the night.

Des McNulty's speech illustrated that the lead minister Ross Finnie's diary contains no meeting with Scottish Water, yet when Elaine Murray, the minister's colleague, stood up and said that she was unhappy with Scottish Water, the Deputy Minister for Environment and Rural Development nodded his head. We know that, at this time, ministers are taking no action whatever to hold Scottish Water to account. That is far from satisfactory.

Since the Parliament was set up in 1999, it has wrestled with the water problem. The background to the issue is that, for the first time in about 50 years, we are looking to invest in infrastructure that was neglected for about 100 years. I say to Des McNulty that it was neglected not only by Tory Governments in London, but by Labour Governments, which he conveniently forgot to mention. The issue is another one on which London has let down Scotland for decades. At last we have a Scottish Parliament that can try to improve matters.

Of course, investing in sewerage and water is not particularly sexy, which is why local councils, Labour councils and UK Governments did not invest in them. However, if there is one revelation from this debate, it is that we have found an issue that brings Des McNulty alive. We had the most passionate speech from Des McNulty that I have ever heard. We must have more debates on the future of the water industry in Scotland so that we can see Des get passionate.

The issue that we are discussing has led to an increase in household bills and bills for non-domestic premises. The situation has been so dire in recent years that we even saw the Executive trying to withdraw water rates relief for charities, although, thankfully, we managed to stop the Executive doing that completely. Today, the debate has been largely about the impact on small businesses. As constituency representatives, we all have examples from our own areas of local businesses that have been hit hard by huge rises. I know about the fish processors in north-east Scotland, which are operating with 1 per cent profit margins yet have seen their bills go up by several hundred per cent. John Farquhar Munro and Fergus Ewing gave other examples.

The difficulty is that my party and other parties in the chamber supported a merger of the water

authorities to improve matters, yet although the Minister for Environment and Rural Development said in the stage 3 debate on the Water Industry (Scotland) Bill that one of the reasons why the Executive was merging the water authorities was because it did not want rises in charges that were “out of the ordinary”, today we are talking about increases of several hundred per cent. Clearly, there is more work to be done.

We must have a financial review. The debate should not be about the ownership of Scottish Water; it should be about the financial arrangements for Scottish Water, so that we can change them. It should also be a debate about scrutinising current expenditure, because we are not scrutinising hundreds of millions of pounds of expenditure by Scottish Water each year. We know that the Executive is not scrutinising that expenditure, because it does not even speak to Scottish Water. We know that there is no appointment in Ross Finnie’s diary to meet Scottish Water.

We are constrained by the United Kingdom Treasury’s spending rules, which is another illustration of why this Parliament should have more financial powers, so that we can take decisions about how our public authorities are financed. At the moment, borrowing is limited because of UK spending rules, so we cannot do what is best for customers in Scotland.

Allan Wilson: Will the member give way?

Richard Lochhead: If the minister had been earlier, I would have let him in.

We must hold Scottish Water to account. We must ask the Alan Alexanders of the world whether they are doing a good job for customers. If they are not, we must do something about it.

Westminster never showed any leadership in relation to the water industry in Scotland. It is about time the Executive showed some of the leadership that has been lacking.

11:03

Allan Wilson: First, I congratulate Richard Lochhead on getting a reference to fish into a debate on the water industry—it was the *pièce de résistance*—but he is fundamentally wrong. The debate is a retro debate that reminds me of the 1980s and the bleak 1990s. We are talking about the public-versus-private position. I am grateful to the Tories for reminding the Scottish public just what they are missing without a Tory Government.

I listened with interest to members’ comments, and to the different proposals from members of my party and others. Of course I am concerned for the environment generally and that the people of Scotland should receive good-quality water for

drinking. Of course we are concerned that people should pay a reasonable price for service delivery. That is why we are investing in our water infrastructure.

Frances Curran: Why is the Executive forcing Scottish Water to finance its investment programme with a public-private partnership, instead of allowing it to borrow public money? That means that Scottish Water is borrowing private finance, which is more expensive, and that the charges are being placed on water consumers. Why will the Executive not allow Scottish Water to borrow public money from public bodies?

Allan Wilson: We could not have a retro debate without a contribution from the Revolutionary Socialist League, for which I am grateful. Nobody answered the question that I posed: how could a mutualised or a privatised model, or a public sector trust, borrow money more cheaply from the Executive? They could not. It is impossible.

Mr Monteith: The minister is right to pose that question, but it is the wrong question. The question is not whether the money can be borrowed more cheaply, but whether the cost of that dearer borrowing can be offset by efficiency savings. In England and Wales, the cost is being offset, but up here we have not yet had that advantage.

Allan Wilson: Efficiency savings can be made in either the public or the private sector. It is not the prerogative of the private sector to argue that efficiencies cannot be made in the public sector. It is straightforward.

I argue that replacing the current public sector model with a mutual or a privatised model—and I accept that they are essentially the same thing—would be highly disruptive, would add to Scottish Water’s borrowing, and would increase customer costs and charges.

John Scott: Will the minister give way?

Allan Wilson: Such a model would also need to be financed by payments to bond or dividend holders, at additional cost to customers.

Alex Neil (Central Scotland) (SNP): Will the minister give way?

Allan Wilson: With respect, Alex, I would like to develop the point.

I am grateful to my colleague Sarah Boyack, who mentioned that, in England and Wales, privatisation meant that some Government-funded debt was written off and the rest was replaced by shareholder equity, which the companies have to remunerate by paying dividends. Alex Johnstone and Murdo Fraser argue that competition in England and Wales has resulted in lower prices for customers, so we should use the water

services bill that we intend to introduce to increase competition, but I argue that that is a misunderstanding of the situation in England and Wales. The water companies in England and Wales are, in effect, regional monopolies. They are not subject to direct competition. As Des McNulty said, effective regulation in England and Wales by the Office of Water Services—Ofwat—has led to lower prices there.

Murdo Fraser: The minister seems to be saying that the reason why Scottish water charges are so high is that we do not have effective regulation in Scotland, so what is he going to do about that?

Allan Wilson: That is why the water industry commissioner for Scotland benchmarks Scottish Water's position against the performance of the Ofwat-regulated companies in England and Wales. That is the purpose of the exercise. That is why we have to increase the efficiency of Scottish Water, so that charges will come down.

Alex Neil: Will the minister give way?

John Scott: Will the minister give way?

Allan Wilson: I give way to Alex Neil.

Alex Neil: I appreciate being allowed to intervene at the second chance, minister.

We heard that under the current private finance initiative-type arrangements the average rate of interest that is being paid by Scottish Water on moneys borrowed is 6.72 per cent. What would the percentage be if the money was borrowed at the current rate from the Public Works Loans Board? What would the difference be?

Allan Wilson: This is the mythical model that Alex Neil's colleagues propound, under which, somehow or other, Scottish Water's £2.2 billion debt could, like a credit card debt, be taken to another loan provider to secure a lower rate of interest. Which one? Who would provide that?

Last year, the Parliament considered in detail the best way to structure the industry to suit Scottish circumstances and to ensure the best deal for Scottish people. We decided then—correctly—that there should be one public corporation covering the whole of Scotland. We decided that Scottish Water would be held to account by drinking water, environmental and economic regulation and that it would be answerable to the Parliament. Nothing that I have heard today has convinced me that that structure, set up by Parliament only last year, does not remain the best way to deliver water services to the people of Scotland.

I urge members to reject the motion and to accept the Executive amendment.

The Deputy Presiding Officer: Before I call Brian Monteith to wind up, I thank him for agreeing

to cut back his time to allow other back benchers in. You have just about six minutes, Mr Monteith.

11:10

Mr Brian Monteith (Mid Scotland and Fife) (Con): The debate has been interesting and entertaining in some respects and it has shown the main parties' true colours. It has shown just how wet or dry, economically, some of the parties are.

The SNP is certainly a wet party. It has shown in its amendment and in its members' speeches that it still bitterly hates the profit motive. Not for profit is the solution to everything with the SNP. We also found out that private monopoly is bad, but public monopoly is good. There is clearly a dislike of profit, except, of course, the profits of Brian Souter, which the SNP would certainly welcome, even though he makes them from a privatised industry.

Then we have the Liberal Democrats, who are not so much wet as saturated. Nora Radcliffe said that we get what we pay for.

Nora Radcliffe: And we have to pay for what we get.

Mr Monteith: And we have to pay for what we get. We have poorer-quality water, poorer sewage compliance, and a poor leakage record in Scotland. Nora Radcliffe tells us that we should remember the health scares. What about the 116 people in Grampian who contracted cryptosporidium in 2002? What about the cryptosporidium in Mugdock and Edinburgh? What about the diesel fuel allowed through Burncrook reservoir, which affected the water of 60,000 people and which was the worst case of water pollution in the UK in recent years under a public water company?

Nora Radcliffe: Is the member telling us that changing the organisation would have done anything to prevent those cases?

Mr Monteith: Certainly, the evidence for the report into Burncrook was damning about work practices that allowed diesel fuel into the water, which workers did not report until a day and a half later, after customers complained about having diesel in their water. The whole escapade is a damning indictment of a public company and shows that safety is not predicated on whether a company is private or public.

Even though we get what we pay for and we pay for what we get, the charges for domestic and business water services are higher in Scotland, despite the fact that things are worse. We certainly do not get what we pay for.

I turn to Labour. It was interesting to see Des

McNulty become so animated for once, but he still did not have the confidence in his arguments to take interventions. It was clear from those arguments that he has a selective memory of why we are paying higher prices for water, both domestically and in business.

John Swinburne (Central Scotland) (SSCUP):

I have listened patiently and I have not heard one word about senior citizens. Council tax took away one third of the most recent rise in their pension. They spend a disproportionate amount on water rates all the time. That situation is far more important to them than is the percentage increase in small business rates, because they are living on a tiny fixed income. Something should be done in the Parliament to alleviate their position.

Mr Monteith: That point is well made and it helps to explain why older people generally are more disposed to vote for the Conservatives, knowing that our policies would deliver cheaper water.

I return to Des McNulty's point. I agree—*mea culpa*—it was the Tories' fault that we have dearer prices. What did we do wrong? We lost our nerve in the 1980s and the 1990s when we did not deliver the privatised water that we should have delivered. That is the mistake that we made. Of course, members of other parties were the very ones who created the climate that ensured that three secretaries of state ran scared from privatising Scottish water.

We recall the Strathclyde referendum. Lord Ewing—the former Labour MP, Harry Ewing—told the House of Lords, with a straight face, that if water were privatised, church ministers would have to conduct mass christenings, because they could not afford more water. That was the standard of debate back then.

Mr Macintosh: If that was the strength of the argument, how come all the Tories, who must have been much younger in those days, did not win any support in the Strathclyde water referendum?

Mr Monteith: There is absolutely no doubt that the mood of the public was against privatisation. There were higher water charges in England and scare stories, so the outcome was no surprise.

Having taken interventions, I shall move on to my conclusion. It is clear that a large amount of public debt had to be written off. Some £3.9 billion of public debt was written off in England, but then the water companies went out and borrowed £52 billion to start improving. Debt is not the issue; the efficiency savings and returns are the issue. Profit motives can drive companies to deliver what customers want.

I come to my conclusion, having cut out even

more of my speech to accommodate members. It is clear that there are alternatives. We should look to the dry alternative of ensuring that the profit motive delivers companies that produce what customers want—safe and cheap water when they need it. Mutualisation is an admirable beast. It has been adopted in Wales and there is no reason why it should make a difference to standards; in fact, we believe that standards, and the price, could become better.

I support the motion.

Care Homes for the Elderly

The Deputy Presiding Officer (Murray Tosh):

The next item of business is a debate on motion S2M-161, in the name of David Davidson, on care homes for the elderly. There are three amendments to the motion. I invite members who want to speak in the debate, the timing for which will have to be precise, to press their request-to-speak buttons now.

11:18

Mr David Davidson (North East Scotland)

(Con): We all acknowledge the fact that we have an aging population, in large part because of improved medical care, which was probably provided in the 18 years of Conservative rule. It is essential that those who need it have the comfort, protection and support of a care or nursing home place when they can no longer be supported or cared for at home or with their family. I am sure that we all agree that our older people deserve to keep their dignity and quality of life in their later years.

My motion begins by referring to the current funding crisis in the Church of Scotland homes, but that is just an example, because the motion applies equally to the rest of the voluntary and private sector homes. Those two sectors have contained their costs and operate more efficiently than do many council homes. However, many are being squeezed further, in that they are losing relief on water charges over a five-year period, which will cost them several thousands of pounds a year. They are now charged around £1,000 a year for waste collection and of course there was the iniquitous national insurance rise last year from the Westminster Government.

Despite the review group that was set up in 2001, which stated that both nursing and residential homes in Scotland were being publicly underfunded, we still have a crisis two years on. In February 2003, after a stand-off, the care homes reluctantly agreed an interim £80 million package. That gave a £332 to £360 per week range for residential support and £390 for a nursing place. The review group is due to report back in September this year.

The homes themselves want to use a report from the Joseph Rowntree Foundation, which recommended that to cover costs payments of £400 per week for residential homes and £459 for nursing care would be required. Joe Campbell, the Scottish Care chief executive, said:

"My view is one of disbelief that the Executive and COSLA have talked incessantly about the need for discussion, yet refuse to talk about the real costs involved in caring for the elderly and vulnerable members of our society."

Ian Manson, director of social work at the Church of Scotland, said:

"While we believe that the cost of residential care is significantly greater than £346 per week, we have reluctantly agreed to accept this baseline figure".

This week, however, Mr Manson tells us that the offer for 2003 of £346 for a residential place and £406 for a nursing place does not compare to the church's own costings, which show a need to recover costs of £390 and £460 respectively. Church spokesmen are quite honest about the fact that if that cost is not met, they just cannot go on. The church's resources have been bled dry, it has spent millions on updating homes and it just does not have the cash flow to offer a service to nearly 900 people in its homes, to say nothing of the people who work there.

Despite matters coming to a head in the church, it seems from the answer to a parliamentary question that I got from the Deputy Minister for Health and Community Care that the Executive, the Convention of Scottish Local Authorities and the independent homes will not meet until 29 July. In the light of the current crisis, I call on the minister to announce today that he will bring forward that meeting and agree to meet urgently with all parties concerned.

Why is it that, despite all homes having to meet the care commission's standards, local authorities—particularly Labour ones—appear to pay themselves more for places in their own homes? Why, if we need the places, is the Executive allowing that inequality to continue? How can the minister see that one home system pays one rate to itself, while looking at other home systems, enforcing care standards on them and agreeing that they do not need so much money?

The Executive must take an interest. We need a sustainable funding agreement, so that our elderly and those needing care are not unsettled or displaced if non-council facilities are forced to close. As Sir David Steel said when he was the high commissioner at the Church of Scotland assembly:

"The crisis in these care homes has become a national scandal".

That is indeed where we are headed, and I do not believe that the church is just playing hardball to get a settlement. It has encapsulated quite neatly and fairly the views of many, many care home operators.

In some areas, the only homes are in the voluntary or independent sector. If they cannot recover their costs, what future is there for them, and what provision is there to keep people near to their family and friends? That is a big problem up in the Highlands. The SNP amendment is similar to my own motion except that it ignores completely

the inequality between payments for council homes and payments for other homes. Although we appear to have SNP support, I cannot accept that they do not understand the scandal of the inequality in payments.

In the last part of my motion, I call on the Executive

“to consult with Her Majesty’s Government on how people might be encouraged to make greater provision for their own long-term care.”

Savings are down, and it is iniquitous that those who scrimp and save seem to be penalised while those who do not bother are looked after. We have a huge problem coming up. John Swinburne has raised part of the issue, although I am not totally in agreement with what he says, as what he proposes is not a substitute for the action that I seek from Government.

We are storing up a future funding-for-care crisis, which will hit us if the situation is not tackled soon. The Government is not doing enough to promote savings or to encourage people to look forward. In its amendment, the Executive demonstrates the Pontius Pilate approach to a problem. It pretends that it has done enough through the interim settlement and, at a time when it is needed most, it washes its hands of the problem. As a result, it even suggests that there are people in homes who need not be there. I look forward to hearing the minister’s proposals to assist carer support, because I presume that we will hear how he would help people at home.

The kirk has demonstrated that its reserves have been dissipated with no hopes of recovery. Those arguments hold for other independent and voluntary providers. Will the minister give an assurance to those operators and to those who need the care, along with their families, that the Executive will take immediate action to review the payments on an even-handed basis? I ask the minister to seek the quality of care, monitor it and pay for it evenly, regardless of who provides it. Scotland is watching him today.

I move,

That the Parliament notes with concern the threat of closure to the majority of the Church of Scotland’s care homes; further notes that this crisis has occurred against a background of the Scottish Executive’s assurance in the last session of the Parliament that funding issues had been resolved; believes, therefore, that this matter needs to be re-examined as a matter of urgency with a view to achieving a sustainable funding agreement and ending inequality in funding between local authority-run homes and independent homes; recognises that there is a longer term issue to be addressed by government, and calls on the Executive to consult with Her Majesty’s Government on how people might be encouraged to make greater provision for their own long-term care.

11:25

The Deputy Minister for Health and Community Care (Mr Tom McCabe): It will come as no surprise that I entirely reject the motion that the Conservative party has placed before Parliament today.

In our ever-changing world, people now live longer and are more likely to survive chronic illness. Many of us are far more likely to use some form of social care service. Some will need those services more than others and some will become frail and need different kinds of care, including the kind of care that is provided by care homes. Our nation’s older people deserve a reliable, dignified quality service.

Unfortunately, over the past few years, there have been a number of care home closures. The sector has been reluctant, and sometimes unable, to invest to meet future needs. In 2001, we saw regrettable disruptive action. Selected areas started a programme of action to refuse further referrals from local authorities and in some cases gave notice of withdrawal of service. The real casualties were older people themselves. The threats and counter-threats seriously disrupted the lives of many older people and their friends and families. The situation caused a great deal of uncertainty and worry, which was wholly unacceptable to a great many people and is wholly unacceptable to the Executive.

What we need is stability and confidence in the sector, gained through establishing a proper mix of care provision.

Mr John Swinney (North Tayside) (SNP): I agree with Tom McCabe’s point about the need for consistency and stability in care home provision. I am sure that he will be familiar with a project that is emerging in the Highland Perthshire area of my constituency. We have a Church of Scotland nursing home that faces a very uncertain future in the light of the board of social responsibility’s discussions in the past couple of days. However, there is a proposal to re-provision that care in a much wider health care project in the Pitlochry area, involving the health service, the Church of Scotland, the local general practice and a variety of other service providers. In trying to bring stability to the area, would the minister say that that type of project is consistent with the Government’s ambitions and aims in relation to the provision of care in Scotland’s rural communities?

Mr McCabe: I hope that you will allow me some additional time, Presiding Officer.

The Deputy Presiding Officer: Yes. That was a long intervention.

Mr McCabe: Thank you.

I do not have a great deal of knowledge about that specific project, although I accept and understand the explanation that Mr Swinney has given of the services that it provides and the way people have come together to provide them. That is exactly the model that we would like to see sustained, both in the Pitlochry area and throughout Scotland.

On the theme of establishing stability and a proper mix of provision, implementing the recommendations contained in the national review group report will go a long way to stabilising the overall market. We have done everything possible to find significant new resources to increase fee levels. That remains a priority for the Executive and I want to see a financial structure for the care home sector that secures a better future for older people and for the care home industry.

The independent expert review group was in no doubt that both nursing and residential homes in Scotland were being publicly underfunded. Before those on the Conservative benches forget themselves, however, I remind them that those homes have been underfunded for a very long time. We have accepted that, as has local government in Scotland. That is why we have worked hard to bring local authorities and care home owners together. We recognise that care homes have faced real difficulties over the levels of fees that they receive. We also recognise that righting the wrongs of the past must be done in a way that does not adversely impact on vital services. That is why we have made an unprecedented national contribution—in time, effort and money—to improve the situation.

The independent care sector, including the Church of Scotland, accepted the Executive and local authority offer to increase care home fee levels for older people from 1 April 2003.

Mr Davidson: The minister seems to be talking about the future, but there is a crisis now. Is he prepared to have an urgent meeting with those whom he has mentioned, to listen to them and examine their evidence? Many homes might not exist at the end of September, never mind next year. Will he also assure us that he will deal with inequality in the funding system between council homes and other homes?

Mr McCabe: I will go on to explain exactly how we have tackled the situation and reached agreement with all parties in the sector on what we will do in the future.

The agreement honours the earlier commitment of ministers to meet the fees that were recommended by the national review group. In the light of that group's findings, the Executive made available £52 million of taxpayers' money to local authorities from 1 July 2001 to 31 March 2003.

The agreement on the uplift of fee levels from 1 April 2003 amounts to almost £80 million above the 2001-02 baseline and provides for a 1 per cent real-terms increase a year to the fees that were recommended by the national review group in autumn 2001. That is what we have done to stabilise the market. A significant amount of taxpayers' money has been applied to address the situation.

Since 2001, average fees in homes without nursing care will have risen by 33 per cent, and there will have been an increase of nearly 21 per cent in homes with nursing care. That takes extra expenditure on the care home sector to more than £130 million from mid-July 2001 to March 2004. Such substantial increases carry forward into the baseline for future years. Therefore, how can any member accuse the Executive of having failed to deliver on care homes? The national review group made eight important recommendations and we have jointly delivered on each and every one of them.

We are committed to ensuring that quality care home services that are regulated within the framework of the national care standards can continue to play a vital role in meeting the community care needs of Scotland's older people—I know that the Church of Scotland is committed to that, too.

Mary Scanlon (Highlands and Islands) (Con): Will the minister give way?

The Deputy Presiding Officer: No—the minister is over time.

Mr McCabe: I assure the Parliament that I am fully aware of the Church of Scotland's financial plight. I also recognise the long and distinguished record of social care provision that the Church of Scotland has established. A review of services for the elderly is under way and a report will be presented tomorrow. I met the kirk's director of social work only yesterday and we discussed some of the church's concerns and the review. I know that the Church of Scotland is committed to a genuine effort to ensure that its care services are fit for the 21st century.

The Deputy Presiding Officer: Minister, you are well over time.

Mr McCabe: However, it would be wrong to speculate about the detailed contents of the report. I know that the Church of Scotland intends to conduct a full consultation on the report and that no firm decisions will be taken until October. I warmly welcome that sensible approach. It is only right and proper that all who are concerned are given adequate time to consider and discuss the issues that the report will raise. I believe that the care home sector can now look forward to a brighter future, as can many of Scotland's older people.

I apologise for being over time. I move amendment S2M-161.4, to leave out from first “notes” to end and insert:

“acknowledges the problems faced by some Church of Scotland care homes but recognises that the Scottish Executive has met in full the recommendations of the National Review Group on care home fees which resulted in an extra investment of over £130 million in the care home sector since July 2001; welcomes the work currently being undertaken by COSLA and the care home sector in establishing a framework for assessing the cost of providing care for older people from 2005-06, and notes the continuing commitment of the Executive to shift the balance of care from institutional settings to providing care at home and its setting up of the national care standards which provide a quality framework.”

11:33

Stewart Stevenson (Banff and Buchan) (SNP): I need to draw attention to a personal interest that could be seen as relevant to the debate—both my sister and my wife’s sister are employed as nurses in private care homes.

That the Executive recognises that there is a problem is great, but it has not yet found a solution. It is also great that the minister focused on people, as they are at the core of the issue. By contrast, the Conservative motion speaks about people only in relation to funding.

It has been said:

“The crisis in these care homes has become a national scandal”.

Those are not my words—they are the words of David Steel. The abandonment of our elderly people and the neglect of residential nursing homes are a badge of shame for the Executive. If only it raised the amount that was paid by the 60 per cent that Mr McCabe raised his speaking time in the debate, we would not have the current problem.

George Lyon (Argyll and Bute) (LD): The Scottish National Party has just fought a general election and promised not one penny extra to the care home sector. Therefore, how on earth can the member criticise the Executive?

Stewart Stevenson: If the member goes to section 3.1 on page 6 of our manifesto, he will find the appropriate references at the paragraph at the bottom. [*Interruption.*]

The Deputy Presiding Officer: Order.

Stewart Stevenson: Today, we must consider the decline in the effective funding of the sector and the decline in the number of care homes from 681 in 1998 to 605 last year. The number of beds has declined from 16,677 in 1998 to 14,851 last year, which is the lowest level since 1984. Another 880 will also leave the sector shortly if the Church of Scotland closes its homes.

As a consequence of the lack of places that are available in homes, the number of people who are waiting for discharge from hospital is at record levels—some 514 are now waiting for discharge; three years ago, 334 were waiting. There has been a dramatic uplift, which has taken place against a background of a rising trend of older people in our society.

We do not have to look far for the cause of our troubles. I say to the minister that there is more money in the sector, for which the sector is grateful, but that it is clear that there is not enough money. Weekly charges that are paid to care homes by local authorities for looking after residents fall short of the amount that is needed per resident to provide a decent level of care.

What amount is required? The figures of £390 for nursing care and £332 to £360 for residential care were mentioned by Scottish Care, COSLA, the Church of Scotland, the Salvation Army and the Scottish Executive, but it took two years for the Executive to get to the appropriate level. With money already short, we are now looking at another review that will come in only in 2005-06. If the Church of Scotland closes homes in the voluntary sector, it will make matters dramatically worse, as the people in question will have to go somewhere. Utilisations in other homes will rise. The costs that are borne by voluntary organisations will rise and there will be a cascade of further closures. The three-legged stool of the local authorities, the private sector and voluntary organisations will be unstable if one leg is sawn off.

Our elderly population deserves better than to be treated in the shabby fashion in which the Executive has treated them. The Executive must thoroughly review the true cost of care in Scotland now and take the necessary steps to do so in early course.

I move amendment S2M-161.1, to leave out from “believes” to end and insert:

“regrets that the present funding levels to the voluntary and private sectors leave vulnerable older people exposed to disruption and distress at a point in their lives when they deserve support and stability; believes that the Executive should undertake an urgent review of funding for the care home sector based on an analysis of the true cost of care, and calls on the Executive to carry out an urgent review of bed provision in care homes in order to establish and commit to a long-term plan for the sector.”

11:38

John Swinburne (Central Scotland) (SSCUP): I thank David Davidson for using the Conservatives’ parliamentary time to raise one of the issues on which our party fought the recent election. Residential care was one of the most sensitive issues that was raised at our meetings

and we touched a raw nerve among the elderly every time that the topic arose. It was harrowing to listen to the anguish with which some people of my generation expressed their disgust at the manner in which some of their friends or relatives were being treated by the so-called welfare state.

I fully support the sentiments that have been expressed about the crisis that is being experienced by care home providers, particularly by the Church of Scotland care homes. Without doubt, there is a need for a re-examination of the exact costs of providing care for the elderly in care homes.

David Davidson's motion calls on the Executive

"to consult with Her Majesty's Government on how people might be encouraged to make greater provision for their own long-term care."

The Chancellor of the Exchequer advocates prudence at every opportunity but, sadly, all those senior citizens who exercised prudence throughout their working lives are now being penalised in their retirement by means testing, which is a throwback to the dark days of the depression of the late 1920s and early 1930s.

Means testing has no place in the 21st century. Even the World Bank does not consider it to be feasible, due to its complexity, inefficiency and high administration costs. For example, how can anyone justify two neighbours who lived in identical council houses and are now in residential care finding that the one who owns her home must sell it to pay for her care, while the neighbour who does not own her home has her fees paid by the state? That is discrimination. I implore the Executive to remedy that by removing means testing or we will seek action through the courts—we will take the matter all the way to the European Court of Human Rights if need be.

Means testing is an anachronism. A whole stratum of bureaucracy, which is maintained at a ridiculous cost to the Exchequer, is dedicated to making elderly people's lives a misery as their hard-earned savings are plundered and they are robbed by the so-called welfare state. That has gone on for far too long and it must be brought to an end now. I believe that there is now a deferred payment scheme, which indicates that some civil servants have a conscience. They will now, in certain circumstances, wait until people are dead before they plunder their resources.

Another issue that is raised continually is the variation of care from one home to another. I emphasise that the vast majority of residential homes are excellent. However, there are more than 35,000 residents in care homes in Scotland, so if 1 per cent of them are not receiving the care to which they are entitled, that means that 350 elderly people are being neglected at a time in their lives when they are at their most vulnerable.

The operation of the care commission in setting care standards is very welcome, but we must be concerned about the charging implications for homes that register with the commission. Service providers are facing greater costs because of the registration fees that are charged by the care commission, which it is anticipated will be self-financing by 2005 through the recovery of those fees. Will the Scottish Executive give an assurance that the fees will not be passed on to the residents?

I understand that visits to residential homes by the care commission should take place at least twice a year and that one visit is at an agreed time and the other is a random check. Residents would be happier if all visits were made random. I have had correspondence that urges me to advocate that relatives and friends who visit people in residential care should occasionally visit outwith normal visiting times; they may be shocked by what they see on the odd occasion.

The problem will only get worse as time goes on, because by 2040 it is anticipated that there will be more than 16 million people over pensionable age in the United Kingdom—that could include some of the members in the chamber today, so take care.

I move amendment S2M-161.3, to leave out from "there is" to end and insert:

"means testing discriminates against residents who have made provision for their long-term care and calls on the Executive to provide long-term care for the elderly without such discrimination."

11:43

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I am glad that the Conservatives have given us the opportunity to debate the crisis that faces the Church of Scotland. My only regret is that they have failed to allocate enough time to have the issue properly aired and debated in the chamber. The issue deserves much more than the mere 75 minutes that the Conservatives have allowed. Frankly, I go so far as to say to the Presiding Officer that there should be rules in the Parliament to end the practice whereby the Opposition parties can divide up their debating time like this. It has more to do with media soundbites than with getting a serious and detailed examination of all the issues involved. The issue is far too serious to be dealt with in this way.

John Scott (Ayr) (Con): Will Mr Rumbles give way?

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

Mike Rumbles: I would love to take interventions, but unfortunately I have only four minutes because the Conservatives are not allowing sufficient time for the debate.

There is no question but that the Church of Scotland, which is the largest of the voluntary sector providers of residential care, is facing a crisis as it strives to cope with the cost of running all its 29 residential care homes.

The church's board of social responsibility has for many years highlighted its problems in running its homes within the budgets allocated from our local authorities, and the church has run with a deficit of about £6 million a year. Last week I met Ian Manson, the director of social work of the church's board of social responsibility. He outlined the crisis that the church faces. Earlier this week I met the Deputy Minister for Health and Community Care to examine the issues that Ian Manson raised.

The Executive has not been slow in addressing the issues. Back in 2001, a national review group, which included the Scottish Executive, COSLA, Scottish Care, the Salvation Army and the Church of Scotland, agreed that care home fees should be raised from £295 to £390 a week. That was a substantial rise. As recently as three months ago, a further agreement raised the fees to £406 a week for nursing and £346 a week for residential care. In addition, those figures will now be regarded as a minimum payment for local authorities and not as a guideline figure that could be undercut. Furthermore, ministers agreed to establish a working party to examine the true costs of care for the elderly, which met for the first time last month.

The well-respected Joseph Rowntree Foundation recently undertook its own research on care home funding. It came up with the figure of £459 a week for nursing care and £353 a week for residential care. Although there is little difference—£7 a week—between its figure for residential care and the agreed figure, there may be a funding gap of £53 each week for nursing care. The true gap could be more or less than that, but that is precisely the point. We need an accurate and agreed measure of the costs of residential and nursing care and we must be determined to achieve that.

The Church of Scotland has now completed its own review, which assesses the viability of all its homes throughout the country, and its report will be examined tomorrow. The important point to remember is that the church will not be rushing into the closure of any of its homes, but will be leaving no stone unturned in trying to deliver a sustainable future for them. I hope that at the very least the church will not rush to make any final and irrevocable decisions until the Scottish Executive

has had the opportunity to examine the conclusions of the working group on finding the real costs of care and to take action on its recommendations, whatever they are.

I am sure that the Parliament notes with concern the threat of closure that faces some of the Church of Scotland's care homes, but the facts are that the Scottish Executive is committed to finding out the true costs of care and then tackling the issue.

I urge the church's board of social responsibility not to take any action that threatens the well-being of the many elderly residents involved before it has had the opportunity to assess the results of the working party on care costs.

The Deputy Presiding Officer: Members are aware that this is a short debate. I am looking for speeches of four minutes.

11:47

Jackie Baillie (Dumbarton) (Lab): As we have heard, demographic data suggest that we are all living longer and that the number of elderly people is growing. We must keep that context at the forefront of our minds when we debate the provision and funding of care homes.

We are fortunate in Scotland to have a diversity of care home provision from local authorities, the private sector and the voluntary sector. As we have passed the Regulation of Care (Scotland) Act 2001, we can be assured that the standards of care in each and every home, irrespective of provider, will be the best possible in the interests of our older people.

The key issue that is before us today is funding. That has been highlighted by the fact that the Church of Scotland is considering the future of its care homes throughout Scotland. It is doing that because it cannot afford to continue running its care homes at a loss. We all acknowledge that over the years it has dipped into its reserves to the point where very little is left.

I declare a constituency interest, which I know the Deputy Presiding Officer shares; it is Clydeview Eventide nursing home, which is a possible candidate for closure. It celebrates its 50th anniversary this year and is located in Helensburgh. There is concern locally about the prospect of closure. There is concern, as would be expected, among the families that are affected, but also among the wider community. There are no local authority-run homes in Helensburgh. There is insufficient capacity to meet current demand, never mind demand in the future, which, we all acknowledge, is likely to increase.

Closing Clydeview Eventide nursing home will seriously affect the quality and capacity of service delivery. Let us not forget that another

consequence of closure is that hospital delayed discharges will increase in the local area.

It is worth noting, as some members have said, that there is a discrepancy between the cost of local authority-run provision, at an average of £374, and that of private and voluntary sector-run provision, at an average of £288. Although those figures are from 2001 statistics, it is still true that there is a differential. That remains the case in Argyll and Bute Council's area, which has one of the worst differentials in Scotland, with a unit cost for local authority provision of £483 and a unit cost for everyone else of £265. We need to understand why that is and address the inequality.

I recognise that the Executive has provided substantial additional resources—£130 million since July 2001—to implement the national review group report in full. Coupled with investment in free personal care and nursing care, that means that we are now delivering unprecedented resources so that older people can live with dignity and security.

I welcome the establishment, with COSLA, of the joint working group that will further examine the true costs of care and develop a method of assessing costs for the future. It is essential that we plan for the future as well as dealing with current challenges.

I urge the minister to press Argyll and Bute Council on the need to take urgent action to retain the Clydeview Eventide nursing home in Helensburgh. As I have said, the area has an increasing elderly population, already lacks capacity of delivery and, in any case, has no local authority provision.

I know that the local authority is concerned about the financial implications of funding the Clydeview Eventide home—although that would require only a small revenue commitment—because of the impact on the issue of equity for other providers.

The retention of the Clydeview Eventide home is an urgent issue. If the minister can intercede with the council, I am sure that the Church of Scotland, older people and the wider community would be most grateful.

11:52

Mr Andrew Welsh (Angus) (SNP): To allow as many people to speak as possible, I will try to obey your time stricture, Presiding Officer.

Today's debate takes place against a background of an aging population and the fact that the elderly are living longer—issues that will not go away. A financial crisis is affecting all the sectors and the Scottish Executive will have to grasp the problem.

When the churches offering the highest standards of care and Christian service find that their care homes are bankrupting them, it is time that we all paid attention. Arguments about whether private, public or voluntary provision is best are completely sterile and detract attention from the real issue of standards of care and what those standards really cost to maintain.

The problem will not be solved simply by throwing money at it; the Executive has to take on the task of objectively calculating and ensuring the correct level of finance required. If we allow there to be a continuing decrease in the number of homes and available beds, allied to increases in the number of people waiting to be discharged from hospitals, the problem will be even more difficult ever to solve sensibly.

I have first-hand experience of the high levels of care in the range of Angus care homes that I have visited or officially opened. Angus Council provides resources at a level above nationally set levels, including the provision of care workers and domestic assistance services that the social work inspectorate describes as excellent, a care package including shopping, domestic care, social meals and a major increase in meals-on-wheels provision and a community alarms service. The council's belief is that one hour of domestic service provided at an early stage can be crucial in allowing people the choice of remaining in their homes.

The Executive must recognise demographic reality. The balance in the provision of service is shifting from residential or nursing home care to allowing people to receive the required level of care in their homes. That shift in emphasis, allowing independence and a high level of service away from the residential home setting, will free up spaces for those who require care home service provision. I commend the Angus Council very sheltered housing project to the Parliament.

By concentrating only on the—albeit substantial—financial and other problems of residential homes, there is a danger that we will miss out on the wider picture and the needs of our elderly population. We need from the Executive a recognition of demographic variety and the proper balance between residential nursing home care and the provision of services that allow people to receive the required and appropriate level of care while remaining in their community.

The care commission must strike a balance between moving standards forward and the reality of what can be afforded in achieving a proper mix of care provision.

There are no easy solutions to this complex and growing problem, but the goal should be to aim at a solution that provides what is best for the client and gives them a choice.

The Executive's opening response to this debate was brutal, disappointing, inadequate and lacking in any apparent understanding of the crisis facing the system. I urge the Executive to listen to the Church of Scotland and the other providers. The Executive must think again and act.

11:55

Mr Brian Monteith (Mid Scotland and Fife) (Con): I must remark on the cheek of Michael Rumbles, who used a quarter of his precious time to complain that we had not given him long enough to speak. He supports the Government, which is his choice. If he joined the Opposition, he would have more time to speak and more opportunity to influence the length of debates.

The minister tells us that the market has been stabilised, but homes have closed and more closures are threatened. The market—a market that is distorted by the state's dogmatic intervention—is anything but stable. What has gone wrong? The facts do not lie: private and voluntary homes are being paid less than cost to take residents. There can be no justification for that. The state funds local authority homes by, on average, £150 per person more than other homes, even though standards are expected to be the same in all homes.

The minister gave an interesting answer to Mary Scanlon's question about whether private and public sector homes would be paid the same, given that standards are meant to be the same. The minister said that they would not be paid the same, and that local authority homes were entitled to recover the full cost of care—that is an admission that private and voluntary sector homes are not receiving the full cost in funding.

Mike Rumbles: What is the full cost?

Mr Monteith: I inform Mr Rumbles, although he asks his question from a sedentary position, that the full cost varies among homes. However, it is clear that the difference between the average funding for the various homes is different. It is therefore possible that, if we raised the unit funding by £50, far more homes would stay open.

In Stirling, the unit cost for local authority provision is £450, but it is £280 for private and voluntary provision. There are two reasons for the difference. One is the inefficiency of local authority care homes, which means that it makes sense to raise the payment to private—

Carolyn Leckie (Central Scotland) (SSP): Will the member give way?

Mr Monteith: I do not have time.

Mike Rumbles: No time!

Mr Monteith: One of the reasons I have no time

is that I have already dealt with Mr Rumbles's sedentary intervention.

It makes sense to raise the payment to private and voluntary homes, so that they can not only meet their costs, but expand and drive costs down.

Examining the facts shows us that funding the costs of the private sector—even on an average basis—and therefore allowing it to expand, would enable more care to be provided for the coming demographic bulge.

There must be a recognition that overall provision must grow. At the moment, provision is shrinking. By changing the funding mechanism and doing more to ensure that people who are looking forward to their later years make savings now, we can ensure that provision is made for spending, that provision grows and that there is funding for that. That will mean that the local authority homes' call on public funds will not be as demanding as it is now.

The minister's and the Scottish Executive's resistance to implementing those solutions is the result of a dogmatic approach and ensures that this crisis will only get worse.

11:59

Donald Gorrie (Central Scotland) (LD): I want to make one short-term point and one longer-term point.

I would like an assurance that, if affairs come to a crisis—if talk of a crisis is not just brinkmanship and blackmail—and some old people are going to be put out on the street, the minister will intervene and give some money to the local authority or to the home directly, without any prejudice to a longer-term settlement, to ensure that that does not happen. I know that we cannot indefinitely bail out people if we do not have the money, but it is essential that, while the matter is being sorted out and a proper investigation is being carried out into what costs are fair and real, we ensure that nobody suffers in the short term, which would be a real disaster for all concerned.

Mr Kenneth Macintosh (Eastwood) (Lab): Does Mr Gorrie accept that Ian Manson, from the Church of Scotland's board of social responsibility, has said repeatedly that there is no prospect of old people being "put out on the street", as Mr Gorrie puts it? The church has been very careful in its use of language. We should try not to scare people unnecessarily in a situation that is already difficult.

Donald Gorrie: I certainly do not intend to scare people. I am trying to get an assurance that, if a crisis occurs for whatever reason—things are not always in our control, whether Holyrood buildings

or other things; we cannot guarantee the future—the need will be met while the longer-term issue is sorted out.

Elderly people who live longer and therefore often have to be supported are a major issue affecting our society and I suggest that we explore some all-party approach to the issue. I do not mean political parties only, but an approach that involves central Government, local government, even our colleagues at Westminster—we might have some sort of joint body, which would be a step in the right direction—and those who supply the services to consider a proper long-term strategy for dealing with the issue. In politics, it is hard to look beyond the next election, but this issue will run for many years. We should try to achieve a settled way of dealing with it and get that geared up. I suggest that we investigate the possibility of having a wide-ranging review in the long term to try to get a consensus to deal with this important issue.

12:02

Carolyn Leckie (Central Scotland) (SSP):

There seems to be general agreement that there is a crisis in the provision of care for the elderly. I would like to hear the minister's view on the matter. Does he agree that there is a crisis?

The point that I wanted to make in an intervention on Brian Monteith is that I am waiting for the Tories to spell out what the last line of their motion means. I hope that that will happen in their closing speech. That line reveals what the Tories are all about. They hang on to the crisis in provision of care for the elderly and bang on about the faults, numerous as they are, but then comes the killer punch:

"how ... to make greater provision for their own long-term care".

Now we know what their intention is.

Mr Davidson: I will answer briefly. What we anticipate is Government encouraging participation in the discussion as to how those who earn a good wage and do not necessarily need much state provision are encouraged to make savings for themselves. There will always be people who cannot cope. We have to identify a big problem for them too.

Carolyn Leckie: There is an easy answer to that without means testing: tax those who earn more money to pay for national provision.

A disgraceful situation exists. The Church of Scotland has subsidised care homes to the tune of £23 million of its reserves since 1990. Estimates require a further £50 to £100 per resident, which means that the increased investment that is referred to in the Executive amendment needs to

be doubled to save those homes and maintain current provision.

The Executive amendment also refers to shifting care into the community. That is a good idea until we examine the reality of the provision. People are waiting for perhaps four hours for their allotted care package to arrive so that they can go to the toilet. That is happening daily. Only last week, a new employee of a private agency contracted to a local authority reported to me that she, who was untrained and unprepared, was sent into homes to move and lift clients and operate hoists. Clients were desperate for her arrival, but her inability to operate equipment effectively left them hanging on even more desperately to pass urine. That is the reality of current provision in the community.

My mother has struggled to have her needs assessment implemented. As for aids and adaptations, when she came out of hospital after suffering a stroke, she waited for six months to be able to have a shower. She spent six months without a shower or a bath and was only able to be bed-bathed. That is the reality of current provision in the community.

We face a demographic time bomb. The Scottish Parliament has no powers over income tax banding, no powers to raise the higher rate and no powers over corporation tax. However, without radical taxation and redistributive measures in the long term, our senior citizens will face even more hardship and indignity in future. Care of whatever kind for senior citizens should be free at the point of need for those who require it and should be of high quality. That is a great challenge and we must recognise it honestly. There must be a commitment to provide a decent and dignified future for our senior citizens and for all people who require long-term care—not only senior citizens—without means testing. That is why I support John Swinburne's amendment.

In the meantime, catastrophe could be avoided in the short term by bridging the current financial gap. I believe that there was an underspend of £640 million last year. Labour members can tell me how. Some of that money would go a long way to alleviating current pressures. What will the minister do to solve the current crisis? Does he agree that there is one?

12:07

Christine May (Central Fife) (Lab): I am pleased that we have the opportunity to debate the subject today. My first point is the need for increased provision over the wide range of care that care homes cover.

It is interesting to think of Brian Monteith as a demographic bulge. He was right when he spoke of the growing need in Scotland over the next 20

to 30 years. Whether in the private, local authority or independent voluntary sector, we need to put our collective heads together to determine how that provision can be made, can be made sustainable, and can be made to suit the needs of those who use it. That is the basis of the work that COSLA and the local authorities are doing in a review, which is being carried out together with the care home providers. The review aims to find out what the issues are, local authority by local authority; as was pointed out, the issues are different in each area.

In spite of the Tories' public bluster in the chamber, they know that many of their supporters in the private care home sector are delighted with the Scottish Executive's £130 million investment, which will bring fees up to £346 for residential care and £406 for nursing care and which are designed to achieve equality across the range of sectors and providers. I understand that some of those who were active in the Scottish campaign have been recruited south of the border to see whether they can get the same deal down there.

In addition, there has been investment in "Fair Care for Older People", which is not means tested, so that all residents of homes, irrespective of income, are able to get personal care or personal and nursing care after assessment. That has meant that they are helped to meet the cost of their care needs.

Mary Scanlon: When I spoke to the Church of Scotland in Inverness earlier this week, it mentioned the £346 but said that councils paid over twice that amount per person per week in their homes. Is that equality?

Christine May: I will address that point in a moment.

I contend that the argument about whether local authorities favour their own homes over those of other providers is a spurious one because community care legislation offers choice to individuals. Therefore, positions in homes are often determined by the choice of those individuals. Nationally, 42 per cent of homes for older people are privately run, compared to 33 per cent that are run by local authorities. That choice must be expanded so that there is a range of provision.

My second point concerns nursing care, which has the fastest-growing need. Throughout Scotland, nursing care is provided almost entirely by the independent voluntary sector and the private sector. Discussions are continuing between my local authority care home providers and NHS Fife to increase that capacity.

Members will know that one of the biggest success stories is developing measures to keep people in their own homes and to prevent their

going into hospital or into care so that their quality of life is sustained and their longevity is assured. That is an area for which the private sector makes virtually no provision; it is almost entirely local authority provision. That means that the number of places is greater.

I have read the briefing from Ian Manson and the Church of Scotland's board of social responsibility and I have considered the range of its review. I urge the chamber to allow time for the review to be examined so that the capital and revenue issues that the church faces can be discussed.

I support the amendment in the name of Tom McCabe.

12:11

Christine Grahame (South of Scotland) (SNP): Four years ago, I was my party's spokesperson for older people. There was a crisis for elderly people in care at that time; the crisis has simply worsened. There is no time for reviews. We have been in this chamber for four years and things are getting worse for Scotland's elderly people. We do not need to look at the statistics.

Members should read the petitions that come to the Parliament from people who are concerned about their elderly relatives. St Meddan's in Ayr has closed. Cockenzie House in Prestonpans is threatened with closure. Human misery is the result. There are people in Cockenzie House who have been moved twice already from other homes that have closed and now they are under threat of it happening again. They are frail, elderly people.

The benefit for the establishment is that those people might die off and solve the problem for them. That often happens when people are decanted.

I come to the question of the discrepancy between local authority payments and private sector payments. The private sector provides nursing care that is more intensive and that costs more, yet it gets less money. I have never yet heard an explanation of that differential of £50 a week. However, I know that when a private nursing home does not have enough money, it often has to approach the families to make up the difference. That subsidy should not come from taxpayers.

There are horrific stories on my desk about what is going on in some of the care homes in Scotland. There is a home in the Borders which, if half the stories are true, will be closed. I will not go into the details because they have to be corroborated elsewhere, but the home has already been reported to the care commission. Carolyn Leckie referred to part of the problem. People are being

taken off the streets to work in care homes for low pay. They act as care assistants, but they are not able to do the work; they know nothing about caring for the elderly and certainly not for those with dementia.

Mary Scanlon: Does the member share my condemnation of the fact that, because of tight financial constraints, those who are self-funding in care homes are being asked to pay between £100 to £200 a week as a subsidy. Is that fair?

Christine Grahame: I never thought that I would defend private enterprise in this way, but the only place that people can get nursing care is in the private sector because local authorities do not provide it. They have been left with a dirty deal.

We could have used the benefits clawback from implementing free personal care. It was an absolute disgrace that Westminster got all that money that could have been retained for Scotland and distributed to elderly people who want to stay at home. Let us get the money back, let us fight for it. Westminster has no right to keep that money. It came from Scottish taxpayers, and our elderly people must get it back to ensure that they receive the care that they have earned and deserve.

12:15

George Lyon (Argyll and Bute) (LD): Everyone is right to be desperately concerned about the predicament faced by the residents and staff of Church of Scotland homes. Indeed, members throughout the chamber are united in their concern about the implications of the decision that might be announced on Friday.

Two homes in my constituency will be affected by tomorrow's announcement. Forty-two residents and 50 skilled staff will find out their fate. The prospect of closure is hanging over them. However, I must emphasise that, even if the closure goes ahead, the Church of Scotland has left the door open for a rescue plan. As Kenneth Macintosh rightly pointed out, tomorrow's decision will not be definitive.

That said, if the closure goes ahead, 42 residents will have to find alternative accommodation. As only 13 places are available in my constituency, many of them would have to move out of the area.

Mary Scanlon: Will the member give way?

George Lyon: I am sorry, but I have only three minutes.

The real fear for the residents is that they will have to move. Certainly that would be a huge challenge for those in the Auchinlee Eventide Home in Campbeltown, who might have to move

to a care home in the central belt. The impact of travelling and on friends and relatives would be quite severe and it would mean that we would lose another vital service.

We have to hope that, in September, the working party will make recommendations that can be agreed. The Executive's track record shows that, once agreement is reached, we fund it. Indeed, we have already done so.

Mr Bruce McFee (West of Scotland) (SNP): Will the member give way?

George Lyon: I am sorry. I have only three minutes and I need to get through these points as best as I can.

Tom McCabe made it clear that we have already allocated substantial amounts of money. I hope that, when the working party's recommendations are published, we will be in a position to meet its requirements.

Jackie Baillie highlighted real concern that, according to Argyll and Bute Council's figures, the area has the biggest inequality in care home funding: the council's homes have a unit cost of £483 whereas homes owned by the private or the voluntary sector receive an average of £265. Some of that inequality is due to the fact that the two council-run homes are on islands, but no one could substantially argue that that factor accounts for the whole inequality. It cannot be explained by additional costs because of location alone. The council faces a big challenge in dealing with that matter.

I listened to the scaremongering and righteous indignation of Stewart Stevenson, Andrew Welsh and, of course, Christine Grahame. This issue is too serious to be politicised in such a way. In fact, when I challenged Stewart Stevenson on what the SNP would do with the extra money he mentioned, he referred me to the SNP manifesto. But all it says—

The Deputy Presiding Officer: Mr Lyon, there really is no time for a long quotation.

George Lyon: The manifesto says only that, as a matter of urgency, the SNP will look to see what action requires to be taken to resolve the problem.

12:18

Ms Sandra White (Glasgow) (SNP): I was about to start my speech by saying that we have had a very good debate—[*Interruption.*] If George Lyon wants to go on, that is fair enough, but I for one do not want to listen to any more of his ramblings.

The debate has been very emotive. Indeed, I see that George Lyon is getting emotional himself. We must ask a number of questions, one of which

has already been answered by several speakers. If the Labour and Liberal Democrat coalition is really spending more money on care homes, why are they closing down and why is the number of places decreasing?

I think that all members know the answer to that question—I hope that I will have time to address the points that Duncan McNeil has been making—which is that the Labour and Liberal Democrat Executive's financial contributions are just not enough.

In its amendment, the SNP calls for an urgent review not only of the Executive's financial contribution, but of its long-term plans for and commitment to care homes. We should all support the call for such a review.

I agree with David Davidson that the meeting that is to be held on 29 July must be brought forward. Even the care home owners and the Church of Scotland say that the meeting must be held sooner rather than later. I sincerely hope that the minister will agree to hold the meeting sooner.

Stewart Stevenson was absolutely right to talk about people and not profit. We should not forget that care is about people and that people are much more important than profit.

The SNP fully supports John Swinburne's amendment, which mentions means testing, and we will vote for it at 5 o'clock. John Swinburne mentioned the announcement of inspections of care homes. I remind him that there are two types of inspection—announced and unannounced. The care commission has admitted that it has not been able to follow through the system of inspections. That is unfortunate. Will the minister examine that issue? I believe that it is not enough to have two inspection visits—and even those visits are not always carried out at present. There should be more visits, especially unannounced ones. That issue is a great anomaly in the work of the care commission and it should be considered.

Andrew Welsh and Carolyn Leckie mentioned care in the community, which is a good concept that has never been funded properly. Care in the community must be considered carefully and properly costed and funded.

I have a couple of seconds of my speech left, so I will mention Duncan McNeil who, as usual, has been muttering under his breath about spending, spending, spending. I remind him of one point: when Gordon Brown decided to go to war with Iraq, he had no qualms whatever about spending millions of pounds.

I remind members that some of the people who are in care homes have been through two world wars. It is time that we got the finger out and owned up to our responsibilities for those people.

12:22

Mr McCabe: This subject is important and deserves more objective consideration than it received in the speeches of Conservative and SNP members. In response to Andrew Welsh's rather ungracious comments, I point out that any brutality has come from the blatant distortions in the SNP amendment, not from the Liberal or Labour parties. The sooner Mr Welsh dissuades himself from using a soft voice to play games with peoples' lives, the better it will be for everyone.

Mr Welsh *rose*—

Mr McCabe: We have heard enough of Mr Welsh's distortions—he should sit down.

It might be useful if I try to summarise our achievements to date and where we are prepared to go. On care homes, we have honoured in full our earlier commitment to meet the fees recommended by the national review group. Frankly, it is simply not good enough for organisations to sign up to those recommendations one day and then to claim that they reject them the next. Since July 2001, we have made available an additional £130 million of taxpayers' money to uplift fees in care homes. Under any interpretation, that is a significant amount. In partnership with our colleagues in local government, we have provided to care homes nearly £80 million in this year alone to increase fees. That money will be carried forward into the baseline for future years.

Our achievements since 30 November 2001—the day on which we received the national review group's report—are nothing short of remarkable. We have done our bit and I am pleased that our commitment to care home owners has been matched by that of local authorities.

Carolyn Leckie: Will the minister take an intervention?

Mr McCabe: No, I will not.

Local authorities have made an appropriate investment that underlines their long-term responsibility to care home owners. Once again, I put on record our appreciation of the way in which Scottish local authorities have responded to the challenge. I know that they will continue to do so as they discuss individual local circumstances with the Church of Scotland. I have no doubt that that will be the case with the care home in Helensburgh.

Substantial increases in fee levels have been delivered and the benefits for care home owners will continue in the years to come.

Mary Scanlon: Will the minister give way?

Mr McCabe: No.

I know that the care home sector recognises the huge financial commitment that we have made to it. I also know that the sector recognises that the approach that the Executive has taken has been both reasonable and constructive.

As part of the agreements with the care homes sector this year, a working group has been established to consider a mutually acceptable framework for assessing the cost of providing nursing and residential care for older people in different parts of Scotland from 2005-06. The working group consists of representatives from COSLA and the independent sector, including the Church of Scotland, and will report by the end of November. In response to Mr Davidson, it is up to them to set their own timetable; it is not for the Executive to dictate that.

We have made it clear that we want a stable and sustainable mixed care home sector, now and in the future. That is why we have invested so heavily in the industry and it is why we want the working group to which I have referred to come up with a formula that will remove the need for annual bargaining and for the annual posturing from people such as those in the SNP.

If the Church of Scotland announces a number of care home closures tomorrow, it is important to see that in context and to consider the changing nature of social care provision. We know that the balance of care has moved. That has informed the work of the kirk's review and the forthcoming report.

The determination of the coalition Executive to stabilise the sector for the long term is as strong as ever, but I must balance any calls for future improvements in fees with other priorities in health and social care. We must balance the main priorities that we face. That is the real choice that we face, and no amount of rhetoric from forgetful Conservatives or opportunistic nationalists will allow anyone to avoid that.

We have stabilised the care home sector and we have reached an agreement that will see us through to March 2005. We are working hard to get things right to ensure that we have a new framework in place from 1 April 2005.

To summarise, we have invested more than £130 million since mid-2001 and we are spending £30 million on bringing down the level of delayed discharge, because we recognise our obligation to Scotland's elderly. We are supporting the generation of people who struggled to set up the national health service. We are repaying our debt to older people and we are acting on our promises.

12:27

Mrs Nanette Milne (North East Scotland)

(Con): The care home funding story is a sad one. Over many years, it has caused distress to the many elderly people who had their lives disrupted when their homes had to close, or who lived with the fear that their homes might disappear in the future. The situation has caused worry and stress to the families of elderly people and to the owners and operators of independent or voluntary sector care homes, who do not want to ruin the lives of their elderly residents, but who, through no fault of their own, are forced to close down their businesses if they have become unviable. Local authorities' preferential funding of their own care homes over independently run homes has resulted in the latter closing down at a rate of three a week. That will continue until the funding gap is closed.

I welcome Christine Grahame's support for the case of private homes that provide nursing, but with inadequate funding. Her points were well made.

Christine Grahame: Will Nanette Milne support our call for the reallocation to Scotland of the benefits funds that were clawed back to Westminster as a result of implementation of free personal care for the elderly?

Mrs Milne: I do not propose to answer that question at this point in time. [*Laughter.*] I am a new member, after all.

The Church of Scotland is a case in point, as we have heard from most members who have spoken in the debate. For many years, the church's board of social responsibility has absorbed the funding deficit, but as the deficit is now running at about £6 million a year, and as its reserves are hugely depleted, the church is facing some hard choices about the future of its 29 residential care homes and of the 880 elderly people who live in them.

The benchmark funding sum of £346 per person per week, which was agreed last year between the Scottish Executive, COSLA and the Church of Scotland board, is not enough to cover the homes' £40 million running costs. A further £50 to £100 per person per week is needed to overcome the shortfall.

The continuing work between COSLA and the independent and church care home sector to examine the true costs of care for older people is welcome. I hope that it will produce positive results in time.

There is, however, a crisis now, and many frail, elderly people could find their lives disrupted in the meantime. The Scottish Executive's amendment is simply not acceptable in the face of the current crisis. While its commitment to shifting the balance of care from institutional settings to providing care

at home, and to providing a quality framework, is commendable, it does nothing to solve the immediate problem.

Members have heard David Davidson's reasons for not accepting the amendments from the SNP and John Swinburne, although we have some sympathy with them. [*Interruption.*] Does Mr Rumbles want to interject?

Mike Rumbles: I thank the member for giving way. Is she confirming that the current Conservative party policy is to fund hotel costs as well as personal care and nursing care?

Mrs Milne: Mr Rumbles well knows the Conservative policy.

The introduction of national care standards via the Regulation of Care (Scotland) Act 2001 means that there is no longer a tenable argument that councils provide a better service. Any justification that there may have been for a funding gap has now gone. Moreover, in a recent case accepted by the Office of Fair Trading, it has become clear that the public sector is subject to the provisions of the Competition Act 1998 and may not subsidise its own care homes at the expense of the independent sector, a ruling that I am told applies in Scotland as well as south of the border. There is no excuse for differential funding continuing and it is high time the situation was resolved.

The short-term solution is obvious: the Executive, local authorities and the voluntary sector must thrash out a deal to keep church and other vulnerable homes open. That must be done immediately.

For the future, adoption of Scottish Conservative proposals for a unified budget for health and social care, controlled by general practitioners via our fundholding policy, would allow patients' own practitioners to procure health-related social services for them. In that way, the most appropriate care for patients would be commissioned from providers in either the public or the independent sector. That would help to reduce the problem of delayed hospital discharge and ensure a level playing field for care home providers because local authorities would not be able to discriminate in favour of their own services.

A long-term solution will also have to be found, as demographic change will result in two thirds of our population being of retirement age by 2050. To answer Carolyn Leckie's comments, people of working age must be encouraged to make provision for their own long-term care. That will entail better tax incentives designed to encourage greater savings and giving for funding residential care.

Quality care for older people costs money. Staff need to be properly trained and rewarded for a

difficult and demanding job. Care standards need to be raised continually. It is in the interests of the increasing population of older people that the Scottish Executive and local authorities ensure that there is a thriving and sustainable provision of care homes in Scotland, regardless of sector, and that they plan for the future. As Christine May indicated, that future planning is essential. There is enough demographic information to allow reasonably informed decisions about future need.

The current crisis in funding for care homes is a national scandal that could have been avoided with appropriate planning and dedicated financial resources. That crisis must not be allowed to continue. I support the motion.

Business Motion

12:34

The Deputy Presiding Officer (Murray Tosh): The next item of business is consideration of business motion S2M-158, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, setting out a business programme.

The Minister for Parliamentary Business (Patricia Ferguson): Before I move the business motion in my name, I point out to the chamber that there are two changes to the motion as printed. The debate on motion S2M-110, in the name of Irene Oldfather, on valuing carers, will now take place on Thursday of next week. The motion that will be taken on Wednesday evening is a Conservative motion, but it is S2M-140, on Red Brae School, and not S2M-174, in the name of John Scott, as shown at present.

I move,

That the Parliament agrees the following programme of business—

Wednesday 25 June 2003

2:30 pm Time for Reflection
followed by Parliamentary Bureau Motions
followed by Executive Debate on Modernising Justice
followed by Parliamentary Bureau Motions
 5:00 pm Decision Time
followed by Members' Business – debate on the subject of S2M-140 Phil Gallie: Red Brae School

Thursday 26 June 2003

9:30 am Landfill (Scotland) Amendment Regulations 2003
followed by Parliamentary Bureau Motions
followed by Final Stage of Robin Rigg Offshore Wind Farm (Navigation and Fishing) (Scotland) Bill
followed by Business Motion
 2:30 pm Question Time
 3:10 pm First Minister's Question Time
followed by Motion on Fireworks Bill - UK Legislation
followed by Parliamentary Bureau Motions
 5:00 pm Decision Time
followed by Members' Business – debate on the subject of S2M-110 Irene Oldfather: Valuing Carers

Motion agreed to.

12:34

Meeting suspended until 14:00.

14:00

On resuming—

Holyrood Project

The Presiding Officer (Mr George Reid): The first item of business this afternoon is a statement by the First Minister on the inquiry into the Holyrood project. The First Minister will take questions at the end of his statement and there should therefore be no interventions during the statement.

14:00

The First Minister (Mr Jack McConnell): I thank the Presiding Officer for giving me the opportunity to make a statement today on my plans for an investigation into the Holyrood building project. As I indicated previously, I am keen to move swiftly on the issue. I consider that an independent investigation into the escalating costs and construction delays that are associated with the new Parliament building should be initiated because the Holyrood building project, more than any other issue, overshadows the many real achievements of this young Parliament.

Following my discussions with the Presiding Officer, I announced last week that Lord Fraser of Carmyllie has agreed to investigate the matter on our behalf. I am today making public the remit for the investigation, which I have agreed with the Presiding Officer, Lord Fraser and the Auditor General. I have given copies of the remit to the party leaders and placed a copy in the Scottish Parliament information centre.

The investigation will review the policy decisions that were taken in relation to the project prior to and since its transfer to the Scottish Parliamentary Corporate Body on 1 June 1999. The investigation will build on the Auditor General's existing findings in respect of procurement strategy and cost control and contractual and project management arrangements and extend consideration of those issues to cover the subsequent stages of the project.

The investigation will produce a full account of the key decisions and factors that have determined the costs and value of the Parliament throughout the life of the project. It will also identify the lessons that are to be learned for the procurement or construction of major public buildings in the future.

The investigation will report to the Parliament and to ministers as soon as reasonably practicable, taking account of the Auditor General's intention to examine the economy, efficiency and effectiveness with which resources

have been used at all stages of the Scottish Parliament building project.

The investigation will begin as soon as practicable, but both the Presiding Officer and I are determined that it should not do anything to impede the progress of construction or contribute to any further increase in construction costs. Lord Fraser is exceptionally qualified to lead the investigation by virtue of his experience as a former Lord Advocate and minister. He will be assisted by the Auditor General and by any other independent experts whom they may decide are required.

The investigation has been commissioned jointly by the Presiding Officer and me. It is important that it is properly resourced and staffed and it is important too that it is seen to be completely impartial and independent. For those reasons, Lord Fraser will be able to draw on the staff of the Auditor General to assist him with the investigation. It will be for Lord Fraser and the Auditor General to determine whether additional staff require to be seconded to them.

The investigation must also have full access to documentary evidence. I make it clear to the Parliament today that all requested documents that are the property of the Scottish Executive will be available to Lord Fraser and the Auditor General. Alistair Darling has made the same commitment on behalf of the United Kingdom Government as has the Presiding Officer in relation to parliamentary documents. Nothing that the Government or the Parliament has done, either before or after devolution, will be beyond the scrutiny of the investigation.

The investigation will need to supplement documentary evidence by interviewing a number of individuals, and there will be people who will wish to offer information. The Auditor General has well-established practices for covering that and it will be open to Lord Fraser to supplement those practices with such procedures as he considers will assist the investigation.

Lord Fraser's report will be submitted to the Executive and the Parliament. The Auditor General's previously planned value-for-money audit will be presented to the Parliament as normal. The Parliament will determine its own processes for dealing with the report and the audit document, including such committee consideration and the calling of witnesses as is considered appropriate. I guarantee that ministers will also consider and act on the report.

Two months ago, I said that it was time to move on and have an independent investigation. The public want answers; they do not want politicians blaming other politicians either in this Parliament or at Westminster, or civil servants, contractors or

architects blaming one another. They want answers and they want action from us.

I do not want devolution to be symbolised by the Holyrood building site instead of the new schools, hospitals and railways that we have built. I do not want the only beneficiaries of devolution to be seen to be politicians, contractors or consultants at Holyrood. Devolution is for the thousands of children who have had their opportunities increased and the elderly people who now have dignity and security in their old age.

This investigation will get to the heart of the matter and provide the answers. In the meantime, Presiding Officer, I urge you to continue to do all that you can to keep costs under control and to meet the challenge of securing the completion of the building as soon as possible. I also give you my assurance as First Minister that Government in Scotland will act on the lessons that are learned from this investigation. We will ensure that mistakes are never repeated. I care too much about devolution and the Parliament's reputation to allow any repetition of this project.

In this new, second session of Parliament, our task is to move on, grow our economy, deliver excellent public services, secure strong communities and create a confident, democratic Scotland. I am determined that this Parliament will do just that.

The Presiding Officer: The First Minister will now take questions on the issues that have been raised in his statement. I intend to allow around 25 minutes for that process.

Mr John Swinney (North Tayside) (SNP): I thank the First Minister for his statement and welcome his announcement of the establishment of this inquiry. I suspect that any judgment of the inquiry will be made against the very high test that the First Minister set himself on 4 May when he said that no questions would remain unanswered as a result of it.

I have a couple of specific questions. First, at First Minister's question time last Thursday, the First Minister said:

"I hope that, as a result, Lord Fraser will conduct a full and proper investigation that will make public all the evidence, all the information and all the key recommendations to stop such a fiasco ever happening again."—[*Official Report*, 12 June 2003; c 731.]

I do not see in the First Minister's statement any commitment to publish all the evidence that will be seen by Lord Fraser or all the evidence that has already been seen by the Auditor General and that will be seen in the course of the investigation that is under way. Will the First Minister confirm that all the evidence that is heard by the investigation will be made public?

My second question refers to a sentence in the First Minister's statement. He says:

"The investigation will need to supplement documentary evidence by interviewing a number of individuals, and there will be people who will wish to offer information."

I am sure that people will wish to offer information. However, some people will not wish to do so, even though they might have important information to contribute to the inquiry. Will the First Minister confirm that there is a mechanism by which individuals can be compelled to give evidence to the investigation? Moreover, will the evidence and particularly the interviews that are given be in public or in private?

The First Minister: I am grateful to Mr Swinney for welcoming my announcement, which I assume means that he will help and co-operate fully with the inquiry. That is also to be welcomed.

In my view, any decisions on what is made public as a result of Lord Fraser's investigation should rest with Lord Fraser. As he is the independent person in charge of this investigation, it would be right and proper not to put constraints on him. However, it is also right and proper that we give him the opportunity to exercise his judgment. For example, at First Minister's question time last week, I was asked about people who might wish to give evidence or information but who would want to remain anonymous. Lord Fraser must have the ability to exercise his judgment in that regard.

Moreover, Lord Fraser must also have the opportunity to exercise his judgment in relation to people whom he wishes to interview either in public or in private and the way in which he would want to conduct such an investigation. I am perfectly comfortable with such an independent and respected individual making such judgments. I have no doubt that he will make the right judgments and I will back him in whatever judgments he makes.

David McLetchie (Edinburgh Pentlands) (Con): I thank the First Minister for providing in advance a copy of his statement.

The First Minister, of course, described the Holyrood fiasco as

"the biggest single disappointment of devolution."

Few would disagree with him, but some of us would put it a lot more strongly than that. It is a matter of regret that it has taken four years for certain parties in the Parliament to waken up to the scale of the scandal and to the lack of public confidence in the Parliament that it has engendered.

The First Minister acknowledged that the inquiry's powers to obtain evidence—to which Mr Swinney alluded—will be crucial to its success.

Can he confirm that other wide-ranging inquiries, such as Lord Cullen's into Dunblane, derived powers from the Tribunals of Inquiry (Evidence) Act 1921? Those powers gave the Dunblane inquiry all the powers, privileges and rights that are vested in the Court of Session. Can the First Minister tell us whether Lord Fraser's inquiry will have powers similar to those of previous wide-ranging public inquiries—for example, the powers to compel and enforce the attendance of witnesses? Will such witnesses be examined on oath or under affirmation? Will the inquiry have powers to compel the production of documents?

I have a further point. The First Minister will be aware that the Parliament passed the Freedom of Information (Scotland) Act 2002, which contains exemptions that relate to

"the formulation or development of government policy"

and "Ministerial communications".

Can the First Minister tell us whether similar exemptions will apply to Lord Fraser's inquiry, or will all such information be made publicly available to him? I use the phrase "publicly available to him" because, as the First Minister will recall, the investigation by Parliament into the Scottish Qualifications Authority affair did not involve the public disclosure of exempt documents. Instead, as I recall, conveners were given a quick squint at documents that were then taken back. What will happen in the Fraser inquiry with regard to documents that fall into the category of so-called exempt information?

The First Minister: The inquiry is not being established under the Freedom of Information (Scotland) Act 2002 or any similar legislation. The inquiry is being established because it is the right thing to do. Lord Fraser was appointed because he is an independent, respected individual who is capable of making the right judgments to get the answers that people in Scotland want. That is why he will have the right to request any documents, and any documents that he requests, he will have. I gave that guarantee in my statement.

On the powers and the status of the inquiry, I think that I have made it clear from the day back in April when I first announced that there was to be an inquiry that I do not want it to be another expensive event that simply lines other pockets, rather than getting to the answers. I believe that Lord Fraser can conduct the inquiry with the full co-operation of Government at all levels in a way that will get the answers that we require and which will demand—and get—the co-operation of all the individuals he might want to see.

If anyone outside Government is at all unco-operative with Lord Fraser, I am sure that he will be prepared to name and shame them. He will have my full support in doing so. If, when the

Parliament reviews Lord Fraser's report, it wants to take action to supplement Lord Fraser's interventions and assessment of any non-co-operation, it has the powers to do so.

Margo MacDonald (Lothians) (Ind): I am glad to hear the First Minister say that Lord Fraser will have the power to name and shame. The problem is that some of the folk that he might name have no shame, as we saw during the Finance Committee meeting yesterday when we asked to see minutes that should properly be the Parliament's property. According to the First Minister, all property of the Parliament will be available to Lord Fraser. Should not the property of the Parliament—namely, minutes that were taken at a meeting of the Holyrood progress group—be the property of the whole Parliament?

I have three further, brief questions. What happens if some people who might fall into the category of being named and shamed say, "No. We'll stick with the shame. It might cost us less money"?

What happens if the same sort of attitude pertains with regard to private information such as that which John Home Robertson was unable to share with us at the Finance Committee yesterday? That was supposedly down to commercial confidentiality, although the information is contained in the property of the Parliament.

I do not mean to be difficult over this, but I foresee some of the headlines that we will get if the inquiry—properly—incurs expenditure. Who will watch how much is spent on it?

The First Minister: My memory is that Lord Fraser, as a Government minister, was not always over-generous with public expenditure. Therefore, I am absolutely certain that he will conduct this inquiry in a way that minimises the cost to the public purse. That was not, of course, the reason why he was chosen to lead it.

It is important that Lord Fraser has access to all the documents that he wishes to have access to. He will get such access from Government. I am not in control of the documents that are in the possession of the Parliament, but I am certain that not only the Presiding Officer, but everyone else in the Parliament who is involved in decision making would want to ensure that Lord Fraser is the person who exercises the judgment about what is and is not made public, rather than that judgment being exercised by us. It is right and proper that Lord Fraser should do so.

I see no reason why information that might, in other circumstances, be described as commercially confidential should not be available to Lord Fraser initially on a confidential basis, so that he can then make the judgment as to whether

that information should remain confidential or form part of his public evidence. The right way to conduct this inquiry is to take it out of the hands of the politicians in the chamber and to give it to a respected legal figure, who can exercise judgment on behalf of the people of Scotland.

Donald Gorrie (Central Scotland) (LD): Can the First Minister give any guarantee that people in the middle ranks of civil service departments or big building or architectural firms, who might wish to give information that could be damaging to their superiors, will be protected from intimidation or pressure? If they give evidence in good faith, will they be protected from legal action? What sort of protection will the whistleblowers get?

The First Minister: I can give a guarantee on that point for any Government employee in Scotland. I will ensure that anyone who wishes to give information or evidence or to contribute to the inquiry is not victimised or affected in any way. That is vital, and will be made crystal clear to the senior management of the civil service. I cannot speak for every individual organisation that might have a relationship with the project, but I would expect them all to do likewise. I would also expect Lord Fraser to provide in the procedures of his inquiry the opportunity for people to speak to him on an anonymous, confidential basis and to exercise judgment about that information.

Robin Harper (Lothians) (Green): I had a meeting with my own team of architects, RMJM, Bovis Lend Lease and the parliamentary team in 1999. I formed the opinion then that there was a real will to produce a building of the very highest quality. RMJM, Bovis, the parliamentary team and many other teams are still working on the building at the moment.

In his statement, the First Minister is vague about the timing of the commencement of the inquiry and about what information will and will not be made public. Will consideration be given to the people who are still working on the project and attempting to finish the building as soon as possible and at the lowest possible extra cost?

The First Minister: That is a very real issue and has needed careful consideration over recent weeks. It is vitally important that the building is completed quickly and that the project does not experience any further significant increase in costs. That is why Lord Fraser and the Auditor General will want to take those two factors into account in the timing of and preparation and plans for their investigation.

Neither the Presiding Officer nor I want to impede further progress. While we need to get to the bottom of the issues, decisions and factors relating to the project and to the costs and value of the new Parliament building, we also need to

ensure that the building is completed properly as soon as possible.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): At yesterday's Finance Committee meeting, we were told that we were not allowed to know the amount of public taxpayers' money that each of the project's consultants are to receive. That information has been kept secret, but the whole project has been bedevilled by secrecy. Today we have heard how, for the second time in a fortnight, an unelected peer is to be given huge powers by a democratically elected Parliament. That appears to place Lord Fraser in a position of some difficulty. His dilemma will be to publish or be damned.

In passing such huge powers to an unelected peer, should it not be arranged as a matter of urgency for Lord Fraser to appear before one of the Parliament's committees before the recess to explain the criteria on which he will base decisions to keep information secret or make it public? In that way, the First Minister's pledge that no questions will remain unanswered could be delivered rather than breached.

The First Minister: I have tried to approach the issue in as reasonable and as united a manner as possible over recent weeks, since the start of the discussions. Frankly, Fergus Ewing's comment is the sort of idiotic comment that will put off young people across Scotland from ever taking part in public life because of the way that they are treated by politicians.

Lord Fraser is not some sort of unelected peer. He is a former Solicitor General for Scotland and a former Lord Advocate. He is a figure who is well respected across all the political parties in Scotland. There was almost universal welcome last Thursday and Friday when I announced his name to head up the inquiry. I have had no previous political or personal associations with Lord Fraser. He is entirely independent of the current Government. That should be welcomed in the chamber, not criticised.

Lord Fraser's judgment, and the ability of someone in his legal position to exercise that—

Fergus Ewing: Answer the question.

The Presiding Officer: Order, Mr Ewing.

The First Minister: Presiding Officer, I think that that makes my point. That is the sort of idiotic behaviour that brings the chamber into disrepute.

Bill Aitken (Glasgow) (Con): The First Minister quite properly said that any individual who fails to co-operate with the inquiry would be subject to severe criticism and opprobrium. Is not the fact of the matter that the inquiry will have no powers of compulsion, and that if anyone chooses not to co-operate, Lord Fraser will have absolutely no

sanction to take against the individual? The First Minister also stated that it would be open to Parliament to take sanctions. What sanctions does he have in mind?

The First Minister: The Parliament's committees can call witnesses to appear in front of them. Obviously, the Parliament can act in all kinds of different circumstances. The important point is that the inquiry gets the answers to the questions that the people of Scotland want answered.

We are putting in charge of the inquiry a senior legal figure who can exercise his judgment over whether to hear information in public or in private to ensure that he gets all the information that he requires. If that means that the inquiry does not have to sit with expert, trained lawyers who protect their clients by ensuring that they do not answer questions in a public session, that will be to the good of the inquiry. The purpose of the inquiry is not to satisfy the various Queen's counsel in Scotland who might benefit from a full-scale public inquiry held under legislation from the 1920s.

We want to see that answers are provided for the people of Scotland. That is what Lord Fraser will do. He will have the right to make his own judgments about what the inquiry does in public and what it does in private.

Frances Curran (West of Scotland) (SSP): Will the First Minister give us a guarantee that the politicians, senior public servants and finance ministers who approved the cost increases will be identified by the inquiry?

My other quick question is this: the Parliament building will presumably need to be paid for, so where will the money come from? Given the fact that the initial decisions were taken in Westminster, should we not be negotiating with Westminster so that the final costs of the Parliament building are met by Westminster over and above the block grant for services in Scotland? No service in Scotland should be affected by this fiasco.

The First Minister: Devolution is about taking responsibility for our affairs and not going cap in hand to others to have them finance our decisions. It is important that we accept and take seriously that responsibility. We should not run off to Westminster every time we have a nosebleed.

It is also important that we, as members of the Scottish Parliament, take seriously our responsibility for public money. It is precisely because all the additional pounds that have been spent on the Parliament building could have been spent on education, health, housing or transport in Scotland that I am so concerned about the escalating costs and want the inquiry to be completed and the lessons from it to be learned

properly. I assure Frances Curran that the inquiry will leave no stone unturned. The decisions that were taken, the factors relating to them, the costs and the management of the process will all be subjects of the inquiry. No individuals will be excluded at any stage.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): Can the First Minister indicate whether he is expecting the report of the investigation to be published next spring?

The First Minister said that Scottish ministers would act on the report. Given that many of the fundamental decisions made early on in the project were taken by the Treasury and the office of the Secretary of State for Scotland, has he been assured that they, too, will act on the report?

The First Minister: Given the publicity surrounding the Holyrood project and the importance of the issue, I would be very surprised if the new Secretary of State for Scotland were not prepared to listen carefully to any recommendations that are made and to act on them. However, that is a matter for the United Kingdom Government. I do not expect it to tell me what to do and I should not tell it what to do. It is vital that we ensure that lessons from the inquiry about major capital building projects are learned at every level of Government and by all political parties represented in the chamber and elsewhere. I hope that those lessons will be learned.

I have forgotten Mr Purvis's other question.

Jeremy Purvis: I asked whether the report would be published next spring.

The First Minister: We need to give Lord Fraser some leeway on the issue of timing. We should not set an artificial timetable. The inquiry should be completed as quickly as possible, because it is important that the lessons from it are learned quickly and that the issue is brought to a head as quickly as possible. It is also important that we do not set an artificial timetable that may affect the completion and costs of the building. In consultation with all the people with whom he chooses to discuss the matter, Lord Fraser will have to make a judgment on the timing of the inquiry.

Kate Maclean (Dundee West) (Lab): I am concerned about the time scale of the inquiry. At yesterday's meeting of the Finance Committee, we heard that the final costs may not be known until months and possibly years after the Parliament building has been completed. What effect will that have on the inquiry? Will it slow things down?

The First Minister: I have read the *Official Report* of yesterday's meeting of the Finance Committee, but I do not imagine that the section of

the discussion to which the member refers and its implications will have a specific impact on the timing of the inquiry. There is no reason for the inquiry to continue until every dot and comma of the costs of the building is finalised.

Bruce Crawford (Mid Scotland and Fife) (SNP): Does the First Minister agree that it is imperative that we wash all the linen in public—no matter how dirty it may get and who may be embarrassed or hurt by the inquiry's findings—because Scotland must move on from this issue?

I listened very carefully to what the First Minister said about how the investigation will build on the Auditor General's findings in respect of the procurement strategy, cost control and contractual and project management arrangements. The First Minister said a number of times that all documentation would be made available. Will Lord Fraser have the power to re-examine the Auditor General's findings in relation to the procurement strategy, cost control and contractual and project management arrangements and to see all the documentation related to them? Will he have the power to call witnesses, who will hopefully attend?

The First Minister: Both Lord Fraser and the Auditor General will want to discuss how they organise the process and to ensure that they have available all information that would help them to bring the inquiry to a full and complete end. I imagine that there will be full co-operation between the Auditor General and Lord Fraser and that any requests that are passed between them will be met. I have no reason at all to doubt that.

Question Time

SCOTTISH EXECUTIVE

14:30

Minister for Justice (Visits to Stirling)

1. Mr Brian Monteith (Mid Scotland and Fife) (Con): To ask the Scottish Executive when the Minister for Justice will next visit the Stirling district and whom she will meet there. (S2O-246)

The Minister for Justice (Cathy Jamieson): Recently I met the chief constable of Central Scotland police and others in Dunblane, at the conference of the Association of Chief Police Officers in Scotland. I expect to have further visits to the Stirling area in due course.

Mr Monteith: I am glad that the minister met the chief constable of Central Scotland police, which provides an excellent service. Is the minister aware that in the Stirling district recorded crime is up some 6 per cent and vandalism is up some 26 per cent on last year? Can the minister explain why the Executive's justice policies are failing in Stirling despite the excellent work of Central Scotland police?

Cathy Jamieson: I welcome Mr Monteith's recognition that the police are doing a good job. He is correct that the overall crime rate in Stirling and, indeed, in the central region rose between 2001 and 2002. That rise included a substantial rise in recorded cases of vandalism. However, Central Scotland police has attributed the increase in recorded cases of vandalism to the work that it is doing and to better reporting. I do not believe that the Executive's policies are not tackling the issues. We have a wide range of measures in place and will continue with them. I am sure that Mr Monteith will look forward to hearing more in due course about our plans to tackle vandalism, antisocial behaviour and other problems.

Dr Sylvia Jackson (Stirling) (Lab): I trust that the member for Mid Scotland and Fife will invite the Minister for Justice to visit all constituencies in his region. I wonder why there is the sudden concentration on Stirling.

The minister may be aware of Central Scotland police's decision to target youth crime in its "Safer Central" strategy—of which we have heard—and to appoint a youth strategy officer to deal specifically with youth issues. Will the minister join me in congratulating Central Scotland police and the chief constable, Andrew Cameron, on taking such a proactive stance? Does she welcome the success of the strategy, which has taken £1 million-worth of drugs from central Scotland's streets and led to a crime clear-up rate of 64 per cent?

Cathy Jamieson: It is welcome to hear examples of good practice. I certainly had a very interesting discussion with the police and I look forward to hearing more about the work that is being done, particularly on tackling youth crime. It is important that we divert young people from getting involved in crime but, when they get involved, we must act quickly. The idea of having dedicated officers to deal with such issues is very important. I look forward to receiving an invitation from Sylvia Jackson to visit her constituency.

Deprived Communities (Cultural Activity)

2. Ms Wendy Alexander (Paisley North) (Lab): To ask the Scottish Executive how it is helping people from deprived communities to participate in creative cultural activity. (S2O-231)

The Minister for Tourism, Culture and Sport (Mr Frank McAveety): Scottish ministers are committed to helping people from deprived communities to participate in creative cultural activity in all its forms. That is why the Scottish budget for 2003-06 will invest an extra £3.85 million in 2004-05 and £6.95 million in 2005-06 in cultural activities across Scotland with specific targets to widen participation by under-represented groups and to boost standards. Those targets will guide the work of all our cultural agencies.

Ms Alexander: The minister may be aware of Paisley Youth Theatre in my constituency, which provides an outstanding service for young people. However, the Scottish Arts Council does not have available to it any small pump-priming funds for communities that want to have one-off flagship community theatre productions. Will the minister, in his forthcoming discussions with the SAC on the national cultural strategy, consider the need for such pump-priming local funds for local flagship productions?

Mr McAveety: As someone who has taken school parties to the venue in question, I would be happy to assist in discussions on behalf of the local member. Our other commitments include the development of a creative links officer in Renfrew schools and the development of the four school co-ordinators who are operating in secondary schools in Renfrew. That will provide an opportunity to open up much more debate, as local authorities and other partners do community planning. If the budget is available for local projects to be developed with a small amount of money, there is nothing to prevent discretion from being exercised to allow those projects to be engaged in more imaginatively. If the member feels that it would be worth while, I would be happy to visit Paisley Arts Centre, which I understand is the venue for a major show called "Paisley in Stitches". There are enough comedians in Paisley, I understand.

Less Favoured Areas Support Scheme

3. Mr Rob Gibson (Highlands and Islands)

(SNP): To ask the Scottish Executive when it will publish details of payments made to farmers and crofters under the less favoured areas support scheme for 2003. (S2O-204)

The Deputy Minister for Environment and Rural Development (Allan Wilson): The member may not realise that, due to legal restrictions, I cannot name individual producers who receive subsidy payments. Details of individual payments to farmers and crofters are subject to restrictions on the release of data under European Community legislation and the Data Protection Act 1998.

Mr Gibson: Does the minister realise that crofters and small farmers throughout the Highlands and Islands suspect that the largest payments have gone to farmers with large businesses? They suspect that the 5 per cent of farmers with the largest farms get a third of the subsidies that are paid and that half of the farmers and crofters in Scotland get only 5 per cent of the support payments. The failed Labour candidate in Argyll and Bute elicited that information during the election, when he asked the Liberal minister to explain why he did not use the means that were made by the European Union to put a clause in the payment regulations so that that information could be made public. If the minister is not prepared to make that information public now, is he prepared to do so at any future date?

Allan Wilson: The nationalists certainly know about failed candidates.

The member asked many questions. My department estimates that total expenditure for the scheme will be about £63 million and that 13,000 claimants will be involved. It is not correct to say that the scheme benefits large landowners, as it incorporates conditions such as minimum stock densities precisely to prevent large landowners from benefiting. As part of the agenda 2002 common agricultural policy reform, a change was made from acreage to headage.

In conjunction with other stakeholders, including the Scottish Crofting Foundation, we will consider improvements to the scheme in due course and make an announcement accordingly.

Mr Alasdair Morrison (Western Isles) (Lab):

At the end of March, along with crofting representatives from the Western Isles, I met Ross Finnie to discuss their concerns about the LFASS. At that time, Mr Finnie said that Executive officials were to engage in discussion with crofting officials from Comhairle nan Eilean Siar. Is that work in progress and can we expect a more equitable distribution formula for the next year and the following years?

Allan Wilson: Yes. As I confirmed in my answer to the previous question, that work is indeed in progress. Although the introduction of the minimum payment has been beneficial, it probably needs to be re-examined. As my colleague said, meetings have been arranged. Next week, there will be a meeting between my officials and stakeholders to discuss improvements to the scheme.

National Health Service (Prescription Charges)

4. Colin Fox (Lothians) (SSP): To ask the Scottish Executive whether it will remove charges for NHS prescriptions, in the light of plans to do so in Wales. (S2O-206)

The Deputy Minister for Health and Community Care (Mr Tom McCabe): We have no plans to remove charges for NHS prescriptions. The Executive is committed to reviewing prescription charges for people with chronic health conditions and young people in full-time education or training.

Colin Fox: I am sure that the minister is aware that the Welsh Assembly has announced plans to abolish prescription charges altogether in Wales, as it concluded that prescription charges meant that the sick paid for being sick. Given that the National Association of Citizens Advice Bureaux reported that, in Britain last year, 750,000 prescriptions were not dispensed because of the £6.30 charge, does the minister accept that, as 90 per cent of Scots are already exempt, it is time to end the unfairness that is visited on the remaining 10 per cent?

Mr McCabe: It is for the Welsh Assembly to make its own decisions; that is the whole point of devolution. We in Scotland concentrate on what we regard as priorities and the people of Wales are perfectly entitled to do the same.

I acknowledge the figure that the member quoted, but 91 per cent of the total items that are dispensed in Scotland are dispensed free at the moment.

Mr David Davidson (North East Scotland)

(Con): Further to the minister's answer, what will be the net cost of making all prescription items for chronic conditions free while retaining charges for non-chronic treatment for those who currently pay prescription charges?

Mr McCabe: That information is not currently available. That is the point of reviewing the current situation with regard to chronic conditions. The definition of chronic conditions must also be examined before that review can take place.

Alex Neil (Central Scotland) (SNP): Will the minister comment on the allegations that are made on page 2 of this morning's *Daily Record* about a

legal loophole that means that those who are able to claim free prescriptions are not getting their entitlement to free school meals?

Mr McCabe: My information is that there has been no oversight on free services because of the new tax arrangements. The necessary statutory instrument to allow free eye checks is already in place. We are currently working on the three other areas of prescription charges, dental checks and hospital travel. However, they do not require primary legislation.

It is important to point out that so far—and this will continue to be the case—no patient has been disadvantaged. Guidance was issued to practitioners in March to ensure that there would be no break in current provision.

Elaine Smith (Coatbridge and Chryston) (Lab): Although I welcome any extension of the exemption system for NHS prescription charges, I am concerned about the apparent shortfall in prescription provision. Is the minister in a position to respond to last night's media reports that Greater Glasgow NHS Board is not prescribing beta interferon to multiple sclerosis sufferers because of financial constraints? That situation could adversely affect several of my constituents.

Mr McCabe: I am aware of those press reports and our officials are in discussions with Greater Glasgow NHS Board.

The partnership agreement that will form the basis of the Administration during the next four years fully acknowledges that health boards in Scotland should prescribe any drug that has been approved by NHS Quality Improvement Scotland. We are determined to end postcode prescribing.

Minority Sports

5. Margo MacDonald (Lothians) (Ind): To ask the Scottish Executive what action it is taking to widen access to minority sports. (S20-222)

The Minister for Tourism, Culture and Sport (Mr Frank McAveety): The Executive is committed to generating opportunities to participate in sport. It is primarily for sports governing bodies to promote their sport, but the Executive, through sportscotland, will offer support and assistance where sports contribute to the sport 21 targets. For example, in 2002-03 sportscotland paid more than £85,000 to the Scottish Volleyball Association in development grant aid and £38,000 to Table Tennis Scotland.

Margo MacDonald: I thank the minister and congratulate him on getting the job; I think that he will do a good job.

I am delighted for the Scottish Volleyball Association, but are sportscotland's strategy and the sport 21 targets correct? Although volleyball

has benefited, Scottish cricket—which is burgeoning and which we should encourage—has been refused funding on the spurious grounds that it cannot guarantee that it will get to the super sixes at the 2007 world cup in the West Indies. That will appear to members to be nonsense and I am sure that the new minister will have a sensible answer for me, and money for Scottish cricket.

Mr McAveety: Part of my role is to continue the excellent work that was done by my predecessors in the portfolio. It is essential to acknowledge the role that sportscotland plays in the competitive arena of different sports competing for money.

It might surprise members to know that there are more cricket clubs in Scotland than there are rugby clubs. The clubs have received more than £4 million from the lottery in recent years, and Scottish cricket has received £110,000 in revenue aid. I attended the recent cricket match at which Scotland came within one wicket of defeating Pakistan, one of the major cricketing nations.

I hope that we can continue to give support where it is necessary, but I also acknowledge that we must do more development work. Our long-term commitment is shown in the work that we do on sports co-ordination and activities in schools. Through that, we can develop sport in Scotland so that Margo MacDonald and I can walk hand in hand at a Scottish cricket victory in an international arena.

Dennis Canavan (Falkirk West): Will the Executive ensure that more public funding goes to sports, including minority sports, that are organised in a fair, open and democratic manner, instead of handing out nearly £3 million to members of a closed cartel, like the Scottish Premier League, which is flouting the basic principles of natural justice by denying Falkirk Football Club promotion as champions of the first division?

Mr McAveety: I do not imagine that Dennis Canavan would ever consider Falkirk Football Club to be a minority club in Scotland. The issue to which Dennis Canavan referred is a matter for the bodies involved, in terms of their autonomous rules and regulations, and clubs have to address issues through that structure. It would be wrong for me as a minister to pass comment on that.

On the broader issue of whether we wish clubs to have a major role within their communities, the answer is that of course we do. That is why we will continue our commitment—as I said at the cross-party group on sport in the Scottish Parliament—to the development of community development trusts, which give supporters and communities as much of a say in clubs as many of those people who have been round the table at the SPL and other organisations in the past 20 or 30 years.

National Health Service (Prescription Charges)

6. Mike Rumbles (West Aberdeenshire and Kincardine) (LD): To ask the Scottish Executive when it will commence a review of prescription charges for people with chronic health conditions and young people in full-time education or training. (S2O-251)

The Deputy Minister for Health and Community Care (Mr Tom McCabe): Preparations are in hand and we expect the review to commence within the next few months.

Mike Rumbles: That is good news. Does the deputy minister agree that as the current criteria that are used to confer exemption from prescription charges were agreed back in 1968, the commitment to a review is long overdue, and the news is most welcome?

Mr McCabe: I am more than happy to agree. It is right that we carry out the review. It is exactly the kind of detail that devolution allows us to focus on. Our partnership agreement rightly highlighted that that is an important area, and we will treat it accordingly.

Mrs Nanette Milne (North East Scotland) (Con): What action is the Scottish Executive taking to raise awareness of the £89 per year fee that patients with chronic illnesses can pay to cover all prescription charges? I understand that more than a quarter of such patients do not know about the annual fee.

Mr McCabe: A range of initiatives, including information leaflets, tries to make as many people as possible aware of the ways in which they can reduce the burden of charges. If the member has any particular concerns, I am perfectly happy to discuss them further with her outside the chamber. If I can supply any further information to the member, I will do so in writing.

Prison Conditions

7. Marlyn Glen (North East Scotland) (Lab): To ask the Scottish Executive how it will respond to criticisms of prison conditions made by Her Majesty's chief inspector of prisons for Scotland. (S2O-219)

The Minister for Justice (Cathy Jamieson): The recommendations are being considered carefully by the Scottish Prison Service. The Executive plans to invest £110 million over the next three years to improve dramatically conditions across the prison estate.

Marlyn Glen: I thank the minister for her reply and welcome her assurances. The minister will be aware of continuing concerns about the condition of prisons in the north-east, in particular in HMP Peterhead, where it is becoming increasingly clear that there is a significant requirement for urgent

action. I accept that there is no easy quick-fix solution, but I seek confirmation that any investment will go to the core of the underlying poor conditions, and will ensure a much more modern regime for prisoners and staff alike. In addition, I ask the minister for an early meeting to discuss those concerns.

Cathy Jamieson: I am happy to hold discussions with Marlyn Glen on that issue. I confirm, as I have already done for the local member, that in relation to Peterhead a combined business case has been put forward for the installation of electric power in cells and in-cell fire detection. That will take about £800,000-worth of work, which we hope will commence as quickly as possible. Some of the other concerns about facilities that were expressed previously in the chamber will be addressed, but the member is absolutely right to say that there is no quick-fix solution.

Richard Lochhead (North East Scotland) (SNP): I wish to turn to another north-east prison—HMP Craiginches in Aberdeen. Will the minister confirm whether there are any long-term plans to change the role of Craiginches prison? How much of the cash that the minister just mentioned will go to Craiginches to tackle long-term understaffing and overcrowding?

Cathy Jamieson: First, I am not going to get into a bidding war in the chamber about what money goes to what prisons across Scotland or, indeed, across the north-east of Scotland. There are problems at Aberdeen, of which I am sure Richard Lochhead is aware. There have been issues to do with the lack of accommodation and people having to double up, but we have to address those issues across the whole prison estate. It is important to recognise that what goes on inside prisons in relation to programmes that change people's behaviour is as important as the state of the buildings.

Carolyn Leckie (Central Scotland) (SSP): What measures have been taken since the inspection of HMP Cornton Vale last September to implement the recommendations on sentencing policy? Has there been an improvement in relation to the number of women who are sent there who have committed drug-dependency-related crimes or who are there for non-payment of fines?

Cathy Jamieson: Carolyn Leckie raises a serious issue. People are concerned about the number of women who end up with custodial sentences for non-payment of fines. It is clear that we need to address that. We also need to consider the programmes that will be made available. I will shortly make an announcement on a sentencing commission to consider some of those issues. However, I will not stop considering the programmes involved to ensure that when

people come out of prison they get the help and support that they need to get back into life in their community and not reoffend.

Transport Budget

8. Chris Ballance (South of Scotland) (Green): To ask the Scottish Executive what percentage of its transport budget will be spent on public transport in each year of this parliamentary session. (S2O-227)

The Minister for Transport (Nicol Stephen): The budget for 2006-07, the final year of the session, will be set in the next spending review. Of the £844 million transport budget for 2003-04, 64 per cent will be spent on public transport. Of the £905 million budget for 2004-05, 66 per cent will be spent on public transport and of the budget of just over £1 billion in 2005-06, more than 69 per cent will be spent on public transport.

Chris Ballance: Given that, since the much-trumpeted figure of 70 per cent was formulated in September 2002, the estimated cost of the M74 has more or less doubled and given that the M74 might also affect roads spending, do the figures that the minister has just given take account of such increases?

Nicol Stephen: The funding that is allocated for road infrastructure projects and significant public transport infrastructure projects—the most ambitious railways investment scheme for decades is being planned and delivered in Scotland—is covered by the long-term allocations that we have made. Chris Ballance will know that the funding allocation for that is £3 billion over the next 10 years.

Christine Grahame (South of Scotland) (SNP): I remind the minister of his cheery and upbeat wee speech in the transport debate last week, and in particular of what he said about buses. Given that Peebles, along with other Borders towns, is to lose its town service, which will isolate the elderly and disabled in particular from the local health centre and post office, will he explain to Borderers why he is so cheery and upbeat?

Nicol Stephen: Every local authority in Scotland has the power to take action in relation to the network of bus services that it thinks is right for its communities. We are investing more in bus services as a result of the concessionary fares schemes that we intend to bring in during this session. We are committed to—

Christine Grahame: There are no buses.

Nicol Stephen: If Christine Grahame will give me the opportunity to do so, I will tell her that we are committed to expanding investment so that there is a concessionary fares scheme for older

people throughout the whole of Scotland and a concessionary fares scheme for younger people who are in full-time education.

Susan Deacon (Edinburgh East and Musselburgh) (Lab): Does the minister agree that the continuing enhancement of the east coast main line is of great economic benefit to Scotland? Will he agree to work in partnership with the Strategic Rail Authority and local authorities to ensure that proposals such as the development of a parkway station at Musselburgh are developed? That project is especially important because of the growth of local economies in the area and the forthcoming move of Queen Margaret University College to the area.

Nicol Stephen: I agree with that. The east coast main line from London to Edinburgh and on to Aberdeen is extremely important. I become concerned when the line is defined simply as a route to Edinburgh.

The improvements that Susan Deacon is talking about are very important. I discussed several of them with Richard Bowker—the chief executive of the Strategic Rail Authority—when he was in Scotland earlier this week. We also discussed other projects that affect the west and the north-east of Scotland. I will be discussing some of those issues with the Secretary of State for Transport when I meet him next week.

Hepatitis C (Financial Assistance)

9. Shona Robison (Dundee East) (SNP): To ask the Scottish Executive what further progress has been made in negotiations with Her Majesty's Government about payments of financial assistance to those infected with hepatitis C through contaminated blood and blood products while undergoing national health service treatment. (S2O-229)

The Minister for Health and Community Care (Malcolm Chisholm): We are discussing with the UK Government the issue of devolved powers and social security aspects. The issues involved are complex and those discussions are still in progress.

Shona Robison: Is the minister aware of the growing frustration—in particular with answers such as the one that he has just given—that is felt by hepatitis C sufferers after waiting nearly five months with no progress having been made in his negotiations with Westminster? Can he tell us today what more he is going to do to resolve the issue? What is his alternative plan if Westminster says no?

Malcolm Chisholm: I am sure that Shona Robison and others will understand that the negotiations involve detailed legal interpretation of the Scotland Act 1998. We have certainly made

the UK Government aware of our legal advice, and clearly we must allow Westminster to come up with its interpretation of that act. I have already discussed the matter with the new Secretary of State for Scotland since his appointment last week, and I can assure Shona Robison that my officials and I are doing all that we can to continue discussions and negotiations with the UK Government.

High Court

(Time Limit for Commencement of Cases)

10. Janis Hughes (Glasgow Rutherglen) (Lab): To ask the Scottish Executive whether it will extend the time limit for commencement of High Court cases beyond 110 days. (S2O-214)

The Minister for Justice (Cathy Jamieson): This morning I announced the publication of a white paper on reform of the High Court of Justiciary, which includes proposals to modernise the 110-day time limit as it operates in relation to High Court custody cases.

Janis Hughes: The minister will be aware of the real concerns that have been expressed about changing time limits for court cases. Does she agree that there is no evidence to support the extension of the time limit for sheriff court cases? Will she assure me that the Executive has no plans to increase the time limit for those cases?

Cathy Jamieson: It is important that the proposal is understood. The proposal is to make the 110-day limit run to the preliminary hearing that we will introduce, with a further 30 days within which the trial must start. That follows a recommendation by Lord Bonomy. He asked us to consider whether that time limit ought to extend across all procedures, but we feel that the problem is most acutely evidenced in the High Court; the proposal in the white paper is therefore to restrict the extension to the High Court.

Michael Matheson (Central Scotland) (SNP): Does the minister agree that the 110-day rule is an important principle of the Scottish criminal justice system and that it is in the interests of victims and accused persons? Does she agree that the way to tackle the Crown Office's current problem in meeting the deadline of 110 days is to ensure that it has the resources to do its job more efficiently, rather than to try to extend the time scale which could, ironically, slow down justice rather than speed it up?

Cathy Jamieson: It is important to understand the reasons behind the proposal, including some of the reasons that Lord Bonomy outlined in his report. The proposal is not designed to help the Crown. We are not changing the core 80-day time limit within which the Crown must indict an accused. It is important to recognise that many

victims and witnesses were turning up at court when processes were not able to go ahead.

The principle of having a time limit is important; that is why we are talking about introducing a preliminary hearing after the 110 days and why we are talking about allowing another 30 days in which all matters must be brought into the trial. I do not think that that goes against fundamental principles. Lord Bonomy clearly did not think that it goes against fundamental principles and it is something that I believe Parliament should support.

Fostering (Remuneration)

11. John Swinburne (Central Scotland) (SSCUP): To ask the Scottish Executive whether children's relatives are entitled to receive remuneration in respect of fostering them. (S2O-221)

The Deputy Minister for Education and Young People (Euan Robson): Our regulations and guidance give local authorities the discretion to decide what allowances to pay in line with local circumstances. We have no plans to change that.

John Swinburne: I am afraid that the minister's reply is inadequate in the light of accounts given to me by about 30 grandparents who are suffering greatly while they care for their grandchildren. Grandparents have dutifully assumed a caring role for a variety of reasons and view that role as their natural responsibility; however, the social services sector appears to be ignoring those grandparents' rights. Does the minister accept that it is no less expensive to provide for a child just because he or she is a relative? Does he therefore agree that it is inappropriate—if not illegal—for local authorities to operate at their discretion a two-tier system whereby relatives are paid less than foster parents for the care of children?

Euan Robson: What can I say? The Executive acknowledges the valuable role that relatives play in caring for children in Scotland, but as I said, the matter is at local authorities' discretion. However, it might help the member if I refer him to regulation 9 of the Fostering of Children (Scotland) Regulations 1996. The accompanying guidance suggests that where relatives or friends are approved as foster carers, it is unlikely that the cost of caring for the child will differ markedly from the cost to other foster carers.

In addition, we have invited the Fostering Network to develop fostering proposals in order to improve the system, including in respect of remuneration. We look forward to hearing the proposals in the near future.

Scott Barrie (Dunfermline West) (Lab): Does the minister agree that statutory provision already exists in the Children Act 1989 and the Children

(Scotland) Act 1995, which allows local authorities adequately to pay relatives who foster children? The key point is whether relatives are fostering temporarily or acting as foster carers and have been approved through the appropriate fostering regulations.

Euan Robson: Mr Barrie is correct in what he says about powers; he has made another relevant point with which I agree.

Landfill Sites (Road Transportation of Waste)

12. Mr John Home Robertson (East Lothian) (Lab): To ask the Scottish Executive what its policy is on transportation by road of large volumes of waste to landfill sites. (S2O-218)

The Deputy Minister for Environment and Rural Development (Allan Wilson): Our policy is to minimise any environmental impacts from waste management. We therefore encourage rail transport where feasible and freight grants are available to assist with the process.

Mr Home Robertson: Is the minister aware that the planning consent for the Oxwellmains landfill site near Dunbar stipulates that waste from Edinburgh city should always be transported by rail? Is he also aware that, since rail transport was suspended six months ago, thousands of truckloads of rubbish from Edinburgh have added to congestion on the single carriageway A1 in East Lothian? Can the minister do anything to help to get Edinburgh's rubbish back on track?

Allan Wilson: I am well aware of the problem to which John Home Robertson refers, not least as a result of his prodigious efforts in bringing the problem to my attention, as well as those of East Lothian Council. We are keen to expedite the transfer of Edinburgh's waste back to rail. The good news for John Home Robertson's constituents and the wider environment is that I understand from City of Edinburgh Council officials that the transfer station at Powderhall is expected to reopen at the end of the month, when rail transport should recommence. The member's efforts have paid off.

Kerbside Recycling

13. Shiona Baird (North East Scotland) (Green): To ask the Scottish Executive whether it has set any targets for kerbside recycling. (S2O-228)

The Deputy Minister for Environment and Rural Development (Allan Wilson): The Executive's partnership agreement stated that we will set targets for local authorities to recycle 25 per cent of waste by 2006 and 55 per cent by 2020 through increasing use of doorstep collection and provision of recycling facilities in every community.

Shiona Baird: The Scottish Green Party welcomes the publication of the "Separate Waste Collection Systems Best Practice Review" on Tuesday as more practical evidence that Scotland's recycling rate can be significantly increased. Will the minister give details of how Scotland will move from current rates of household collection of recyclables to the target of 85 per cent—that is the target that I have—by 2010, as published in the national waste strategy? Which of the six collection scenarios in Tuesday's report does he favour for areas of high-density housing?

Allan Wilson: I will answer the last question first. I would favour the best local environmental option. As Shiona Baird will be aware, there were targets within the Labour manifesto that we were persuaded by advice to leave out of the partnership agreement, principally because we want to see the best local environmental options being adopted at local authority level. That might mean a bring system as opposed to kerbside collection, especially in our more remote rural locations. The issue is about the option that is considered best by the local authority and the local people.

The Presiding Officer (Mr George Reid): Questions 14 and 15 have been withdrawn.

Solutions RMC

16. Tricia Marwick (Mid Scotland and Fife) (SNP): To ask the Scottish Executive whether it is in the public interest to vary the interdict granted to Tony Freeman of Solutions RMC preventing Robert Winter of Breast Cancer Research (Scotland) from divulging any information pertaining to Solutions RMC's business, finances, products, dealings, transactions or affairs to any third party. (S2O-199)

The Lord Advocate (Colin Boyd): No. There is nothing in those proceedings that prevents my office from carrying out its functions in relation to the proper administration of charities. I should add that the terms of the interdict relate to the private commercial interests of the witness and his former employer, and prevent the witness from using for the commercial advantage of others information of a commercial nature that has been gained through his employment. That matter is sub judice and I make no comment on it.

The Presiding Officer: Tricia Marwick will be aware of the sub judice constraints.

Tricia Marwick: My understanding is that the interdict is a blanket order with no exclusions. A written answer from the Lord Advocate suggests to me that Mr Robert Winter could co-operate with the regulatory authorities. Can the Lord Advocate confirm whether, with the interdict still standing, Mr Winter would be able to give evidence to MSPs

and any committees of Parliament when they consider any charities bill?

The Lord Advocate: I cannot comment on the proper administration of Parliament. My office is not inhibited by the terms of the interdict.

Angus Council (Road Improvement Projects)

17. Alex Johnstone (North East Scotland) (Con): To ask the Scottish Executive when it will next meet representatives of Angus Council to discuss the A92 Dundee to Arbroath upgrading and Montrose bridge replacement projects. (S2O-209)

The Minister for Transport (Nicol Stephen): We have no plans at present to meet representatives of Angus Council to discuss the A92 Dundee to Arbroath upgrading and Montrose bridge replacement projects.

Alex Johnstone: That is no surprise. Perhaps Angus Council has realised that it would be an unproductive use of its time to talk to the minister.

When will the Executive realise that those two projects are essential to the economy of Angus, as are other road projects to the economy of other parts of Scotland? When will the minister initiate redirection of funds away from the Executive's pet projects and towards essential road projects?

Nicol Stephen: Those are both local road projects and are rightly the responsibility of Angus Council. However, I met representatives of Angus Council recently at the opening of the Forfar overpass and underpass schemes. At that meeting they thanked me for the support that the Executive had provided for the scheme to take forward the proposals on the A92 upgrade. I understand that the scheme is now moving forward.

Similarly, on the Montrose bridge scheme, the Executive provided initial additional capital borrowing consent for the scheme. When the scheme increased in value, the council came back to us and the Executive provided more support. The issue is now the planning process and the awarding of the tender. Work is due to start in August this year.

Mr Andrew Welsh (Angus) (SNP): The project is due to start in the autumn. Given the project's importance to the whole north-east economy, what extra help is the Government prepared to give, rather than put the major burden on the shoulders of local taxpayers? After all, central Government de-trunked the road and refused to finance the lifeline bridge.

Nicol Stephen: I refer to the answer that I have given. The A92 is a local road; it is primarily the responsibility of Angus Council, but the Scottish Executive gave initial help and, when the local authority came back to us, we gave extra help. The project is now proceeding.

First Minister's Question Time

15:10

Secretary of State for Scotland (Meetings)

1. Mr John Swinney (North Tayside) (SNP): To ask the First Minister when he will next meet the Secretary of State for Scotland and what issues he intends to discuss. (S2F-94)

The First Minister (Mr Jack McConnell): I met the Secretary of State for Scotland and Lord Falconer, the Secretary of State for Constitutional Affairs, on Monday in London, when we discussed a range of important issues. I expect to meet the new Secretary of State for Scotland regularly. I am sure that he would join me in congratulating Mr Swinney on his recent announcement, although I should add that I notice that Mr Swinney is not planning to hold a referendum before giving up his independence.

Mr Swinney: The referendum was one person, one vote and it took place some time ago.

For more than two months, since the introduction of the child tax credit scheme, thousands of Scotland's most vulnerable families have been without the protection of the law in terms of their rights to claim key benefits. Last week, Parliament restored that legal protection for access to free school meals. Why was Parliament not asked to restore that legal protection in relation to free dental treatment and free prescriptions?

The First Minister: I believe that, two and a half months ago, Parliament ensured that that right was also available in relation to eye checks, under similar provisions designed to ensure that we could deal properly with the new tax credits.

There are some outstanding issues in relation to this matter. It would have been wrong to deal with them as part of the school meals legislation, because it is important that when changes are made to deal with prescription charges and other issues, the right legislation is put in place to stand the test of time.

Mr Swinney: I am a bit puzzled by the First Minister's answer. The child tax credit scheme was first proposed in 1999, there was a consultation process that ended in 2001, the details were given in the budget in 2002 and the Westminster Parliament and the National Assembly for Wales appear to have taken all the necessary steps to guarantee that that legal protection is in place.

In the debate last week, Euan Robson said that the current administrative arrangements relating to school meals

“cannot be sustained beyond a short period”

and that

“the bill is necessary to give the arrangements legal force.”—[*Official Report*, 11 June 2003; c 614.]

Surely, with regard to free dental treatment, free prescriptions and perhaps other important benefits for vulnerable people in Scotland, that legal protection has to be in place.

Why is it possible for the United Kingdom Government and the National Assembly for Wales to get their acts together but not for the Scottish Executive to manage to do so?

The First Minister: If Mr Swinney had checked his facts, he would have discovered that appropriate guidance was circulated in March and has been on the Scottish Executive’s website since late March or early April. The process has been operating effectively. It is wrong of Mr Swinney, simply because he wants to write a press release, to scare people across Scotland by claiming that their benefits are in some way under threat. However, the SNP’s press release says quite clearly that the delay has been caused by a need to ensure that the legislation that is required on this subject is not out of step with earlier legislation and notes in particular outstanding difficulties in relation to the arrangements regarding asylum seekers.

Mr Swinney should state all the facts to the chamber today. No one in Scotland should be losing out in relation to their benefits as a result of the arrangements that are required because of the change to the child tax credit scheme.

Legislation is required to put in place a permanent solution and that legislation will be forthcoming at the right time, which will be when it is ready.

Mr Swinney: That takes us no further forward. According to the information that I have received from the House of Commons library, this issue arose in late 2000 and has been rumbling on ever since. That does not suggest that this Government can close issues down terribly quickly.

I am concerned about the lack of legal force not because I have made anything up but because Euan Robson told Parliament last week that the arrangements have to have legal force behind them as all it takes is one challenge to jeopardise the benefits that these individuals are properly entitled to.

Is it not about time that the First Minister stopped talking about good government and started delivering it? The Scottish Parliament goes into recess a week on Friday and there will be weeks in which we cannot take the necessary action. The Executive needs to get its act together

and deliver good government in the interests of the vulnerable people of Scotland.

The First Minister: Mr Swinney is grasping at straws and struggling as a result. If he would check his facts carefully before writing his press releases, he would know that there is no need for primary legislation on the issue. That is why there is a difference between the legislation on school meals and the other matters. It is also why we were able to act quickly. Because the position with eye checks was so straightforward, we were able to legislate using secondary legislation earlier this year. In fact, the members of the Scottish nationalist party who were involved in that decision should have been aware that that was the case. Now, of course, we will ensure that the right legislation is in place as quickly as possible. Currently, no one in Scotland should be losing out at all. It is very wrong to scare people in Scotland and suggest that they are.

Mr Swinney: Not once have I raised eye checks. That issue has been raised entirely by the First Minister. There is a problem with free prescriptions and dental checks. When will the Government bring forward the secondary legislation to deliver those? It is not as hard as primary legislation. Surely the First Minister could get the easy bit right first.

The First Minister: As Mr Swinney notes in his own press release, we will bring forward the secondary legislation on that matter as soon as it is ready. That legislation will be the right legislation and there will therefore be no problems with it.

Prime Minister (Meetings)

2. David McLetchie (Edinburgh Pentlands) (Con): To ask the First Minister when he will next meet the Prime Minister and what issues he intends to discuss. (S2F-102)

The First Minister (Mr Jack McConnell): I speak regularly with the Prime Minister on matters of importance to the people of Scotland. I spoke to the Prime Minister last week and intend to do so regularly over the course of the summer.

David McLetchie: I wonder whether, in their next discussion, the First Minister and the Prime Minister might discuss the health service and reflect on the fact that we now have a Scottish member of Parliament—Mr John Reid—in charge of the health service in England. Will the First Minister explain why the benefits of foundation hospitals are to be extended to the people of Manchester by Mr Reid, but denied to the people of Motherwell, thanks to the Scottish Executive’s ideological blinkers?

The First Minister: The only person in these exchanges who is regularly ideologically blinkered about the health service is Mr McLetchie and it

certainly not me. The health service in Scotland needs to have Scottish solutions to the problems that it faces. We need to ensure that the right reforms are in place in the health service in Scotland to secure the maximum return for the record level of investment that is now being made in the health service in Scotland to enable it to recover from the many years in which Mr McLetchie's party was causing it so much damage.

We will ensure that those reforms are the right ones for Scotland. The Westminster Government is perfectly entitled to pursue the reforms that it believes are right for the health service in England. The two systems are different and the reforms will be different, but the end result is the same: the patient comes first and the patient gets a better service.

David McLetchie: I fail to see the virtue of a so-called Scottish solution if it results in longer waiting lists, which are up by 20 per cent since 1999, and longer waiting times, which have grown by 21 days since 1997. It is a perverse form of patriotism indeed that prefers a Scottish solution that makes things worse for people in Scotland.

Let us assume for a moment that people in Scotland are not enamoured with the Scottish solutions that are on offer from the Scottish Executive for our health service and happen to think that they might get speedier treatment for their conditions in one of Mr Reid's foundation hospitals on the national health service in England. Is the Scottish Executive prepared to give patients in Scotland the right to exercise that choice? In other words, will people in Scotland have passports to access NHS services at NHS hospitals anywhere in the United Kingdom at NHS expense?

The First Minister: I made it clear several months ago that patients in Scotland for whom our guarantee on waiting times is not met locally will have the right to access their health care elsewhere in Scotland or the rest of the UK or anywhere else, for that matter, and have it paid for by the local health board, because that guarantee will be met. That is the clear objective that we have set.

It would be better if, instead of talking about a health service that exists elsewhere, Mr McLetchie would address the health service in Scotland. Only in the past week, Malcolm Chisholm announced further reforms to the Scottish health service. I have said before that such reform is overdue and Malcolm Chisholm has announced a clear plan for Scotland. The reforms will include alternatives to traditional consultations using telemedicine or general practitioner specialists.

We are introducing new ways of managing the queue, so that people do not get the wrong

appointment at the wrong time, but are given appointments at times that suit them and which they can meet. We are introducing new ways of managing capacity to ensure that the service meets the patient rather than the other way round. That is the best way to bring down out-patient waiting times in Scotland. Our reforms will deliver that.

Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD): The First Minister will be aware of the scourge of pyramid selling in this country via chain letters that make promises of great riches, which ultimately lead to losers. Several constituents of mine are caught in that trap. I am sure that the First Minister will welcome press reports this week that the Westminster Government intends to introduce legislation to kill the scourge, possibly by means of an amendment to gambling legislation. When the First Minister next meets the Prime Minister, will he discuss the matter and seek ways to solve the problem in Scotland, either by means of a Sewel motion or by primary legislation?

The First Minister: Scottish ministers are in regular discussion with colleagues down south. At the moment, they are in specific discussions about issues that relate to gambling and casinos and the legislation on those issues. If that is an area on which the Westminster Government might legislate, I assure Mr Stone that we will raise the matter as part of those discussions to ensure that no one in Scotland loses out if change is taking place elsewhere.

Sustainable Future

3. Robin Harper (Lothians) (Green): To ask the First Minister what plans the Scottish Executive has, and what action it has taken in this session of the Parliament, to build a sustainable future in Scotland. (S2F-101)

The First Minister (Mr Jack McConnell): As we stated in the partnership agreement, we want this parliamentary session to be marked by increasing delivery and action to create a more sustainable Scotland. We will toughen up action on environmental crime and take action to improve the quality of life by tackling graffiti, fly-tipping and abandoned cars.

In the short term, we are moving fast to put together a green jobs strategy, with areas such as renewable energy at its core. We are also creating strategic environmental assessments and will introduce a bill in the autumn on nature conservation.

Robin Harper: In the last session of the Parliament, the First Minister set up the Cabinet sub-committee on sustainable Scotland. Three weeks ago, when I asked him when the sub-

committee would next meet, I was informed that Cabinet sub-committees would be decided shortly. Is it not a matter of regret that the First Minister is unable to announce to the chamber today that the sub-committee on sustainable Scotland has been reinstated and that it will meet shortly?

The First Minister: I am happy to confirm to the chamber today that the Cabinet has agreed to continue with the sub-committee on sustainable Scotland and that the sub-committee will continue to have external members. I hope that, when the Cabinet meets next week, it might even agree that I am allowed to chair the sub-committee again—although I will need to discuss that with my colleagues. I assure Mr Harper that the sub-committee will meet as soon as possible.

Cabinet Reshuffle (Constitutional Changes)

4. Mr Alasdair Morrison (Western Isles) (Lab): To ask the First Minister what impact any constitutional changes arising from the recent reshuffle of the Cabinet of Her Majesty's Government will have on the Scottish Executive. (S2F-100)

The First Minister (Mr Jack McConnell): I believe that the UK Cabinet reshuffle was a significant vote of confidence in the way that devolution is working. [*Interruption.*] The Scottish National Party might not like the answer, but devolution is working in Scotland and got a significant vote of confidence last week.

There will be a greater emphasis on bilateral relationships between respective Scottish and UK ministers. The Scottish Executive now takes the lead in the promotion of Scotland abroad.

Mr Morrison: In the light of the sensible and pragmatic realignment of portfolios at Westminster, I ask the First Minister to assure me that he will establish bilateral meetings with the new energy minister, Stephen Timms, as a matter of priority. Does he agree that it is essential to continue to make progress on the development of renewable energy generation? Will he further assure me that my constituents in the Western Isles remain at the forefront of the Executive's plans for the expansion of renewable energy projects, including wind farm and wave energy developments?

The First Minister: I believe that we should have renewable energy in Scotland. The Western Isles have a massive potential for our economy and for a more sustainable use of energy in the years to come. I congratulate Stephen Timms on his appointment—indeed, I would have liked to have been the first to do so, but unfortunately I cannot do so because the Deputy Minister for Enterprise and Lifelong Learning, who is our energy minister, met Stephen Timms on Tuesday.

That shows that the new process is already working.

Alex Neil (Central Scotland) (SNP): When the First Minister meets the new Secretary of State for Constitutional Affairs, will he raise with him the possible transfer of reserved powers under schedule 5 to the Scotland Act 1998? Although I recognise that the First Minister is not a nationalist with either a big or a small n, there is a broad consensus in the chamber that the transfer of powers over the internal rules governing the operation of the Scottish Parliament, for example, should be transferred to the Parliament. Moreover, earlier this year, the Transport and the Environment Committee under a Labour convener recommended that powers over railways should be transferred. Will the First Minister therefore raise the issue of the transfers of some real power to this Parliament?

The First Minister: The Parliament's procedures are entirely a matter for the Parliament. As a result, I would expect the Parliament instead of me to discuss them.

Bill Aitken (Glasgow) (Con): Does the First Minister not agree that the handling of the Cabinet's constitutional changes has resulted in considerable confusion? Is he quite certain with whom he should be communicating when he contacts the Westminster Government? Moreover, does he not agree that, quite contrary to what he said in his response to the SNP, what has happened over the past week has added pressures to the maintenance of the union instead of making the UK a more cohesive body?

The First Minister: Nothing makes me more certain that any constitutional change—no matter whether it happens in the UK Cabinet or whether it created this Parliament—is likely to be right than if it is opposed by both the nationalists and the Conservatives.

West Coast Main Line Railway

5. Robert Brown (Glasgow) (LD): To ask the First Minister how Glasgow will benefit from the west coast main line railway upgrade. (S2F-99)

The First Minister (Mr Jack McConnell): First, I am sure that members across the chamber and perhaps from all parties will join me in congratulating the new Secretary of State for Scotland and thanking him for announcing a £9 billion investment in the west coast main line shortly before I met him in London on Monday. In addition to the other benefits that the new line will bring, faster trains will operate between Glasgow and London to deliver a four hour 30 minute service by 2004 and a four and a quarter hour service by 2007.

Robert Brown: I thank the First Minister for his answer and add my congratulations to his own on this matter.

However, the west coast main line carries 40 per cent of UK freight. As a result, does the First Minister regard the Royal Mail's decision to withdraw mail services from the railways as a retrograde step and against public policy in Scotland and England? In light of the recent major announcement, will he arrange to meet, or arrange for one of his ministers to meet, the Royal Mail to seek a reversal of its decision?

The First Minister: I am probably even more disappointed than other members about the Royal Mail's decision, as it will have an impact on the depot in my constituency. However, given the recent performance of trains on the west coast main line, we should not be particularly surprised by the company's decision. The key issue is to get the line upgraded to ensure that it can carry more freight and passengers more quickly. That will not only improve railway journeys and increase the level of freight that is carried between Glasgow and London, but significantly improve the efficiency of the transport infrastructure across the whole of the UK. I am delighted that the upgrade is taking place. Indeed, I hope that that very fact will avoid a situation where other companies take similar decisions and indeed might allow the Royal Mail to reconsider its own decision at some point in the future.

Police Numbers

6. Brian Adam (Aberdeen North) (SNP): To ask the First Minister what the Scottish Executive's plans are for increasing police numbers. (S2F-89)

The First Minister (Mr Jack McConnell): Police numbers in Scotland are already at record levels, reaching 15,487 in March 2003, which is a rise of just over 700 officers since devolution. A combination of investment in training new officers, court and other reforms, and operational improvements will deliver an increase in the numbers of police officers on operational duty in every Scottish force. Our objective would be to secure such an increase in every year of this parliamentary session.

Brian Adam: I thank the First Minister for his reply. Is he aware of the fatal accident inquiry into the death of Alison Duguid and of the comment by Inspector Merchant of Grampian police that a shortage of police officers might have contributed to her death? Does the First Minister accept that Grampian police is underfunded relative to the Scottish average? Can the First Minister tell me when the long-awaited review of police funding in Scotland will be completed and implemented?

The First Minister: There are issues regarding police funding throughout Scotland and, as Mr

Adam will know, there has been a review. We will work towards implementing that review's outcomes in a steady way that does not disrupt the operational responsibilities and arrangements of police forces throughout Scotland. It would be wrong of me to comment on individual cases and on possible impacts from local operational arrangements on an individual case. However, the chief constable of Grampian police is part of the discussion each year that allocates available resources and he will want to make his point at that discussion.

It is vital that we keep our eye on the bigger picture in Scotland. That is why the Minister for Justice, Cathy Jamieson, announced today wide-ranging, radical reforms to the court system in Scotland that will not only improve the likelihood of bringing forward cases on time and ensuring that those who are guilty of criminal activity are properly prosecuted, but ensure that police officers do not waste time waiting week after week and time after time for courts to complete the proper processes and hear cases. The reforms will allow officers to get back on to the beat.

I noticed that the SNP has come out today—Mr Adam might not yet be aware of this—against one of our proposed key changes, which is the change to the 110-day rule. We will have a very interesting debate during the next few weeks on that matter because court reforms are needed in Scotland and should be implemented as quickly as possible.

The Presiding Officer (Mr George Reid): That concludes questions to the First Minister. I ask those members who are leaving the chamber to do so quickly and quietly.

Bristow Muldoon (Livingston) (Lab): On a point of order, Presiding Officer. I am sure that he did so inadvertently, but Mr Neil attributed an incorrect outcome to the Transport and the Environment Committee report to which he referred. In fact, an SNP proposal that would have caused further instability in the railway industry was rejected following a vote at a meeting of the Transport and the Environment Committee.

The Presiding Officer: It does not necessarily require a point of order to set the record straight, but you have made your point. Mr Neil is no longer in the chamber, so I think that we should leave it there. Will those members who intend to leave the chamber, please do so now.

Subordinate Legislation

Water Industry (Scotland) Act 2002 (Consequential Provisions) Order 2003

The Deputy Presiding Officer (Murray Tosh):

The next item of business is a debate on motion S2M-144, in the name of Ross Finnie, on the draft Water Industry (Scotland) Act 2002 (Consequential Provisions) Order 2003. I invite members who want to participate in the debate to press their request-to-speak buttons now. I call Allan Wilson to speak to and move the motion. You have seven minutes, Mr Wilson—*[Laughter.]*—and we insist.

15:33

The Deputy Minister for Environment and Rural Development (Allan Wilson): I will perhaps fill in the time with a bit of impromptu karaoke at the end. I assure you, Presiding Officer, that I do not feel obliged to use my full seven-minute allocation. Members will be pleased to learn that.

Today's debate concerns a consequential order that is made under section 69 of the Water Industry (Scotland) Act 2002. The 2002 act established Scottish Water as the provider of water and sewerage services on the public networks throughout Scotland. Scottish Water took over the functions of the previous three water and sewerage authorities. The consequential order that we debate today will ensure that future legislation properly reflects the creation of Scottish Water and the dissolution of the previous water and sewerage authorities. Therefore, the amendments in the consequential order are largely minor, technical ones that will not affect the substance of the legislation.

The amendments will replace references in several statutory provisions to the former water and sewerage authorities with references to Scottish Water. For example, the Housing (Scotland) Act 1988 is amended so that

“a water authority or a sewerage authority”

is replaced by a direct reference to “Scottish Water”. Similar substitutions are made in other legislation, ranging from the Housing and Town Development (Scotland) Act 1957 to the Housing (Scotland) Act 2001. The order also amends secondary legislation, for example the Utilities Contracts Regulations 1996. Here too it replaces references to the previous water and sewerage authorities with references to Scottish Water.

Of more substance is the order's amendment to the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947. As is clear from section 47 of

the 2002 act, and as members will recall from the debate at the time, Parliament intended that Scottish Water should have the power to make compulsory purchase orders. Unfortunately, the procedures established under the 1947 act were not applied to those provisions. That technical defect came to light only recently, when Scottish Water sought ministers' confirmation of a compulsory purchase order in connection with the proposed new treatment works at Milngavie.

The problem is essentially that the normal procedures for compulsory purchase as set out in the 1947 act have not been properly applied in the 2002 act. Because those procedures are not in place, ministers are unable to consider compulsory purchase orders proposed by Scottish Water under section 47 of the 2002 act. Our purpose in making this amendment to the legislation is to remedy the defect and give effect to the Parliament's original intention.

Alex Johnstone (North East Scotland) (Con):

For the avoidance of doubt, will the minister state clearly that the changes relating to the 1947 act and compulsory purchase involve only a change in the organisation to which those powers are conferred, and that the powers themselves remain completely unchanged by the order?

Allan Wilson: Yes. I thought that I had said, “As is clear from section 47 of the 2002 act”—

Alex Johnstone: It was just for the avoidance of doubt.

Allan Wilson: Okay. That always worries me.

It is not really about the powers. In fact, it is not at all about the powers. As is clear from section 47 of the 2002 act, Parliament intended that Scottish Water should have the power to make compulsory purchase orders. It is the procedures established under the 1947 act that were, incorrectly, not applied to the provisions of the 2002 act. Basically, a mistake was made at the time.

The order is subject to the affirmative procedure because it amends primary legislation. It therefore needs to be debated by the Parliament, even though the amendments are mainly of a minor, technical nature.

I move,

That the Parliament agrees that the draft Water Industry (Scotland) Act 2002 (Consequential Provisions) Order 2003 be approved.

15:38

Roseanna Cunningham (Perth) (SNP): It is a great pity that we were not able to consolidate this debate with the one that we had this morning. It appears to be about little more than dotting the i's and crossing the t's of the Water Industry (Scotland) Act 2002.

As far as I can see from the Executive note, the order does exactly what it says on the tin. First, it amends a number of bits and pieces of legislation that had referred to the former geographical area-based water and sewerage authorities, so that they now refer to Scottish Water. Ho-hum. Secondly, as the minister so eloquently explained, it modifies the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947; in other words, it deals with compulsory purchase.

When I first looked at the order, I thought that it could surely have been dealt with by the Subordinate Legislation Committee. Did the committee spot something that I had missed? One does get a bit paranoid in this Parliament. I had a look at the Subordinate Legislation Committee's first report of the session and, sure enough, there in a long list of other Scottish statutory instruments and draft SSIs was the draft Water Industry (Scotland) Act 2002 (Consequential Provisions) Order 2003. However, the very head of the report states:

"At its meeting on 17th June the Committee determined that the attention of the Parliament need not be drawn to the instruments listed in this report."

I therefore ask why the order is being brought to our attention in this debate when the instrument is perhaps more a "Whoops! We missed that bit" order that simply fixes an omission in the act, which Scottish Water needs to have in place to allow it to proceed with works at Mugdock reservoir. Lest anyone think that my brilliant prescience is such that I was able to discern all that from the statutory instrument, I must say that that is not made clear in the order's explanatory notes. I wish that the matter had been brought to the attention of the Subordinate Legislation Committee—surely the Executive was not trying to hide its incompetence under a bushel—but I had to rely on Des McNulty, who enlightened me in the tea room this morning as to what was actually behind the order.

Perhaps I am being just a little cynical—unlike me, I know—but I cannot help noticing that an extra half hour had to be shoe-horned into the start of this afternoon's business so that we could hear the First Minister's statement on the remit of the inquiry into the Holyrood building project. It is a pity that that debate had to be curtailed while this piece of bureaucratic tinkering has been allocated half as much time again. Here we are fixing an Executive oversight when we should be focusing on an issue on which the public want to see a debate and for which members would be queuing up to speak. Such a debate very much needs to be carried out in the public sight.

The Subordinate Legislation Committee's report gave a long list of SSIs and draft SSIs. I sincerely hope that this afternoon's proceedings are not a

foretaste of what is to come, and that each and every one of those instruments will not need to be brought before the Parliament, clogging up business and taking up time that could be better spent.

The Deputy Presiding Officer: I call Alex Johnstone. You have a minimum time of three minutes.

15:42

Alex Johnstone (North East Scotland) (Con): Only three! Not having had the benefit of having tea with Des McNulty earlier today, I have even less to say about the order than previous speakers. When I looked at the motion, I had questions about how we should deal with it, so I asked our research team, but they could not come up with any ideas either. It appears that the matter may more appropriately have been dealt with as an uncontested amendment during the passage of the Water Industry (Scotland) Act 2002.

However, harking back to what we said earlier today, the Tories have a number of concerns about the Scottish water industry, not least of which is that the industry is rather less efficient than it might have been. We want to continue discussing the future of the Scottish water industry and how it might deliver a more efficient and effective service in the long term. There is, however, little in the order that is in any way contestable or that would contribute to that ambition.

15:43

Nora Radcliffe (Gordon) (LD): I, in turn, do not intend to say much on the order, which is a fairly technical measure to clear up legislation subsequent to the creation of Scottish Water.

However, the modification of the Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 is important. When Scottish Water exercises the powers of compulsory purchase granted to it by Parliament, it is important that it does so under the same procedures to which local authorities are subject. When public bodies exercise statutory rights as overwhelming or radical—if those are the right adjectives—as compulsory purchase, it is essential that they do so within properly defined, clearly understood and transparent legal parameters that are properly scrutinised by ministers.

It is good that the problem has been picked up. It was thrown up when an attempt was made to exercise the right and the legislation was found to be defective, so it is right that we should sort it out. It is good that the order has been brought before the Parliament so that Scottish Water can, in turn, get the Milngavie issue sorted out.

The Deputy Presiding Officer: Matters are about to be clarified, because I call Des McNulty.

Roseanna Cunningham: This is his specialist subject.

15:44

Des McNulty (Clydebank and Milngavie) (Lab): Yes, it is my specialist subject.

There are some questions about the order, so it will be useful to explain the background to the long-running saga of the proposal to build new water treatment works at Barrachan.

When Scottish Water chose Barrachan as the site for the new reservoir, it rejected a number of other sites, including Bankell farm and a site called site 6, which lies to the north of Barrachan. Those sites were rejected as the preferred sites for the reservoir largely because of issues of site acquisition and cost—in other words, Scottish Water said that it wanted to build the plant at Barrachan because acquiring the other sites would involve considerable extra cost and trouble.

The site at Barrachan is probably the most environmentally sensitive of all the sites that were considered. It is a B-listed site and is on a hill, so it will be seen from almost every angle in the Milngavie area. It is also immediately adjacent to the reservoir. Many people in Milngavie feel strongly that Scottish Water's proposal of the site was a stalking horse for the site that it really favoured. People could not believe that anyone would be so stupid as to suggest this site.

Mr Brian Monteith (Mid Scotland and Fife) (Con): The member has not mentioned the bats on the site. Will he comment on the relevance of the bats?

Des McNulty: I will return to that issue.

The other sites were rejected mainly on the ground that they were hard to acquire. In the case of site 6, there was also an argument that the site was too small. Now, two compulsory purchase orders have been issued—one for Bankell farm and the other for site 6. That demonstrates clearly that the water treatment plant could have been built on either of those sites. CPO number 1, which was issued by Scottish Water, involves taking into possession a larger site than was originally considered for site 6 and turning it into a construction facility.

Many people may see this as an arcane matter, and it is obviously a local issue, but there is a strong sense in the Milngavie community that people were hoodwinked and told lies about the real options and the criteria used by Scottish Water, which wanted to privilege its favoured option. A huge number of concerns were raised by local people, expert professionals whom East

Dunbartonshire Council employed to consider the matter and national bodies such as Scottish Natural Heritage and Historic Scotland.

Despite all that local pressure, Scottish Water insisted on driving ahead with its proposals. The council rejected its first proposal—quite rightly—following representations from me and from others. Scottish Water immediately responded with a revised proposal for a significantly smaller plant on the same site. The question in people's minds was, "Why could Scottish Water not have done that in the first place?"

Now that Scottish Water has to acquire the sites to locate the water treatment plant at Barrachan, people are asking themselves why it did not consider the other sites seriously and make a judgment based on environmental and engineering issues. In my view, such a judgment would not have identified Barrachan as the preferred site.

The result of this process will be environmental damage to the Milngavie area, rather than the best engineering or economic solution for the proposed Glasgow water treatment plant. Parliament is being asked to approve CPO powers to allow Scottish Water's botched proposals to proceed—that is the reality. The order has been introduced because Scottish Water got things wrong and the Scottish Executive forgot to take the right steps to put the CPOs in place. I am concerned that Scottish Water is presenting its acquisition of site 6 in CPO number 1 as a temporary measure, so that once building has taken place and the spoil has been used to level the land, further applications may be made for housing—thereby breaching the green belt and adversely affecting the bats. Whatever happens under this proposal, the bats have had it—and so has the credibility of Scottish Water.

Like some other issues, this has been a shambles. Our environment is likely to suffer as a result of what Scottish Water has done, so the wisdom of giving the organisation powers seems questionable.

Another aspect of the Water Industry (Scotland) Act 2002—the requirement on Scottish Water, when proposing major projects, to introduce a code of conduct for consultation with communities—has not been adhered to. More than a year has passed since that provision appeared in legislation, but Scottish Water has done nothing. It has relied on powers that it did not have to drive ahead with proposals and ignore the interests of the local community. The behaviour of Scottish Water in this case has been execrable. I am delighted that this debate has allowed me the opportunity to say what I have said. Members will be able to read about it in the *Milngavie and Bearsden Herald* on Friday.

The Deputy Presiding Officer: We all congratulate Mr McNulty on his contribution to this afternoon's proceedings.

15:50

Stewart Stevenson (Banff and Buchan) (SNP): I congratulate Mr McNulty. I believe that Fergus Ewing holds the parliamentary record for the longest uninterrupted speech, which took place in committee on the subject of agricultural holdings.

Allan Wilson: I remember it all too well.

Stewart Stevenson: It lasted 32 minutes and the minister remembers it.

I am sure that Des McNulty will have a claim on being the speaker who spoke for the greatest proportion of a debate. I will not put that record in jeopardy. This is exactly the kind of issue that could have been dealt with in committee. The minister and I have traded information across committee rooms on many occasions. As would have happened in committee, I have some specific questions for the minister.

In article 4(2)(c) of the order, on the Control of Pollution Act 1974, there is a change—*[Interruption.]* Presiding Officer, could you bring Roseanna Cunningham to order—otherwise I, too, will corpse?

The Deputy Presiding Officer: I do not think that her conduct is in any sense discourteous, so she is not out of order.

Stewart Stevenson: I thank her for the brief opportunity to gather my thoughts.

Mr Alasdair Morrison (Western Isles) (Lab): He could sit down if he wanted.

Stewart Stevenson: No, I am not going to sit down. Let me move instead to article 7. What will be the effect of repealing section 36(3)(g) of the Environment Act 1995, as is specified in paragraph (2) of article 7? I would have asked that question in committee.

Article 4(2)(c) stipulates that the third occurrence of "person" in section 30H of the Control of Pollution Act 1974 be amended to "the person". What will be the effect of that?

I must say how much I admire the minister's method of opening and closing brackets. It is done in a style that has no parallel in this chamber.

Finally, is the minister responsible for there being no water in the members' lounge?

15:53

Carolyn Leckie (Central Scotland) (SSP): I was not going to ask to speak but I did not want to

be left out. This is the best laugh I have had in here since I started, and I could not miss the opportunity of speaking in the only debate in which the Scottish Socialist Party was almost guaranteed to be called.

The debate has enlightened me and may have persuaded me that the SSP should have taken up the position of deputy convener of the Subordinate Legislation Committee. We might then have been able to avoid this sort of scenario.

Finally, if he is offering tea for everybody, I would like to ask Des McNulty to explain the mysteries behind the frequently inexplicable actions of the Executive.

John Swinburne (Central Scotland) (SSCUP): Presiding Officer, could you enlighten me as to what constitutes a quorum in a place such as this? As a Motherwell supporter, I am not used to big crowds, so I am quite comfortable here; however, that said, it is rather insulting that 114 of our members are absent from the debate, regardless of how dull and boring it might be. Members have been asked to represent their electorate. For this morning's three-hour debate, there were, on average, 25 members in the chamber. That is totally unacceptable.

The Deputy Presiding Officer: Are you raising a point of order about the quorum?

John Swinburne: You can call it anything you like; I am just saying that I am not happy with the situation.

The Deputy Presiding Officer: There is no quorum for proceedings in the Parliament.

We move to closing speeches. I ask whether Nora Radcliffe wishes to say anything in response to the debate.

Nora Radcliffe: I do not wish to add anything.

The Deputy Presiding Officer: I am sure that Brian Monteith will have something to say in response to the debate.

15:55

Mr Brian Monteith (Mid Scotland and Fife) (Con): Thank you, Presiding Officer. How long do I have?

The Deputy Presiding Officer: It says on my script that you have two minutes, but I will allow a degree of latitude on this occasion.

Mr Monteith: Although the Conservatives acknowledge that the order represents a necessary tidying-up exercise to update previous legislation following the introduction of the Water Industry (Scotland) Act 2002, we believe that the focus of discussion should lie elsewhere, because, as was mentioned during this morning's debate, there have been some difficulties.

The order relates to the creation of Scottish Water. It is worth noting that, if Ian Lang had chosen to set up one water authority rather than three water authorities, the pain that is being suffered now from the harmonisation of business charges would have been endured earlier and the enormous increases that people in the north have had to suffer for a few years would have been averaged out across Scotland.

I will read out a quotation to illustrate the type of distress that has been caused:

“the average English corner shop pays £141 in annual water bills; in Scotland, the average is £526. An English garage-owner pays £265; the Scottish garage clocks up £822.”

Christine May (Central Fife) (Lab): I did not intend to participate in the debate, but I could not fail to make use of all the extra time to ask the member a question.

This morning, the Conservatives seemed to argue that the very large increases in charges were largely down to the structure of the water authorities—the present authority and the previous three authorities—and that the Conservatives’ suggestion of mutualisation would give greater efficiency. Has the member’s argument changed, as his recent comments indicate?

The Deputy Presiding Officer: I should say that, regardless of how interesting such points might be, this afternoon’s business is the Water Industry (Scotland) Act 2002 (Consequential Provisions) Order 2003, not this morning’s debate. We should return to the matter in hand.

Mr Monteith: I was coming to that point but, in the interest of brevity, I will move on, as I have made my point about the comparative costs in Scotland and England.

There is still a long way to go. Des McNulty’s points about the Mugdock situation show how far we have to go. Although the tidying up that the order will do is part of that, the Parliament will have to discuss the water industry again to make further progress and to ensure that the Scottish Water we require is delivered.

15:59

Richard Lochhead (North East Scotland) (SNP): When Roseanna Cunningham asked me whether I would like to close in the debate—it is a bit flattering to use the term “debate”—I did not realise that it would be such a privilege. The only member who had a grin on their face at the prospect of discussing water for another 45 minutes was Des McNulty. He must think that Christmas has come early, as he has been able to discuss his pet subject twice in the same day. We welcomed his speech, even though, in effect, it

represented a hijacking of the debate as a members’ business debate, as it concerned an issue in his local constituency. However, it took up time.

It is not often that we come to a 45-minute debate in which the minister’s opening comments are that the piece of legislation that is under discussion is minor and technical and has no impact on the substance of the issue that it deals with. Given that we ran out of time in this morning’s debate, we must review the use of parliamentary time. I know that that is an issue for the Parliamentary Bureau but, in his summing up, will the minister indicate whether it was the Executive that requested 45 minutes for the debate? I suspect that the bureau usually takes advice from the Executive. If that is the case, why on earth did the Executive ask for 45 minutes?

Usually when a member sums up, he talks about the contributions made by the various members. I am finding that extremely difficult to do. Alex Johnstone did not have much to say. I admit that Roseanna Cunningham made similar points and I do not believe that anyone disagreed with those.

The minister says that the order will give Scottish Water the power to make compulsory purchase orders. What is the usual motivation for a water authority to use a compulsory purchase order power? Is it to supply water infrastructure to rural housing, which is an important issue? How often does that happen? Many members who represent rural constituencies would like that to happen more often. How often are obstacles put in the way of the authority purchasing land?

Des McNulty: Will the member give way?

Richard Lochhead: I have an intervention from Des McNulty. I will take the intervention if the member keeps it brief.

Des McNulty: I am always brief.

One area of concern is that Scottish Water could use CPOs to gather land for which it might have a temporary rather than a long-term use. I would welcome it if, in his summing up, the minister could identify what safeguards there are to ensure that Scottish Water does not misuse the CPO power to secure land that it might then release to other agencies, including private owners.

Richard Lochhead: I also ask the minister to comment on the balance between compulsorily purchasing land to expand rural housing and doing so to build new treatment plants. It would be interesting to know what he thinks about that.

I say to Conservative members that the CPO powers are also an argument against privatisation of the water industry. If we allow water authorities to purchase land compulsorily and then introduce privatisation and increased competition to the

industry, multinational companies will come in, buy up the water companies and suddenly they will own more of Scotland's land. I am sure that that is one thing that most members would want to oppose.

On that note, I reassure people in the gallery that the Parliament usually gathers to discuss issues of substance. I hope that we will do so from now on.

16:02

Allan Wilson: How do I begin? Carolyn Leckie can see what she is missing by not taking up the post of deputy convener of the Subordinate Legislation Committee.

Roseanna Cunningham's conspiracy theory falls at the first hurdle. She is correct to say that the order would usually lie for 40 days and be considered by the Subordinate Legislation Committee and by the Environment and Rural Development Committee. However, the order must be formally approved and there was no committee in place when the order was laid so it had to come to the chamber, which is why we all had to come here today.

There is a serious point, and I am surprised that the Tories, as the guardians of private property, did not pick up on it, although Richard Lochhead made a point about it. The compulsory purchase of land that belongs to an individual is obviously a serious intrusion by the state into that individual's right of ownership. Therefore, it is important that we get absolutely correct legislation that identifies Scottish Water's powers in that regard.

Alex Johnstone: Will the minister reassure me that the proposals contained in the order contain no changes to the substance of the powers that will now be allocated to Scottish Water rather than its constituent organisations?

Allan Wilson: For the third time, the answer to that is yes.

Brian Monteith's reference to Ian Lang was more inappropriate than he could imagine. Although it is only now that we have become aware of the defect, it has existed since 1994—it was inherent in the Local Government (Scotland) Act 1994. The defect was transferred from there to the Water Industry (Scotland) Act 2002 when we were all sitting in committee discussing it, so it is a product of the previous Conservative Administration—yet another legacy to the water industry that it left us to fix.

I can answer the point that Stewart Stevenson helpfully made. The changes to which he referred are a tidying-up exercise to reflect the substitution of references to "sewerage authority" with "Scottish Water". It follows that the amendment to

section 30H of the Control of Pollution Act 1974 has no substantive effect. I am sure that that reassures Stewart Stevenson.

On CPOs, because there is a referral from East Dunbartonshire Council to ministers, and Scottish Water is considering it, I will not comment on the Mugdock situation, except to say that the Executive wants the people of Glasgow to have a secure, safe and clean water supply. Approval of the order in no way, shape, manner or form represents approval by ministers of the CPO that has been referred to.

Richard Lochhead raised the question of how many applications have been made. There have been no other applications. That is the first and only CPO sought by Scottish Water since its establishment in 2002. Only one CPO application was made by the previous water authorities under the Local Government (Scotland) Act 1994—to which I referred—and that was in connection with the Helensburgh treatment works. As that CPO was made in good faith, the title is unaffected by the prior existence of any technical defect that we are now sorting for all future CPO applications.

I hope that those remarks have dealt successfully with all the points that were raised. I move that the order be approved.

The Deputy Presiding Officer: We will come to that at decision time.

Roseanna Cunningham: On a point of order, Presiding Officer. We have spent the past 40 minutes dealing with the order with a degree of humour, if not outright levity, but I hope that you will reflect on the experience of the past 40 minutes and communicate to the powers that be the concern that allocating that amount of time to something that clearly could have been dealt with in a fraction of the time is a misuse of parliamentary time, and ought not to be encouraged.

The Deputy Presiding Officer: I am sure that the Parliamentary Bureau, as ever, will reflect on the allocation of time for business.

Health and Social Care (Community Health and Standards) Bill

The Deputy Presiding Officer (Murray Tosh):

The next item of business is a debate on motion S2M-137, in the name of Malcolm Chisholm, on the Health and Social Care (Community Health and Standards) Bill, which is UK legislation. I invite members who wish to participate to press their request-to-speak buttons now.

16:08

The Minister for Health and Community Care (Malcolm Chisholm): The motion relates to the Health and Social Care (Community Health and Standards) Bill, which has received its second reading in the House of Commons and completes its committee stage today. It was not possible to bring the motion to the Parliament sooner, because of the election in May.

Part 3 of the bill, together with schedule 9, propose the establishment of a scheme whereby national health service charges relating to an injured person can be recovered, in most cases, when that injured person receives a compensation payment from the person who is responsible for his or her injuries. The person paying the compensation will be liable to pay the NHS charges, not the compensated injured person.

The bill provides for two separate but parallel schemes: one scheme for Scotland, for which Scottish ministers will be responsible, and another for England and Wales, for which the Secretary of State for Health will be responsible. Essentially, the bill provides that where treatment has been provided by NHS Scotland, the relevant charges are to be paid to the relevant hospital via Scottish ministers. There is a desire for a consistent approach to cost recovery within the United Kingdom and no suitable legislative opportunity is likely to arise in the near future in our legislative programme, which is why we are debating the motion today.

The principle of recovering NHS charges is not new. Since the 1930s, under the terms of compulsory motor vehicle insurance, if personal injury compensation is paid to the victim of a road traffic accident, the insurer paying compensation is liable to meet the costs of any hospital treatment that the victim might need. The arrangements for recovering such costs were revised and centralised through the Road Traffic (NHS Charges) Act 1999. Like the provisions in front of us today, the 1999 act applies in England, Scotland and Wales, but for Scotland the matter is devolved. Therefore, the 1999 act confers on Scottish ministers powers to make regulations

setting the amount to be recovered and the timing, manner and procedure for appeals.

We have here an opportunity to regulate for a scheme whereby those who are responsible for causing injury to others will contribute to the costs of their wrongdoings, including the costs of NHS treatment, thereby removing from the general taxpayer the burden of meeting such costs. Subsidising wrongdoers who do not take active steps to reduce the risk of causing injury costs NHS Scotland an estimated £7 million to £12 million each year.

If people have to pay for causing injury to others, albeit through increased insurance premiums, it is likely that they will take care to avoid doing so. Any improvement in health and safety, particularly of employees, is of course a good thing. I stress, however, that NHS costs would be recovered only where a wrongdoer paid personal injury compensation to an injured person. The injured person would pay nothing and would not suffer any reduction in their compensation payment. In most cases, the injured person would be unaware that the cost of their NHS treatment was being recovered.

Like the present road traffic accident scheme, the compensator will have a right to have the charges reviewed and a right of appeal. Furthermore, responsibility for setting the tariff of charges to be recovered lies with Scottish ministers. The RTA scheme has an upper limit; I envisage that the proposed scheme will also have such a cap when it is commenced. The cap currently sits at £33,000.

Also, like the present road traffic accident scheme, NHS costs that are recovered will go to the NHS trusts or boards that provide the NHS treatment. Ambulance costs, which are not part of the RTA scheme, but will be part of the proposed scheme, will go straight back to the Scottish Ambulance Service. Since the Road Traffic (NHS Charges) Act 1999 came into force in April 1999, more than £18 million has been returned to hospitals in Scotland.

I am sure that members will have concerns, as I do, about the impact of such cost recoveries on the insurance market, particularly while the Department for Work and Pensions is carrying out a review of employers' compulsory liability insurance. The Health and Social Care (Community Health and Standards) Bill presents an opportunity for the introduction of a scheme to extend the coverage of the RTA scheme, but those provisions allow Scottish ministers to determine when such a scheme should be commenced. The Department of Health has given a commitment to the Department for Work and Pensions that it will not commence a scheme until the outcome of the employers' compulsory liability insurance review is known.

I am going one step further in that I have given a commitment that commencement will be deferred until such time as the Executive is content that the insurance market has addressed the potential inequalities in the charging of premiums, either by introducing a fairer system of premium setting, or by seeking an alternative solution.

I move,

That the Parliament endorses the principle of ensuring consistency in recovery of NHS charges where compensation is paid following injury as set out in Part 3 of the Health and Social Care (Community Health and Standards) Bill and agrees that the relevant provisions to achieve this end including extending ministers' powers to make regulations under a scheme for recovery should be considered by the UK Parliament.

16:14

Shona Robison (Dundee East) (SNP): As with all Sewel motions, the onus is on the minister to tell us why we should be giving up legislative power in this case and why we are not able to legislate in this Parliament. I heard what the minister said about there not being an opportunity in our programme to do that, but surely the Scottish Executive could manage the considerable time that it has in Parliament a little bit better to ensure that we do have that legislative opportunity.

A number of questions are raised by what is being proposed today. On the substance of the matter, we have no objection in principle to extending recovery of costs of NHS treatment for road traffic accidents alone to all personal injury compensation claims where someone who is not at fault requires NHS treatment. However, we have a number of concerns about the consequences of the extension, some of which the minister has touched on.

First, what is proposed might increase insurance premiums, which would mean that some people were unable to pay. I presume that people who do not have insurance cover will have to cover the NHS treatment charges if they are found to be liable—that is something that the minister could clarify in summing up. I was glad that the minister said that the Executive is happy to delay the commencement of the changes in order to provide time for insurance companies to address inequalities in premiums. That is a sensible measure in this case.

My second concern is that the cost of doctors insuring themselves against clinical negligence could be an issue. Will the costs of such insurance increase, what will the minister do about that, and has he spoken to professional bodies such as the British Medical Association about the possible consequences of clinical negligence cases?

Thirdly, what is proposed might increase the chances of the blame culture's becoming worse than it is at the moment, which could lead to more and more people attending NHS hospitals for examination of injuries that they have sustained in accidents for which they want personal injury compensation. If their claims are unsuccessful, the NHS will not be reimbursed for the charges for NHS treatment in those cases.

We need to be reassured on those matters of concern. Those concerns add weight to our fundamental argument that legislation such as the bill should undergo full scrutiny in this Parliament in order to get answers to such questions. To be quite frank, I do not think that time is a good enough reason not to have done that in this case.

16:17

Mr David Davidson (North East Scotland) (Con): Unlike the motion that we debated earlier this afternoon, the motion that is before us now is very serious and will have a great impact on quite a number of sectors in Scottish life. It is interesting to note that the Health and Social Care (Community Health and Standards) Bill is the bill that will introduce foundation hospitals in England. We are dealing with only one section of that bill today, but perhaps its other provisions might come this way over time.

The principle of personal injury compensation and money going to support our already strained NHS is absolutely correct. However, the implications of that principle, the procedure and how we go about that must also be considered. Despite Shona Robison's comments, I notice that the scheme for Scotland will in fact come to ministers. I am sure that she will agree with me when I say that I hope that, when they consider it appropriate to bring details of the schemes to the chamber for approval, ministers will put those proposals to the appropriate committee, which will—I presume—be the Health Committee. However, the Enterprise and Culture Committee and committees that deal with sports and local government should also have sight of any proposals, because there will be implications for those areas; indeed, the minister hinted at that.

It makes sense to have a UK-wide scheme, because many transport companies operate both north and south of the border, and it seems petty and silly to get into a situation in which we have duplicate principles in law. However, we need in the devolved settlement to have more control in dealing with recovery of costs for the health service—we strongly support that.

We have concerns about the cost to Scottish businesses, in particular to small Scottish businesses, some of which are finding that insurance premiums are rocketing.

I would like to know what discussions the minister has had with the insurance sector in Scotland about employers' liability insurance, which is obviously a serious issue. Employees, customers who enter premises and so on must be looked after, but schemes must be affordable, because we do not want anybody to cut corners. Will the scheme also apply to self-employed roofers, for example, who technically create a site situation when working in people's homes? It is important that such issues are carefully and correctly considered.

Setting the systems is appropriate, but I am a wee bit concerned about one or two aspects of that. What will happen if, for example, a person is awarded personal injury compensation and the firm, body or person responsible cannot pay? Will a scheme be put in place to deal with such situations? Shona Robison rightly raised the question of who should pay court and tribunal procedure costs if there is an appeal. Should the offending person pay? If they cannot pay again, should the state or the court system pick up costs?

We need to see the proposals in great detail, but I want to broaden the issue slightly. The minister mentioned a possible upper limit of £33,000 to match the RTA scheme, which is interesting. What about sports clubs and activities that take place in schools? The minister must address and bring to the Parliament such issues and ensure that there is full scrutiny of this potentially important legislation. To deal properly with the matter, I hope that we deal with it thoroughly and that there will be proper scrutiny in the chamber.

16:22

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): I welcome the opportunity to speak to the motion. The important principle is consistency in legislation throughout the UK. The Liberal Democrats believe that it makes sense for Westminster to legislate for Scotland on particular aspects of the bill, which will repeal the Road Traffic (NHS Charges) Act 1999 and replace it with legislation that extends the cost recovery process to all cases in which people claim and receive personal injury compensation for injuries that require treatment by the NHS. It is important that, as the current cost recovery scheme operates UK wide, the new scheme—if it is approved by the House of Commons—do the same.

Two further important and straightforward points should be made if the motion is agreed to and the bill passes through the House of Commons. First, a commencement order will not be made until the outcome of the UK Government's review of employers' liability insurance is completed—the minister confirmed that. Secondly—perhaps more important—the Scottish Executive will have the

right to defer commencement of any new regulations until it is satisfied that the insurance market has adequately addressed the issues that the bill will inevitably raise—the minister mentioned that, too. The motion says:

“extending ministers' powers to make regulations under a scheme for recovery should be considered by the UK Parliament.”

Like David Davidson, I assume that the regulations will go through the Health Committee.

In conclusion, it makes good sense for Westminster to legislate on a UK-wide basis, but it is correct that the final decision on the commencement of the scheme in Scotland must lie with Scottish Executive ministers.

16:23

Janis Hughes (Glasgow Rutherglen) (Lab): As we have heard, the only parts of the bill that are applicable to Scotland are those that relate to compensation for the NHS. The extension of the cost recovery process to all cases—not just road accidents—in which people receive personal injury compensation is eminently sensible.

It is right and proper that we pass the Sewel motion today rather than waste everybody's time by double legislating. I am saddened that the SNP has yet again chosen to make the same old tired constitutional arguments rather than focus on a necessary policy. Nothing would be served by the Scottish Parliament's passing exactly the same legislation as the Westminster Parliament. Bills such as this should achieve relative consensus.

Shona Robison: Will the member take an intervention?

Janis Hughes: I am going to make only a short speech. We have heard the member's arguments umpteem times in the past. If SNP members feel so strongly about matters, they can surely rely on the SNP's gang of six at Westminster to make their views felt.

On the issue itself, I am happy to give the bill my support. I will be grateful if the minister addresses a couple of points in his winding-up statement. He mentioned that all moneys that are recovered will be paid directly to the NHS body concerned. I am obviously pleased to hear that, but can he confirm that that will not be to the detriment of the overall NHS budget? Will the minister consider using some of the moneys that are recovered to improve the health and safety conditions for NHS staff, many of whom are often on the receiving end of violence during their day-to-day duties?

I am happy to support the Sewel motion and I hope that the Parliament will pass it.

16:25

Carolyn Leckie (Central Scotland) (SSP): I am astounded by Janis Hughes's comments. It is because we want the opportunity to scrutinise the proposal and the bill that we argue that the Parliament should use the powers that it has to have the legislation brought before us, rather than debate a motion when hardly any members are in the chamber.

Mr Alasdair Morrison (Western Isles) (Lab): Will the member give way?

Carolyn Leckie: I have a limited amount of time—I might be able to take an intervention later in my speech.

The briefing paper refers to a consultation. As a member of the public, I am certainly not aware of that consultation. It must not have had a high profile; it received only 19 responses. If it had been a proper consultation, I would have thought that many people might have wanted to respond to it and contribute to the debate. I do not understand what the potential impact of the bill is on employers—including the NHS—and employees in relation to workplace accidents. It will be an interesting accounting exercise if the NHS is held liable for needlestick injuries; I would like to see how that compensation would be recovered. That issue is worthy of the examination by Parliament.

The Scottish Socialist Party is concerned that the extension to all personal injury claims of the ability to recover compensation will raise insurance premiums. That would be regressive because insurance premiums are not based on income. There will be a transfer of the burden of NHS provision on to insurance premiums, which are regressive, rather than on to taxation, which should be progressive and would be a lot more progressive if the SSP had anything to do with it.

If the principle is to be applied consistently, when will compensation be paid by, for example, tobacco companies, brewers and fast-food businesses? I imagine that compensation that is commensurate with the damage to health that they cause would relieve the NHS of an awesome financial burden. I would like to see some consistency.

Mr Brian Monteith (Mid Scotland and Fife) (Con): Is Carolyn Leckie aware that the amount of duties paid by smokers on their tobacco is 30 times the cost of smoking-related diseases and illnesses that have to be paid for by the NHS?

Carolyn Leckie: I am aware of that. That means that the victims of tobacco addiction are paying for being ill, rather than the tobacco companies who poison them. I would shift the blame on to the tobacco companies.

The provisions in the bill should be within the powers of scrutiny of the Scottish Parliament. I

fear—which is why I will oppose the motion—that the provision undermines the fundamental principle of universal NHS provision being free at the point of need. The issues are controversial and I regret that there is not a greater debate. The bill might have for people and for Scotland many consequences that we have not had the opportunity to examine—Parliament and the Scottish people might well come to regret the passing of the motion. Given that the Scottish Parliament has such limited powers on taxation and so on, it is astonishing that we are willing to pass on the nod such a transfer of power back to Westminster.

Mr Morrison: Will Carolyn Leckie give way?

Carolyn Leckie: I am winding up.

We should be claiming more powers—we should be claiming full powers and independence.

16:29

Stewart Stevenson (Banff and Buchan) (SNP): It is 125 minutes since Jack McConnell, in answer to Frances Curran in the chamber, stated:

“Devolution is about taking responsibility for our affairs”.

That is the simple nub of the issue and it is why the Scottish National Party, on each and every occasion, will have the Scottish Parliament legislate on matters that affect people in Scotland and not cede that duty to another place, unless doing so has a clear and identifiable benefit to Scotland.

Alex Johnstone (North East Scotland) (Con): On the same ground, will the SNP begin to ignore European directives as well?

Stewart Stevenson: Where Europe has the legislative competence to legislate, Europe should legislate; where the Scottish Parliament has that legislative competence, we should do so. This current matter is an example of an area in which we have the competence to legislate and should do so. Mr Johnstone's views on Europe are well known and differ radically from mine.

I want to ask the minister some practical questions. It appears that the consideration that is financially associated with the proposal is some £7 million to £12 million a year. The figure is not entirely clear and will not be so until the proposal is implemented. The minister told us that he is considering having a £33,000 cap on the scheme, but it appears to me that a range of costs, which might be similar to or greater than the benefits that are to be derived, might be associated with implementing the changes. What will be the cost to underwriters of the process of negotiating the additional cover that they will need to write for a variety of insurance policy holders? What will be

the cost of notifying the 1 million or so insurance policy holders in Scotland whose insurance will be affected by the proposal? What will be the cost to small businesses? Indeed, what are the views of the Federation of Small Businesses and the Forum of Private Business on the additional costs that might be borne by their members? It is quite reasonable that we seek equity, of course. What will be the cost to the national health service of implementing the proposal?

The minister told us that a tariff will be set. I assume—since I am not familiar with the tariff—that there will be a tariff for various kinds of incidents. Having the health service charge in that way will, of necessity, be relatively arbitrary. If the scope of this sort of recovery is extended, I foresee that it will be challenged on the basis that it does not reflect the costs that are incurred by the health service with regard to an individual incident. Does that mean that the NHS will have to introduce a timekeeping operation for all incidents that occur in accident and emergency departments against the possibility that such a claim might be made? If so, what would be the cost of that to the NHS?

I ask those questions not because I expect the minister to answer them, but as examples of the kind of questions that the Scottish Parliament should be asking when it considers this proposal. If we cede this matter to a Parliament elsewhere, where it will be hidden well from the media and MSPs, we will end up not knowing the cost to the Scottish Executive, the NHS, insurance companies and small businesses of legislation that is enacted elsewhere.

Mr Monteith: The member voted to remove the cap on the spending on the Scottish Parliament building at Holyrood at a time when he could not have known how much it would cost. Surely that fact does not fit with his current argument.

Stewart Stevenson: I am not entirely sure which vote the member is referring to, but I seem to recall that, within my first month in the Parliament, in June 2001, I voted differently to the way that Mr Monteith suggests.

I am into value for money. The costs of implementing the proposal could be extraordinarily high. Frankly, it might be better to cut out the middleman and get the insurance industry to sub the NHS £12 million a year, because that would reduce the amount of administration that would be needed. That suggestion is yet another example of the sort of issue that we should be debating in the Parliament in relation to all the Sewel motions that are used willy-nilly to pass power from here to another place.

I will oppose the motion.

16:34

Malcolm Chisholm: I am slightly surprised at some of the claims that have been made today. I suppose that I am surprised because a scheme very similar to the one that we are debating has applied to road traffic accidents since before the start of the national health service. I am slightly puzzled at why Carolyn Leckie thinks that the scheme in the bill uniquely undermines the universal principle of the national health service. According to that argument, we must never have had the universal principle, as a similar scheme has applied since before 1948 in relation to road traffic accidents.

Stewart Stevenson asked what the cost of the scheme would be to the health service. Of course, one of the reasons for the scheme—not the only one—is that the health service will gain money from it. The estimate is £7 million to £12 million. I reassure Janis Hughes that that will be additional money. No new bureaucracy is involved in the scheme. Stewart Stevenson also referred to timekeeping. There is a well-established system in relation to road traffic accidents. Charges are made by the day and no bureaucracy is involved in that.

Stewart Stevenson's colleague, Shona Robison—who, of course, was the first speaker after me in the opening speeches—started with the well-worn Scottish National Party point about Sewel motions, which I regard as entirely ideological. If it is in the Parliament's interests and, more important, in the Scottish people's interests, to buy into, as it were, a small part of UK legislation, we should surely do that, particularly in the current situation, in which the implementation of the relevant section of the bill is entirely within our control. Indeed, when the regulations are drawn up, we do not need to implement the scheme at all if we so choose.

Shona Robison: Surely the point is that a number of questions have been asked by all parties this afternoon and the minister has so far answered none of them. Is not the point that, by the time that the regulations are laid before the Parliament, those questions will not have been answered here? Surely it would be better to get the right regulations in the first place than to be in the position of having not to implement them because they are the wrong regulations, as the minister suggests. Is that not a strange way to legislate?

Malcolm Chisholm: It would not be because the regulations were the wrong ones that the question of not implementing them would arise. As I made clear at the end of my opening speech, we would want to ensure that the insurance market had addressed the potential inequalities in the charging of premiums. That is the key condition

that we would want to be applied. However, like the UK Government, we would not implement the scheme until the review to which I referred had been completed.

I welcome the fact that Shona Robison did not object in principle to the scheme. She was concerned about insurance premiums. That is a fair point—I made it myself. There are problems with some businesses being able to afford compulsory employers' liability insurance because of the rising cost of such insurance, but those problems arise for reasons that are unconnected with the recovery of NHS costs. Any further increases that are directly attributable to the recovery of NHS costs will be small compared with overall premium costs. There is an issue with premiums, but the recovery of NHS costs is a small part of that problem.

I remind members that we are talking about employers. That leads me to perhaps the strongest argument in favour of the bill—even stronger than the additional money that it will bring to the NHS—which is that the bill is a very good public health measure because it will put more pressure on employers to ensure that they have good health and safety arrangements in their workplaces.

That is why I was surprised that Carolyn Leckie was so against the bill. She said that there had been no proper consultation. I assure her that her trade union noticed the consultation and made a lengthy submission to it. I am sure that Janis Hughes—who happens to be a member of the same union—Carolyn Leckie and their union will welcome the fact that more money will go to the health service as a result of the bill.

Janis Hughes's suggestion about spending money to protect staff and taking further measures against violence against staff is entirely good. It is not in the bill—

Carolyn Leckie: Will the minister take an intervention?

Malcolm Chisholm: I will do so in a moment.

Individual trusts would decide how to spend the additional money. I am sympathetic to the suggestion that Janis Hughes made, which I am sure could be explored further if members thought that that was a good idea.

Carolyn Leckie: The point that is being made in the questions that have been asked of the minister is that the Scottish Parliament is not being offered the opportunity to ask those questions, examine the sort of legislation that it wants to see or form its own opinions. The Parliament has been asked to pass the legislation on the nod, because the decision on it is being taken at Westminster.

Does the minister agree that it is clear from the debate that a thorough examination has not been

made of the issues? Is not that the point that members are making?

Malcolm Chisholm: A consultation was undertaken on the issue. Many people, including Unison, made submissions as part of it. The insurance industry was also consulted, which answers one of the points that David Davidson made.

I understand the point that Carolyn Leckie is making and the logic of it is that we would never have a Sewel motion. I believe that, in certain situations, a Sewel motion is appropriate. We have a full legislative programme and all of us have to prioritise when it comes to the legislation that is advanced in the Scottish Parliament. If part of a Westminster bill appears to embody a good piece of policy, it is entirely reasonable that we should proceed by means of a Sewel motion. That is particularly the case on this occasion because, as I said, we have complete control of the implementation of the measure that is before the chamber today.

Concern was expressed about those who cannot pay; in the main, they will be employers. However, ministers have been given powers to waive the requirement to pay NHS charges that are due in cases where payment would cause exceptional financial hardship. Ministers can do that prior to an appeal against the level of the charges. The provision exists for cases of genuine financial hardship to be dealt with in that way. I remind members that claims for NHS charges are secondary in law, which means that only when compensation has been paid will payment to the hospital be made.

Shona Robison: What will be the cost of administering the system?

Malcolm Chisholm: I referred a moment ago to the exceptional situations in which an appeal is made to ministers.

David Davidson made a general point about the appeals procedure. I confirm that that will be done by the appeals service of the Department for Work and Pensions. It is not possible to answer Shona Robison's question in relation to the particular point that I make, as no one knows how many people will appeal. I do not imagine that any great bureaucratic cost will be involved in the appeals procedure, given that we are talking about the making of ministerial decisions.

David Davidson asked several questions, most of which I think I have covered. If I have omitted to answer one of them, no doubt he will remind me—I see that he is about to help me out.

Mr Davidson: I will help the minister out. Before he lays the final details of any scheme, will the minister bring the scheme before the committees of the Parliament for scrutiny?

Malcolm Chisholm: Any committee of the Parliament can scrutinise a statutory instrument when it is presented and anybody can pray against a statutory instrument. There is absolutely no bar on that happening.

I have found my note on another of David Davidson's points, about the upper limit. I confirm that it is entirely within the control of the Scottish Parliament to decide what the upper limit should be. If members have concerns on that matter, they can raise them. On the more general point that was raised, the amount that is to be paid is entirely a matter for Scotland.

Bruce Crawford (Mid Scotland and Fife) (SNP): On a point of order, Presiding Officer. Will you clarify something that the minister said? Is not it the fact that the Parliamentary Bureau decides which instruments are laid before which committee or before the whole Parliament?

The Deputy Presiding Officer (Trish Godman): That is strictly true, in as much as we make a decision either to refer an instrument to a lead committee or to put it before Parliament.

Malcolm Chisholm: I certainly would not argue about matters of procedure. In any case, I do not think that I said that statutory instruments would be referred to any committee; instead, I said that any committee or individual member is perfectly entitled to pray against a statutory instrument. There is no bar in that respect.

We are pursuing pragmatically this entirely sensible measure to ensure that Scotland can feel the potential benefit of the provision. It is in the interests of health and safety at work that employers are made to take their responsibilities seriously, and this small measure will help to achieve that objective.

Moreover, the additional money that becomes available will be good for the NHS. The measure does not constitute a departure from the fundamental principles of the NHS. Indeed, I repeat that a similar means of allocating extra money to the NHS, from road traffic accidents, has existed from the very day of the health service's inception.

I remind members of my commitment not to commence the scheme until the insurance market is in such a position that employers who take the health and safety of their employees seriously are not subsidising those who disregard those aspects. Once again, I ask Parliament to agree to the motion.

Subordinate Legislation

The Deputy Presiding Officer (Trish Godman): The next item of business is consideration of three Parliamentary Bureau motions. I have been advised that two members wish to oppose two of the motions. I remind members that under rule 10.6.5 of the standing orders, only the minister who moves the motion and the member who opposes it may speak in a debate and that speaking times are restricted to three minutes each.

Budget (Scotland) Act 2003 Amendment Order 2003 (draft)

Motion moved,

That the Parliament agrees that the draft Budget (Scotland) Act 2003 Amendment Order 2003 be approved.—[*Tavish Scott.*]

16:47

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I rise to oppose the motion. The order in question does two things, the first of which is to make a change in accounting practice. That particular measure is dull and worthy, and we support it. Yesterday, the Deputy Minister for Finance and Public Services assured me that the measure could be introduced at a later date if the order is rejected today. However, the order's second purpose is to provide almost an additional £100 million for the Holyrood project, which could not be more controversial.

The SNP opposes the motion because it was not persuaded at yesterday's meeting of the Finance Committee that a case has been proven for the expenditure of the additional £37.7 million that was dealt with yesterday. Indeed, some elements have not been proven at all.

I want to outline some of the unanswered questions that members of all parties raised yesterday. What exactly are the total fees for each consultant? How much money has been saved by the recent cap, which the Presiding Officer referred to? We do not know; those are secrets. When we asked why the contingency had been calculated at £5.692 million, the project team told us that the figure displayed a "spurious accuracy". We asked about the justification for the failure to finalise the design of a boundary wall and the exterior staircase, but answer came there none.

There are many more points I could mention; however, I have outlined three of the most serious. Today we are being asked to make provision from the public purse of nearly £100 million for the most controversial project in Scotland. The SNP is determined to cap the cost at not a penny more than the legal minimum.

The SNP supports public-private partnership schemes where the expenditure is on pupils, patients and the police. By contrast, during the general election campaign, the Minister for Finance and Public Services, Mr Kerr, who has just arrived, said that the £338 million cost of the Holyrood project was a “drop in the ocean”. Mr Kerr, who does not seem to be concentrating on this important debate, might call £37.7 million a droplet, if he believes that £338 million is a drop in the ocean. I fear that henceforth the Minister for Finance and Public Services might be known as Andy drop-in-the-ocean Kerr.

The Minister for Finance and Public Services (Mr Andy Kerr): Will the member take an intervention?

Fergus Ewing: I have only 10 seconds to go.

The SNP voted against the Holyrood project in 1999 and in 2000, whereas Labour and Liberal members voted for it. We are where we are. The building must be completed. Rejecting the motion will in no way prevent the completion of the building. Another motion can be lodged. Let us oppose the motion and act in accordance with the wishes of the majority of the Scottish public.

16:50

The Deputy Minister for Finance and Public Services (Tavish Scott): Mr Ewing is wrong for three reasons. In fact, he is wrong for many more reasons, but three will suffice for today. First, the accounting change on capital charges is important. Mr Ewing is correct on one point because the change could wait until the autumn or until next year. Indeed, the change could be made at any time before April 2004. Two measures have been put together in one revision, as they were in the motion that the Finance Committee debated, because that is the most efficient mechanism for taking matters forward.

The Finance Committee agreed the process on 11 February. At that meeting, Mr Ewing's colleagues Mr Morgan and Mr Adam were content with the process. Mr Ewing shakes his head, but I suggest that he check the *Official Report*. The process was agreed on 11 February as a method of dealing with the Holyrood budget increase that we knew about at that time, which was £58 million.

Secondly, the budget revision provides authority for additional spending on the Holyrood building of up to £94.377 million. That figure includes the final increase in costs of £37 million. Through its scrutiny role, the Finance Committee can play a major part in ensuring that the full amount provided for is used only if that is necessary. I would have thought that that was a compelling argument, but it is clear that Mr Ewing rejects it.

The Executive's job is to amend the Scottish budget in the light of the most accurate figures that are available to us to ensure that the Holyrood project can continue. That is the purpose of the budget revision. The Executive would be delighted if it turned out that it had provided for more funding than was necessary. We hope that that will be the case. Nevertheless, the Scottish Parliamentary Corporate Body has asked us for an additional £94 million and we do not intend to amend the SPCB's estimate.

Thirdly, Mr Reid, the Presiding Officer, has stated repeatedly that any further delay, in terms of the budget revision and costs, would simply delay the opening of the Holyrood building. Mr Ewing and his party are taking an astonishing position that could delay further the completion of the building. It is evident that that is the case. I suggest that Mr Ewing listen to Mr Reid's protestations on the matter. I urge members to accept the budget revision order.

Food Protection (Emergency Prohibitions) (Amnesic Shellfish Poisoning) (Orkney) (Scotland) Order 2003 (SSI 2003/260)

Motion moved,

That the Parliament agrees that the Food Protection (Emergency Prohibitions) (Amnesic Shellfish Poisoning) (Orkney) (Scotland) Order 2003 (SSI 2003/260) be approved.—[*Tavish Scott.*]

16:53

Mr David Davidson (North East Scotland) (Con): In speaking against the motion, I am being consistent with my party's stance on the matter. Two years ago at least, my colleague Jamie McGrigor spoke eloquently in the chamber about a move to an alternative means of testing scallops. Ted Brocklebank, who is another colleague, talked eloquently recently in the Hub about the over-regulation move that the motion proposes. Yesterday, I opposed a similar motion at a Health Committee meeting.

There has never been a case of amnesic shellfish poisoning in Scotland or anywhere in the European Union. That is a matter of fact. The only known death from such poisoning in recent years was that of an unfortunate Canadian, from Labrador, in the late 1990s. However, he did not contract the disease from scallops, but from mussels, and three other Canadians who suffered during the same outbreak made complete recoveries.

The west coast scallop industry is worth £10 million a year. I am uncertain about the value to the local scallop industry of the scallops in the Orkney box to which the Scottish statutory instrument that we are debating refers. Instead of

preventing the catching of scallops, why can we not move to the alternative procedure of testing scallops after they are caught? That procedure works well in Ireland and it is legal under European regulations.

That is, after all, a move from Europe to tell us how we should behave in this country. Why should a vital and lucrative Scottish industry be wiped out because of indiscriminate closures of this kind, while other, far more serious, risks to health are ignored? Those are posed either from poorly prepared food or cheap, unlabelled foreign imports.

Mr Alasdair Morrison (Western Isles) (Lab): Would the member agree that even one incident of poisoning in Scotland has the potential to ruin forever this very important industry?

Mr Davidson: My point is that an alternative method may be used, which would ensure consumer safety and allow consumer choice. More important, it actually works. The proof of that is in Ireland, and the method has been approved by the European Union. I oppose the motion.

16:56

The Deputy Minister for Health and Community Care (Mr Tom McCabe): We will hopefully not take up too much time on this. Mr Davidson claims that he is being consistent. He is being consistent—in the irresponsibility in both his and his party's approach to this issue. He is well aware—and this has been explained to him in the past—that work is being carried out with the industry to develop a tiered scheme, which has the potential to offer considerable relief to the industry.

Mr Davidson's comparison with Ireland is completely disingenuous. Our industry is significantly larger than the industry in Ireland, and the percentage of the product that we put to market is considerably larger than is the case in Ireland.

I have previously explained—both in the chamber and in committee—that this is both a public health and a consumer safety issue. We are also protecting the good name of the Scottish industry. It would be disastrous if, through our laxity, we had a serious outbreak of poisoning.

Mr Davidson: Will the minister give way?

Mr McCabe: No, not in this kind of debate. Above all, we are complying with our legal obligations under the relevant European directive. People in this country, and in the United Kingdom in general, realised long ago that the Conservatives stand for nothing. It is now clear that they do not even stand for the upholding of the rule of law. More importantly in this instance, they do not stand for the protection of a world-class industry.

Parliamentary Bureau Motion

Motion moved,

That the Parliament agrees that Mrs Margaret Smith be appointed a member of the Equal Opportunities Committee.—[*Tavish Scott.*]

Motion without Notice

The Presiding Officer (Mr George Reid): We are a little ahead of time, so I need a motion without notice to bring forward decision time.

Motion moved,

That, under rule 11.2.4 of standing orders, decision time on Thursday 19 June be taken at 4.58 pm—[*Patricia Ferguson.*]

Motion agreed to.

Decision Time

16:58

The Presiding Officer (Mr George Reid):

There are 12 questions to be put as a result of today's business. The first question is, that amendment S2M-162.3, in the name of Allan Wilson, which seeks to amend motion S2M-162, in the name of Murdo Fraser, on the water industry, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baird, Shiona (North East Scotland) (Green)
 Baker, Mr Richard (North East Scotland) (Lab)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 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)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 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)
 MacDonald, Margo (Lothians) (Ind)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 May, Christine (Central Fife) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McMahon, 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, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)

Peacock, Peter (Highlands and Islands) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Eleanor (Highlands and Islands) (Green)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Swinburne, John (Central Scotland) (SSCUP)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Frances (West of Scotland) (SSP)
 Davidson, Mr David (North East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fox, Colin (Lothians) (SSP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Mr Rob (Highlands and Islands) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Leckie, Carolyn (Central Scotland) (SSP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Mr Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Murray (West of Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 69, Against 41, Abstentions 0.

Amendment agreed to.

The Presiding Officer: Amendment S2M-162.4, in the name of Roseanna Cunningham, is pre-empted.

The next question is, that motion S2M-162, in the name of Murdo Fraser, on the water industry, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baird, Shiona (North East Scotland) (Green)
 Baker, Mr Richard (North East Scotland) (Lab)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 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)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 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)
 MacDonald, Margo (Lothians) (Ind)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 May, Christine (Central Fife) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McMahon, 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, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Eleanor (Highlands and Islands) (Green)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)

Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Frances (West of Scotland) (SSP)
 Davidson, Mr David (North East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Ferguson, Alex (Galloway and Upper Nithsdale) (Con)
 Fox, Colin (Lothians) (SSP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Mr Rob (Highlands and Islands) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Johnstone, Alex (North East Scotland) (Con)
 Leckie, Carolyn (Central Scotland) (SSP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Mr Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinburne, John (Central Scotland) (SSCUP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Murray (West of Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 67, Against 43, Abstentions 0.

Motion, as amended, agreed to.

Resolved,

That the Parliament believes that, having established Scottish Water in 2002, this is the right means of delivering cost-effective and improved services in accordance with the requirements of the Parliament and that, in the short time since Scottish Water's establishment, it has started the process of delivering cost effective and improved services, and further believes that a review of its ownership and funding now would undermine that progress to the detriment of all customers.

The Presiding Officer: The next question is, that amendment S2M-161.4, in the name of Tom McCabe, which seeks to amend motion S2M-161,

in the name of David Davidson, on care homes for the elderly, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Mr Richard (North East Scotland) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (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)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 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)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 May, Christine (Central Fife) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McMahon, 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, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Swinburne, John (Central Scotland) (SSCUP)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)

Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Baird, Shiona (North East Scotland) (Green)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Frances (West of Scotland) (SSP)
 Davidson, Mr David (North East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fox, Colin (Lothians) (SSP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Mr Rob (Highlands and Islands) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alex (North East Scotland) (Con)
 Leckie, Carolyn (Central Scotland) (SSP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Margo (Lothians) (Ind)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Mr Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, Eleanor (Highlands and Islands) (Green)
 Scott, John (Ayr) (Con)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Murray (West of Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 63, Against 48, Abstentions 0.

Amendment agreed to.

The Presiding Officer: In that case, amendment S2M-161.1, in the name of Stewart Stevenson, and amendment S2M-161.3, in the name of John Swinburne, are pre-empted. Therefore, the next question is, that motion S2M-161, in the name of David Davidson, on care homes for the elderly, as amended, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Mr Richard (North East Scotland) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (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)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 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)
 MacDonald, Margo (Lothians) (Ind)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 May, Christine (Central Fife) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McMahan, 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, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Swinburne, John (Central Scotland) (SSCUP)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Aitken, Bill (Glasgow) (Con)
 Baird, Shiona (North East Scotland) (Green)

Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Frances (West of Scotland) (SSP)
 Davidson, Mr David (North East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fox, Colin (Lothians) (SSP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gibson, Mr Rob (Highlands and Islands) (SNP)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Johnstone, Alex (North East Scotland) (Con)
 Leckie, Carolyn (Central Scotland) (SSP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Mr Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, Eleanor (Highlands and Islands) (Green)
 Scott, John (Ayr) (Con)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Tosh, Murray (West of Scotland) (Con)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

ABSTENTIONS

Canavan, Dennis (Falkirk West)

The Presiding Officer: The result of the division is: For 63, Against 47, Abstentions 1.

Motion, as amended, agreed to.

Resolved,

That the Parliament acknowledges the problems faced by some Church of Scotland care homes but recognises that the Scottish Executive has met in full the recommendations of the National Review Group on care home fees which resulted in an extra investment of over £130 million in the care home sector since July 2001; welcomes the work currently being undertaken by COSLA and the care home sector in establishing a framework for assessing the cost of providing care for older people from 2005-06, and notes the continuing commitment of the Executive to shift the balance of care from institutional settings to providing care at home and its setting up of the national care standards which provide a quality framework.

The Presiding Officer: The next question is, that motion S2M-144, in the name of Ross Finnie, on the draft Water Industry (Scotland) Act 2002 (Consequential Provisions) Order 2003, be agreed to.

Motion agreed to.

That the Parliament agrees that the draft Water Industry (Scotland) Act 2002 (Consequential Provisions) Order 2003 be approved.

The Presiding Officer: The next question is, that motion S2M-137, in the name of Malcolm Chisholm, on the Health and Social Care (Community Health and Standards) Bill, which is UK legislation, 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)
 Baker, Mr Richard (North East Scotland) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 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)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marlyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 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)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 May, Christine (Central Fife) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)

Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tosh, Murray (West of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Baird, Shiona (North East Scotland) (Green)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Frances (West of Scotland) (SSP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fox, Colin (Lothians) (SSP)
 Gibson, Mr Rob (Highlands and Islands) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Leckie, Carolyn (Central Scotland) (SSP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 MacDonald, Margo (Lothians) (Ind)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Mr Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Scott, Eleanor (Highlands and Islands) (Green)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinburne, John (Central Scotland) (SSCUP)
 Swinney, Mr John (North Tayside) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

The Presiding Officer: The result of the division is: For 76, Against 35, Abstentions 0.

Motion agreed to.

That the Parliament endorses the principle of ensuring consistency in recovery of NHS charges where compensation is paid following injury as set out in Part 3 of the Health and Social Care (Community Health and Standards) Bill and agrees that the relevant provisions to achieve this end including extending ministers' powers to

make regulations under a scheme for recovery should be considered by the UK Parliament.

The Presiding Officer: The next question is, that motion S2M-168, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, on the draft Budget (Scotland) Act 2003 Amendment Order 2003, 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)
 Baird, Shiona (North East Scotland) (Green)
 Baker, Mr Richard (North East Scotland) (Lab)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (Lab)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 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)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Gorrie, Donald (Central Scotland) (LD)
 Harper, Robin (Lothians) (Green)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 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)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Paul (Glasgow Springburn) (Lab)
 May, Christine (Central Fife) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McLetchie, David (Edinburgh Pentlands) (Con)
 McMahan, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Morrison, Mr Alasdair (Western Isles) (Lab)

Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)
 Murray, Dr Elaine (Dumfries) (Lab)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Tosh, Murray (West of Scotland) (Con)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Adam, Brian (Aberdeen North) (SNP)
 Canavan, Dennis (Falkirk West)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Frances (West of Scotland) (SSP)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Fox, Colin (Lothians) (SSP)
 Gibson, Mr Rob (Highlands and Islands) (SNP)
 Grahame, Christine (South of Scotland) (SNP)
 Leckie, Carolyn (Central Scotland) (SSP)
 Lochhead, Richard (North East Scotland) (SNP)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Martin, Campbell (West of Scotland) (SNP)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Mr Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 McFee, Mr Bruce (West of Scotland) (SNP)
 Morgan, Alasdair (South of Scotland) (SNP)
 Neil, Alex (Central Scotland) (SNP)
 Robison, Shona (Dundee East) (SNP)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinburne, John (Central Scotland) (SSCUP)
 Swinney, Mr John (North Tayside) (SNP)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)

ABSTENTIONS

Harvie, Patrick (Glasgow) (Green)
 MacDonald, Margo (Lothians) (Ind)
 Scott, Eleanor (Highlands and Islands) (Green)

The Presiding Officer: The result of the division is: For 80, Against 28, Abstentions 3.

Motion agreed to.

That the Parliament agrees that the draft Budget (Scotland) Act 2003 Amendment Order 2003 be approved.

The Presiding Officer: The next question is, that motion S2M-169, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau,

on the Food Protection (Emergency Prohibitions) (Amnesic Shellfish Poisoning) (Orkney) (Scotland) Order 2003, be agreed to. Are we agreed?

Members: No.

The Presiding Officer: There will be a division.

FOR

Adam, Brian (Aberdeen North) (SNP)
 Alexander, Ms Wendy (Paisley North) (Lab)
 Baillie, Jackie (Dumbarton) (Lab)
 Baker, Mr Richard (North East Scotland) (Lab)
 Barrie, Scott (Dunfermline West) (Lab)
 Boyack, Sarah (Edinburgh Central) (Lab)
 Brankin, Rhona (Midlothian) (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)
 Crawford, Bruce (Mid Scotland and Fife) (SNP)
 Cunningham, Roseanna (Perth) (SNP)
 Curran, Ms Margaret (Glasgow Baillieston) (Lab)
 Deacon, Susan (Edinburgh East and Musselburgh) (Lab)
 Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)
 Ewing, Mrs Margaret (Moray) (SNP)
 Ferguson, Patricia (Glasgow Maryhill) (Lab)
 Gibson, Mr Rob (Highlands and Islands) (SNP)
 Gillon, Karen (Clydesdale) (Lab)
 Glen, Marilyn (North East Scotland) (Lab)
 Godman, Trish (West Renfrewshire) (Lab)
 Gorrie, Donald (Central Scotland) (LD)
 Grahame, Christine (South of Scotland) (SNP)
 Henry, Hugh (Paisley South) (Lab)
 Home Robertson, Mr John (East Lothian) (Lab)
 Hughes, Janis (Glasgow Rutherglen) (Lab)
 Jackson, Dr Sylvia (Stirling) (Lab)
 Jackson, Gordon (Glasgow Govan) (Lab)
 Jamieson, Cathy (Carrick, Cumnock and Doon Valley) (Lab)
 Kerr, Mr Andy (East Kilbride) (Lab)
 Lamont, Johann (Glasgow Pollok) (Lab)
 Livingstone, Marilyn (Kirkcaldy) (Lab)
 Lochhead, Richard (North East Scotland) (SNP)
 Lyon, George (Argyll and Bute) (LD)
 MacAskill, Mr Kenny (Lothians) (SNP)
 Macdonald, Lewis (Aberdeen Central) (Lab)
 MacDonald, Margo (Lothians) (Ind)
 Macintosh, Mr Kenneth (Eastwood) (Lab)
 Maclean, Kate (Dundee West) (Lab)
 Martin, Campbell (West of Scotland) (SNP)
 Martin, Paul (Glasgow Springburn) (Lab)
 Marwick, Tricia (Mid Scotland and Fife) (SNP)
 Mather, Mr Jim (Highlands and Islands) (SNP)
 Matheson, Michael (Central Scotland) (SNP)
 Maxwell, Mr Stewart (West of Scotland) (SNP)
 May, Christine (Central Fife) (Lab)
 McAveety, Mr Frank (Glasgow Shettleston) (Lab)
 McCabe, Mr Tom (Hamilton South) (Lab)
 McConnell, Mr Jack (Motherwell and Wishaw) (Lab)
 McFee, Mr Bruce (West of Scotland) (SNP)
 McMahon, Michael (Hamilton North and Bellshill) (Lab)
 McNeil, Mr Duncan (Greenock and Inverclyde) (Lab)
 McNeill, Pauline (Glasgow Kelvin) (Lab)
 McNulty, Des (Clydebank and Milngavie) (Lab)
 Morgan, Alasdair (South of Scotland) (SNP)
 Morrison, Mr Alasdair (Western Isles) (Lab)
 Muldoon, Bristow (Livingston) (Lab)
 Mulligan, Mrs Mary (Linlithgow) (Lab)
 Munro, John Farquhar (Ross, Skye and Inverness West) (LD)

Murray, Dr Elaine (Dumfries) (Lab)
 Neil, Alex (Central Scotland) (SNP)
 Oldfather, Irene (Cunninghame South) (Lab)
 Peacock, Peter (Highlands and Islands) (Lab)
 Pringle, Mike (Edinburgh South) (LD)
 Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
 Radcliffe, Nora (Gordon) (LD)
 Robison, Shona (Dundee East) (SNP)
 Robson, Euan (Roxburgh and Berwickshire) (LD)
 Rumbles, Mike (West Aberdeenshire and Kincardine) (LD)
 Scott, Tavish (Shetland) (LD)
 Smith, Elaine (Coatbridge and Chryston) (Lab)
 Smith, Iain (North East Fife) (LD)
 Smith, Mrs Margaret (Edinburgh West) (LD)
 Stephen, Nicol (Aberdeen South) (LD)
 Stevenson, Stewart (Banff and Buchan) (SNP)
 Stone, Mr Jamie (Caithness, Sutherland and Easter Ross) (LD)
 Sturgeon, Nicola (Glasgow) (SNP)
 Swinney, Mr John (North Tayside) (SNP)
 Wallace, Mr Jim (Orkney) (LD)
 Watson, Mike (Glasgow Cathcart) (Lab)
 Welsh, Mr Andrew (Angus) (SNP)
 White, Ms Sandra (Glasgow) (SNP)
 Whitefield, Karen (Airdrie and Shotts) (Lab)
 Wilson, Allan (Cunninghame North) (Lab)

AGAINST

Aitken, Bill (Glasgow) (Con)
 Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)
 Curran, Frances (West of Scotland) (SSP)
 Davidson, Mr David (North East Scotland) (Con)
 Douglas-Hamilton, Lord James (Lothians) (Con)
 Fergusson, Alex (Galloway and Upper Nithsdale) (Con)
 Fox, Colin (Lothians) (SSP)
 Fraser, Murdo (Mid Scotland and Fife) (Con)
 Goldie, Miss Annabel (West of Scotland) (Con)
 Johnstone, Alex (North East Scotland) (Con)
 Leckie, Carolyn (Central Scotland) (SSP)
 McLetchie, David (Edinburgh Pentlands) (Con)
 Milne, Mrs Nanette (North East Scotland) (Con)
 Mitchell, Margaret (Central Scotland) (Con)
 Monteith, Mr Brian (Mid Scotland and Fife) (Con)
 Scanlon, Mary (Highlands and Islands) (Con)
 Scott, John (Ayr) (Con)
 Swinburne, John (Central Scotland) (SSCUP)
 Tosh, Murray (West of Scotland) (Con)

ABSTENTIONS

Baird, Shiona (North East Scotland) (Green)
 Ballance, Chris (South of Scotland) (Green)
 Ballard, Mark (Lothians) (Green)
 Harper, Robin (Lothians) (Green)
 Harvie, Patrick (Glasgow) (Green)
 Scott, Eleanor (Highlands and Islands) (Green)

The Presiding Officer: The result of the division is: For 86, Against 19, Abstentions 6.

Motion agreed to.

That the Parliament agrees that the Food Protection (Emergency Prohibitions) (Amnesic Shellfish Poisoning) (Orkney) (Scotland) Order 2003 (SSI 2003/260) be approved.

The Presiding Officer: The next question is, that motion S2M-170, in the name of Patricia Ferguson, on behalf of the Parliamentary Bureau, on membership of a committee, be agreed to.

Motion agreed to.

That the Parliament agrees that Mrs Margaret Smith be appointed a member of the Equal Opportunities Committee.

Airport Investment (Glasgow and Edinburgh)

The Deputy Presiding Officer (Trish Godman): The final item of business is a members' business debate on motion S2M-31, in the name of Sandra White, on investment in Glasgow and Edinburgh airports.

Motion debated,

That the Parliament notes the response by BAA plc to Her Majesty's Government's consultation document, *The Future Development of Air Transport in the United Kingdom: A National Consultation – Scotland*, which states that the upgrading of Glasgow Airport to international hub status would cost £1.1 billion, £200 million less than government estimates, and that the cost of upgrading Edinburgh Airport would be £1.3 billion, £400 million more than previous estimates; further notes the massive investment planned for airport expansion in the south east of England; expresses its support for Scottish Airports Ltd's call on Her Majesty's Government not to put Scotland's long-term economical prospects at risk by opting to develop only one of the country's main airports, and believes that the Scottish Executive should make representations to Her Majesty's Government to ensure that the necessary investment is made available to ensure that both airports grow to their full potential.

17:08

Ms Sandra White (Glasgow) (SNP): I thank Pauline McNeill for tendering apologies to me—she has another meeting to attend, but I thank her for her support in today's debate.

We all know that since the establishment of the Scottish Parliament there have been a number of debates in which the transport infrastructure of Glasgow, the west of Scotland and Glasgow airport in particular have featured heavily. My first members' business debate, in the early months of the Parliament, was on that very subject. In that debate, I called for the creation of a Glasgow airport direct rail link in conjunction with a Glasgow north-south crossrail scheme.

It is correct that we are debating those issues again, as the contribution that our airports make to the economy is well established. Studies by the Fraser of Allander Institute revealed that Glasgow airport contributed £709 million to the economy and supported 15,000 jobs—a much larger contribution than that made by Edinburgh airport.

I do not believe that it would be productive to become involved in a sterile Glasgow versus Edinburgh debate—such a debate would not be productive in the long run for either of those great cities. That is why my motion calls for investment in both airports, to enable them to reach their full potential. However, as a Glasgow MSP and a native Glaswegian, I believe that it is my duty to argue Glasgow's case.

There has long been a perception that there is a bias in Government and official circles in favour of Edinburgh, at Glasgow's expense. BAA Scotland's response to the Government's consultation document "The Future Development of Air Transport in the United Kingdom" only added fuel to the fire of that perception.

The BAA response revealed that officials of the United Kingdom Secretary of State for Transport, Alistair Darling—who is the new Secretary of State for Scotland—got their sums badly wrong when they calculated that the development of Glasgow airport to hub status would cost £1.3 billion. In fact, according to BAA figures, the cost would be £1.1 billion.

In his new position as Secretary of State for Scotland, Mr Darling has already warned officials at the Scotland Office to sharpen up their act. I say to Mr Darling that he still has a job to do with his officials at the Department for Transport. Apart from overestimating the figures for Glasgow, they underestimated the cost of developing Edinburgh airport. They said that the cost of upgrading Edinburgh airport would be a mere £900 million—a figure that BAA has shown to be underestimated by £400 million.

BAA's response identified several other areas in which the Department for Transport consultation got the figures badly wrong. On pavements and aprons, the department calculated £232 million for Glasgow and £159 million for Edinburgh. BAA assessed those figures and then produced its own figures of £190 million for Glasgow and £300 million for Edinburgh. On land costs for runway developments, BAA's response showed that significantly more expensive land around Edinburgh airport had not been taken into account. The department's consultants estimated £27 million for Glasgow and £18 million for Edinburgh, whereas BAA's figures were only £20 million for Glasgow and £110 million for Edinburgh.

In a similar way, estimates on road access costs, civil engineering and utilities were shown to be widely inaccurate. Glasgow airport's costs for civil engineering and utilities were overestimated by a whopping £143 million, and for road access by £96 million. Given the evidence that I have presented today, I believe that it is my duty, and that of other MSPs who represent the Glasgow area, to ensure that the case is made loud and clear for Glasgow to receive its fair share of investment.

A new factor has entered the equation. As I said, Alistair Darling has been appointed as Secretary of State for Scotland in addition to his responsibilities as Secretary of State for Transport. Mr Darling, an Edinburgh MP, is on record as saying that Scotland needed just one big airport; he is also the head of a Government department

that has already dismissed the case for developing Glasgow airport as a hub. In its response, BAA concluded that both airports met the Government's test for sustainability and that expansion in the manner outlined would ensure that Scotland's vital national airport infrastructure was secure into the future.

Bill Butler (Glasgow Anniesland) (Lab): Does Sandra White agree that the Executive's position is clear and that we all support it—Glasgow MSPs and Edinburgh MSPs? The Executive wants development of both airports—Glasgow and Edinburgh—to their full potential. Alistair Darling is on record as saying that he will be happy to liaise with the Scottish Executive in driving that wholly laudable aim forward.

Ms White: My motion specifically mentions that both airports be utilised to their full potential. I hope that Bill Butler's question will be answered by Nicol Stephen when he winds up the debate. The Executive and the Secretary of State for Transport must liaise to ensure the best future for both airports and for Scotland's economy.

I mentioned securing infrastructure into the future. The Government and the Scottish Executive face the challenge of ensuring that the right balance between economic, social and environmental objectives is struck. That is why I ask the Executive at least to speak to the Secretary of State for Transport, who is also the new Secretary of State for Scotland.

I also call on the Scottish Executive to seek assurances that Mr Darling will listen favourably, as Bill Butler has suggested, to the case for both airports to be developed, and that he will have an open mind about both airports. I call on the Scottish Executive to support the view of BAA, which called on the Government not to put Scotland's long-term prospects at risk by developing one of the country's main airports in favour of the other. That would not be productive for Scotland in any way. Glasgow has never sought special favour to ensure a successful future for the airport. All that we have asked for is a level playing field to allow Glasgow airport to develop. I hope that that will be reflected both in discussions between ministers and in the white paper that I believe will be published in September.

The Deputy Presiding Officer: Eleven members wish to speak so I ask them to keep their contributions to a strict three minutes.

17:14

Paul Martin (Glasgow Springburn) (Lab): My comments will be brief. I congratulate Sandra White on securing this members' business debate.

This has been a cross-party issue among Glasgow and Edinburgh members.

I want to make it clear that, although I can be very parochial where Glasgow is concerned and have made no apologies for that in the past, it is important to acknowledge that we want Glasgow and Edinburgh airports to thrive in the interests of Glaswegians and people in the rest of Scotland.

The minister needs to answer two important questions. The first relates to progress on the Glasgow airport rail link. Significant progress has been made on that issue, for which the previous minister, Iain Gray, deserves a great deal of credit. I ask Nicol Stephen to provide a progress report on the Glasgow airport rail link. I would also like him to advise us when he will meet the Secretary of State for Transport, Alistair Darling, who also is the new Secretary of State for Scotland, to discuss that issue and to clarify the statements that he has made about Glasgow and Edinburgh airports.

Other members want to speak, so I will conclude. It is important that those two questions are dealt with and that a report to the Parliament is given.

17:16

Robert Brown (Glasgow) (LD): I, too, congratulate Sandra White on securing a very useful debate.

It would be wrong if we were to be too parochial by concentrating on the Glasgow/Edinburgh debate. We should view Glasgow and Edinburgh airports as a single economic entity. They should work together more, as they are only 45 miles apart, which is not a great distance in international terms. The idea of a direct rail link between the two airports should not be lost sight of. The notion of a central Scotland airport has been floated again recently, but the time for that would have been 30 years ago; now it is an unhelpful chimera. Surely Glasgow and Edinburgh airports can work together to act as that central Scotland airport.

Two principles apply to the issue. The first is that the Government should begin by examining the economic and environmental effects of transport policy. Frankly, it is not in the public interest of Scotland, or of the south-east of England, to develop more air facilities around London. London is, of course, the key United Kingdom hub and, in spite of people's grandiose visions of being able to fly directly from central Scotland to any destination, the reality is that many flights will continue to involve transfer in London.

However, it does not follow from that that UK Government policy should encourage centralisation in a hugely overheated and congested capital. A clear decision should be

taken now that there should be no further airport development in and around London, and that UK airport strategy should be to encourage diversion of significant airport business from London to Manchester, Newcastle and Glasgow/Edinburgh. If necessary, that should be reinforced by differential taxation regimes. In particular, we should build on the potential for growth of city breaks, which have been such a feature of the tourism industry in Glasgow.

The second principle is that there should be a level playing field for different modes of transport that gives proper recognition to their environmental implications. The proposed west coast high-speed rail link between London and Glasgow should make rail the most convenient, economic and environmentally friendly choice for travel between central Scotland and central London.

Air transport is growing at a rate of 5 per cent a year. If possible, we should rein back on unnecessary growth by diverting some of that growth on to rail, but the Glasgow/Edinburgh airport hub should have a greater share of existing air traffic. There should be more direct links that avoid having to go through London and the planned rail links to both airports should be completed urgently. I support Paul Martin's request for an update from the minister on that.

Although the Scottish Executive is not the main authority on the issue, it has a crucial job to do in ensuring that a UK, rather than a London-centred, view of airport policy is taken when decisions are made on the review. The debate is timely. It is important that we try to build up the Glasgow/Edinburgh airport hub. My final point is that we have had too many reviews that have had mince put into them and have produced mince at the other end. Sandra White went into some detail on that.

17:19

Bill Aitken (Glasgow) (Con): I, too, congratulate Sandra White on securing the debate. I have heard little with which I could disagree profoundly.

The future of air traffic will be a story of expansion. While September 11th, the war in Iraq and concerns about terrorism will disrupt the short-term growth in air transport, I have little doubt that the growth in air traffic will continue. In many respects, that is no bad thing.

I also agree that there is no point in carrying on the rivalry between Edinburgh and Glasgow airports. That causes no particular concern.

Robin Harper (Lothians) (Green): Will the member take an intervention?

Bill Aitken: I might well come to a point that will answer the member's question.

It is significant that both airports can cohabit and operate perfectly well in tandem, bearing in mind the fact that last year passenger traffic was 7.9 million from Glasgow and 7.1 million from Edinburgh. There is not a tremendous difference between them.

I agree with Robert Brown that the suggested central Scotland airport is not a runner. The capital investment in such a project would be massive. One need only consider the Maplin sands experience in the south-east of England and the considerable amount of understandable angst that that caused among the population to see that we could anticipate a similar reaction in Scotland.

To suggest that Glasgow or Edinburgh airport could become the hub for flights to Europe is, I suspect, a dream. However, Glasgow could and should become an important point of entry from north America. Bearing in mind the importance of tourism to the Scottish economy, it is clearly incumbent upon the Scottish Executive—acting in concert with other agencies—to ensure that Glasgow airport is as competitive as possible.

Fifteen thousand jobs in west central Scotland is an important consideration that must be borne in mind. It is important to consider Glasgow airport's potential for the growth of business and industry in the west central conurbation. We must therefore seek to ensure that Glasgow airport gets its fair share.

We are not suggesting that that should in any way be to the detriment of Edinburgh airport. The old rivalries between Glasgow and Edinburgh are thoroughly enjoyable and I have frequently participated in them, but the issue is important and, contrary to what I might normally say in the chamber, there is a case for fair shares for all. There is sufficient volume of traffic to ensure that both airports remain viable and successful.

17:22

Chris Ballance (South of Scotland) (Green): I, too, welcome the chance to debate this issue. However, the BAA response to the consultation says, more or less, that the atmosphere belongs to BAA and it is up to BAA to decide how much pollution to dump in it. I suggest that we should be wary of supporting such a submission.

The idea of increased air travel goes against the Executive's declared commitment to the development of sustainable transport. The external costs of air travel include noise, the ruin of local air quality, and loss of ecology, habitat and biodiversity. Air travel also affects our heritage; there are several listed buildings that are in danger

of damage from the pollution that is caused by it. It causes increased fuel use, climate change and resource depletion.

The Royal Commission on Environmental Pollution report on transport and the environment said:

"The demand for air travel might not be growing at the present rate if airlines and their customers had to face the costs of the damage they are causing to the environment."

The air industry is tax-free at present. It is subsidised by the United Kingdom taxpayer to the tune of £10 billion in potential VAT and fuel tax and the profit from duty-free sales.

Government policy is currently fuelling the increase in air transport and that policy might well change. The German Government is already considering introducing VAT on its air industry. If the industry were fully charged for the costs of the environmental damage that it causes, that would add an estimated £30 to the cost of a return ticket from Glasgow to London. If that is fed into the Government's computer models for air traffic growth, the resulting figures show no need for any airport expansion in Scotland. The whole question of airport expansion is contingent on whether Governments introduce a polluter-pays policy.

Bill Aitken mentioned air travel and tourism. It is important to point out that air travel is a net drain on tourism in Scotland. The availability of easy air travel persuades more Scots to go away from Scotland to spend their money than it does visitors to come into Scotland.

The growth in air travel is purely in the leisure sector, not in the business sector. By 2007, it will be quicker to travel to London from Glasgow by rail. Forty per cent of European air journeys are of less than 500km. Changing from air to rail is easy. The crux of the matter is whether the wishes of the richest travel sector should prevail over the lives of those who live underneath.

17:26

Mr Kenny MacAskill (Lothians) (SNP): First, I congratulate my colleague Sandra White on securing this debate. I intimate that my colleague Fiona Hyslop tenders her apologies. She is elsewhere.

I agree with much of what Robert Brown and Bill Aitken said. There are two important items that I wish to touch on. The first is the importance of aviation and the second is the importance of a national strategy for Scotland.

Aviation is not simply about leisure and pleasure, which is where I disagree with Chris Ballance. It is also about the economy. It is about inbound tourism and it is about outbound business. I am aware of representations that were

made by him and by AirportWatch earlier today. I accept that unrestricted air traffic growth is not acceptable. It is simply unsustainable. We need to balance the needs and wants of our economy with the sustainability of our environment. I accept that that is what Chris Ballance said.

Patrick Harvie (Glasgow) (Green): Will the member give way?

Mr MacAskill: I am sorry, but I cannot, because of the time.

The tragedy is that the debacle over the east coast main line has caused unmitigated growth in the number of flights to London. For example, easyJet has 106 flights per week to London from Edinburgh, 83 from Glasgow, and one to an international destination. We require to ensure not that it is a case of growth in any which operator to any which airport in London, but that flights to London are reduced, except where people are interlining, because the points that Robert Brown and Bill Aitken made are clear—we cannot expect flights to Rio de Janeiro, but we can expect flights to many major European cities.

We should offset the growth in direct flights by improving and enhancing the east coast and west coast main lines. We also accept the benefits of what has been announced with regard to the west coast main line.

Examples from the continent of what can be achieved are clear. Nobody in their right mind would take a flight from Brussels to Paris; they would go by train. There is no necessity to go to Charles de Gaulle airport or Beauvais airport to access Brussels national airport. People would think that someone who did that was stark raving bonkers. What people do is go by train.

We must remember that we are an island community, we have remote communities within our country, and we are on the periphery of Europe. For those reasons, and for those reasons alone, we require a major aviation network—not, as I said, simply to support more and ever-growing routes to London, but to support routes elsewhere.

A national strategy is important, as our route needs and wants are not the same as those of London. The important point to BAA is where Heathrow stands vis-à-vis Charles de Gaulle, Schiphol and Frankfurt. Our interest is not simply in ensuring that Heathrow remains number 1, as opposed to number 5. Our interest is in maintaining and enhancing access to each of those airports. That is why we need a national aviation strategy for Scotland that is distinct and separate from that south of the border. Of course, we will continue to interline mainly through major airports such as Heathrow, but we need direct access to airports other than Heathrow.

I will not go into the BAA monopoly—I have waxed lyrical about that before—but I support the motion.

17:29

Iain Smith (North East Fife) (LD): I never thought that I would stand up in a debate in this chamber and say that I agree with most of what Kenny MacAskill said, but on this occasion I do.

This is an important debate, and it is important that the debate is not about Glasgow airport or Edinburgh airport, but about airports in Scotland, because it is important for the Scottish economy and the Scottish environment that we get the airports policy for Scotland right.

Clearly, tourism is of considerable importance. In my constituency, tourism is a very important industry, and overseas tourism plays a large part in that, in particular with tourists who come to play the excellent golf courses at St Andrews. At present, most of them come through London hub airports and catch connecting flights to Edinburgh. They then have to find some miraculous way of getting from Edinburgh airport to St Andrews. The American and Japanese tourist markets are important for the golf trade in Scotland, so we have to ensure that there are good transport links for those tourists.

There are opportunities for us to expand our tourism business through the budget airlines, which are flying to more destinations. Few of those flights are direct from Scotland, but the number is increasing. They do not just allow Scots to fly out; they allow overseas tourists to fly into Scotland. We should develop that market as part of our tourism strategy. We should make use of those budget flights to get more tourists to come to Scotland and take advantage of the excellent facilities that we have.

We also have to consider business and economic development. Our business suffers considerable additional costs through there not being direct flights to many European cities. There is the additional cost of extra flights into London and time is wasted in changing from one aircraft to another. People do not just have to leave a 30-minute gap between flights; they have to leave almost a two-hour gap to have any chance of getting a connecting flight, or even longer if they want to be sure of not missing the flight because of delays. There are major problems for our businesses.

We have to consider the environmental consequences. Emissions per passenger kilometre are much higher for aircraft than they are for any other mode of transport. Emissions from short-haul flights on take-off and landing are just as much an issue as are emissions from long-haul

flights. It does not make environmental sense to make Scottish passengers catch a flight to London to catch another flight, which might come back in the same direction, rather than allow them to catch a direct flight to their overseas destination.

In developing our rail services to reduce the number of flights that we have to make to London and in developing our international routes we can start to make an impact on our economy and our environment. Robert Brown was right to emphasise the importance of the rail links to the airports and the high-speed rail links from Edinburgh and Glasgow to London are extremely important. We have to ensure that there is investment, because developing rail services is one way that we can reduce air traffic within the United Kingdom. That will allow us to develop more effectively the air traffic routes that we need to Europe and North America.

17:32

Margo MacDonald (Lothians) (Ind): I will pick up from where Iain Smith left off because, just as he never thought that he would agree with Kenny MacAskill, I never thought that I would agree with him.

We have been talking about two airports, but we should be talking about three airports—three airports, one hub. We should be thinking about fast rail links from Glasgow Prestwick right through to Edinburgh, up the east coast and to London. I will not develop that point, because Iain Smith finished off on that, but he is absolutely right. If we are talking about a sensible airport policy in Scotland, it should start with the sensible use of our existing resources and the development of our rail services.

I agreed with much of what Robert Brown said, so I will not go over it again. We can start levelling the playing field between internal UK flights and rail travel. The fares could be examined to try to change the pattern of how we travel inside the UK. We can certainly change the pattern of how we transfer from transatlantic flights on to Europe. We could do that if we had a Scottish hub running from Prestwick through to Glasgow and Edinburgh. We have to start getting the pricing policy right for rail travel.

We should try to reduce the growth in air travel of anything between 4 and 5 per cent. We are being less ambitious than we might be if we just say that that is what the growth is and do not attempt to reduce it. We know perfectly well that it is desirable on environmental grounds to try to reduce that growth. I think that 10 per cent of CO₂ emissions are from air transport. We are spending so much time discussing pan-European environmental concerns that, surely to goodness,

reducing those emissions is something on which we can all agree. If we do, we have to start reducing the growth in air travel. That does not mean to say that we will have a smaller market for tourism or leisure in Scotland. It simply means that we might not need longer runways to accommodate the people whom we would like to come to visit Scotland, whether on business or on holiday. Perhaps what we need is much better organisation and use of the resources that we already have, starting with rail.

17:35

Stewart Stevenson (Banff and Buchan) (SNP): I draw attention to my entry in the register of members' interests, which shows that I am a member of the Edinburgh Flying Club and therefore dependent on the facilities there.

The BAA submission to the consultation mentions new runways at Edinburgh and Glasgow as well as an extension of the length of the runway at Aberdeen. We should start by saying that, whatever the long-term future of Scotland's airports, it is important that the Executive plays its role in protecting the space that those airports will require for such expansion should those proposals crystallise into reality at some point in the future. At the same time, we must ensure that the owners of property adjacent to airports, who might be affected by such expansion at some time, are adequately compensated.

Incidentally, airports are a great source of biodiversity, because they provide an oasis of relatively undisturbed habitat for a range of wildlife. Do members know, for example, that there is a pair of otters at Edinburgh airport? I believe that that is the only place in Edinburgh where otters can be found.

Bill Aitken: Twin or otherwise?

Stewart Stevenson: I do not know.

There is already a lot of air traffic in central Scotland, with Edinburgh and Glasgow airports between them handling some 200,000 movements a year, to such an extent that we actually have a one-way system for air traffic. The two airports are already operated as a single entity for air traffic approach purposes. Some of the constraints that will have to be addressed are outwith the power of the Parliament and indeed outwith what the BAA has said. Military flying constrains the routes into Scotland. There is no viable east coast route to the south or the continent that is equivalent to the west coast airway, alpha 1. There is limited capacity there, and that is something that must be considered.

Military flying generally across Scotland is an issue. Prestwick does not have protected airspace

and therefore has to be included in the centre of Scotland. Edinburgh is a significant cargo airfield and is therefore important for business purposes, so it is important that we have the space and capacity to develop that further. In the short term, I hope that the Executive will support proposals to extend the taxiways at Edinburgh. At present, they do not go to the ends of the runway, which imposes a severe limitation on the capacity of that airport. Extending the taxiways would double the capacity of Edinburgh airport for very little cost and small on-the-ground environmental impact.

We also have to interlink the big operations with the small operations. It is a source of continuing regret that we still do not see public transport single-engine planes providing services in Scotland, although they actually have a better safety record than twin-engine planes of an equivalent size. There is a whole range of issues surrounding this complex issue and I am sure that the minister will take account of them. I am happy to support the motion.

17:38

Patrick Harvie (Glasgow) (Green): My previous job involved health promotion and one of the unfortunate things that I have come to discover is that promoting the idea of sustainable development is much like promoting healthy behaviour. People know that they are supposed to have their five bits of fruit and vegetables a day, that they should be having safer sex and that they are not supposed to drink too much, but merely telling people that does not help. It is an unfortunate aspect of human behaviour that we like sometimes to do things that are bad for us, and it is an unfortunate aspect of Governments' behaviour that they quite like to do things that are not consistent with sustainable development.

The very meaning of sustainable development is too often polluted, and it is assumed that it is about economic viability first and foremost. It is not. First and foremost, it is about keeping the planet safe to live on. Secondly, it is about having a socially just world that we all want to live in. Finally, it is about making things add up and making the economics work so that the system can function.

Members all know—so I will not reel off the statistics—that air travel is the most polluting form of travel on the planet. The aviation industry is a highly polluting industry with externalised costs, and it makes the poor of our cities and the poor of the world suffer while those who can afford to do so jet off to wherever they want to enjoy themselves.

However, I want to mention some issues that have not been mentioned, such as the already

poor local air quality and high volume of traffic in Glasgow. We are looking at a 40 per cent increase in traffic and the airport will generate more traffic.

I support some well-meaning and correct things that have been said about developing rail travel, but I have also heard a ludicrous attempt to provide an environmental argument in favour of a policy that would triple air traffic in Scotland, which cannot be defended in any way.

The Deputy Presiding Officer: The member has one minute.

Patrick Harvie: I am not going to use the full remaining minute. I will simply say that, while we tax people to have holidays in Scotland and Britain but do not tax people to fly to the other side of the world, I am not willing to listen to people who use words or phrases such as “environment”, “sustainability” or “green thread” if they simply think that we are just not burning enough kerosene.

17:41

Mike Pringle (Edinburgh South) (LD): I, too, congratulate Sandra White on giving members the opportunity to have this debate. Margaret Smith, who is the local member for the constituency in which Edinburgh airport is located, has a family commitment, otherwise she would have been here to contribute to the debate.

Edinburgh's gateway status for Scotland's tourism industry, its growing economy and the continuing rise in the popularity of air travel mean that it is essential to have in place a long-term policy that safeguards and enhances the role of Scotland's airports. I welcome the consultation on the future development of air transport in the United Kingdom, which is being undertaken by the UK Government and the Scottish Executive. I appreciate that it is difficult to predict exactly what will happen to market demand in the next three decades, but it seems to me to be sensible that we try to do so.

My colleagues Margaret Smith and John Barrett will respond to the consultation in the next week. We all believe that there is no need for another runway at Edinburgh airport, but it is surely sensible to maintain the land in case another runway is needed in the future. We should not do anything to compromise the airport's ability to respond to the business, employment and tourism needs of the city and the country.

I agree with the BAA that we need continued investment in Edinburgh and Glasgow airports. As members have said, a central airport in Scotland would be an expensive white elephant.

I am pleased that the Scottish Executive has announced multimillion pound investment for

heavy rail links to Edinburgh and Glasgow airports. The Edinburgh option appears to be not only commercially viable, but environmentally viable; it would mean that the airport was linked to the main rail network north and south and should increase the number of passengers who arrive by public transport. The Executive's figures suggest that up to 20.3 per cent of passengers who travel to Edinburgh airport would travel by train if they could.

Edinburgh airport is one of the most rapidly growing airports in the country—passenger numbers have risen from 2.5 million in 1993 to the current level of 6.6 million. A £100 million terminal and stand development was completed last year and a multistorey car park is under construction.

One reason why I welcome the development of tram lines in Edinburgh is that they will also help access. The western line will stop at the airport and consultations are now under way about the best route option not only for the airport and its passengers, but for the future viability of the Royal Highland Showground, which plays a significant part in the local economy.

However, although we acknowledge the positive benefits that a thriving airport brings to the city, we should not forget that air transport is a growing source of CO₂ emissions. Liberal Democrats want increased funding for the provision of high-speed rail links to encourage greater use of rail as an alternative to short-haul flights, and we are pushing at European level to put in place incentives for development of more fuel-efficient aircraft and measures that will see air transport carrying the full burden of its environmental costs in line with the polluter-pays principle.

Edinburgh and Glasgow airports can play an even greater role in the future of air transport in Britain. We must balance the needs of passengers, the economy, local residents and the environment to find a solution that delivers that role.

The Deputy Presiding Officer: The minister has a tight seven minutes.

17:44

The Minister for Transport (Nicol Stephen): I thank Sandra White for raising such an important issue. I completely agree with her and others that the matter should never result in a sterile debate between Glasgow and Edinburgh.

The airport transport consultation was launched in July last year and will close at the end of June this year. The process is taking place throughout the United Kingdom. In Scotland, the consultation process is being conducted jointly by the UK

Department for Transport and the Scottish Executive.

The regulatory framework under which air transport operates is reserved; the UK Government has responsibility for co-ordinating overall policy for UK airports. However, many of the key areas are devolved; land-use planning, surface access and the management of publicly owned airports are our responsibilities. Those are key issues in the development of air transport for the future.

The aviation industry is a vital component in Scotland's economy. The figure that I have is that it is worth £600 million per year and growing. It provides 15,000 jobs directly and at least as many again through multiplier effects. Airports and air services promote economic growth by increasing access to markets and suppliers and encouraging inward investment and tourism. Airports act as focuses for new business.

The aviation sector is growing—the success story in Scotland is one of dramatic growth and passenger numbers have doubled over the past decade. Our consultation document indicates that the current figure of 18 million passengers per annum passing through Scotland's airports might well double again.

As with the growth in passenger traffic, there are many considerations to be taken into account—not least environmental factors, to which members have referred. I am sure that some members in the debate will also have attended the lunch-time seminar on the environmental impact of air transport.

The Executive is not ignoring the issue. The consultation document rightly assesses the impacts at Scotland's airports of growth scenarios and environmental factors, including noise and air quality changes, as well as the potential impact on ecology and heritage. All those issues must be considered. We must recognise that there are issues relating to the growth in air transport in terms of resource use, pollution and congestion. The industry has made progress in adopting the principles of sustainability, but there is still much to do.

We can improve the situation in relation to the travel modes that passengers use to get to the airports in Scotland. The faster and improved rail links that are created by the improvements to the west coast line and the improvements that are needed on the east coast line have been mentioned. I would like to see people who go to London by air shifting to rail. They should be able to make such decisions based on the existence of high-quality high-speed links. The provision of better access to airports by rail is important and the provision of rail links to Glasgow and

Edinburgh airports will reduce congestion and widen choice. Those rail links are important and the Executive remains committed to both of them.

I was asked about the rail link to Glasgow airport. Strathclyde Passenger Transport Executive has recently formed a steering group to progress the Glasgow airport rail link proposal, including preparatory work to acquire the relevant parliamentary powers because a private bill will be required to progress the work. I look forward to that work's being moved forward as swiftly as possible.

In the vicinity of our airports, local residents have legitimate concerns about the noise and congestion that result from air travel. Those views must also be considered in making decisions.

We have, during the consultation process, encouraged informed debate about the many key issues that face us. Those include: maintaining and developing services to remote areas; providing extra airport capacity; provision of adequate surface access to airports; development of new routes; and maintaining access to the hub airports in the south-east of England. Those are issues not only for Glasgow, Edinburgh and Prestwick, but for all of Scotland's airports. I see today's debate as another contribution to the consultation process.

We are committed to ensuring that the rising demand for air transport brings maximum economic benefits to all Scottish airports and the communities that they serve, but at minimal environmental cost. We must plan for the long term to take best advantage of the opportunities that are associated with the anticipated growth. We have no preconceived view on the best way of providing extra airport capacity—there is no hidden agenda. The consultation document sets out a range of options for Glasgow and Edinburgh airports. Both will continue to grow significantly and we are determined to do everything that we can to realise their full potential.

I emphasise that the aim of the consultation process is to safeguard options for the longer term. No decisions on extra runways are required now and none will be required for at least 10 years. Continuing investment in terminals, aprons and taxiways, together with some runway extensions, will be sufficient for the current significant growth.

Safeguarding the future is key. The commitment by the Executive and the United Kingdom Government is to have an air transport policy for the next 30 years that safeguards the potential for growth. It is good that the consultation document stimulated the industry responses.

The BAA has now submitted responses at UK and Scottish levels and its Scottish proposals

involve different options from those in the consultation document. They were also costed differently. The Scottish Executive and the UK Department for Transport believe that it is vital that we have clear and comparable costings and will be working closely with BAA to achieve that during the next few weeks.

The consultation process is heading towards the production of a UK white paper on air transport by the end of 2003. We will work closely with the UK Department for Transport and other devolved Administrations on the issues that should be addressed in the white paper. That will ensure that there is a consistent approach to the development of air transport throughout the United Kingdom. It will also recognise that responsibility for delivering sustainable air transport in Scotland is shared with our counterparts in the UK Government.

Meeting closed at 17:52.

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