

ENTERPRISE AND CULTURE COMMITTEE

Tuesday 2 September 2003
(*Afternoon*)

Session 2

£5.00

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ENTERPRISE AND CULTURE COMMITTEE

2nd Meeting 2003, Session 2

CONVENER

*Alasdair Morgan (South of Scotland) (SNP)

DEPUTY CONVENER

*Mike Watson (Glasgow Cathcart) (Lab)

COMMITTEE MEMBERS

*Brian Adam (Aberdeen North) (SNP)

*Mr Richard Baker (North East Scotland) (Lab)

*Chris Ballance (South of Scotland) (Green)

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

Murdo Fraser (Mid Scotland and Fife) (Con)

*Christine May (Central Fife) (Lab)

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

*attended

THE FOLLOWING ALSO ATTENDED:

Mr Frank McAveety (Minister for Tourism, Culture and Sport)

Chris Graham (Scottish Executive Enterprise, Transport and Lifelong Learning Department)

Bob Irvine (Scottish Executive Education Department)

George Reid (Scottish Executive Enterprise, Transport and Lifelong Learning Department)

THE FOLLOWING GAVE EVIDENCE:

Professor Arthur Midwinter (University of Strathclyde)

CLERK TO THE COMMITTEE

Simon Watkins

SENIOR ASSISTANT CLERK

Judith Evans

LOCATION

Committee Room 3

Scottish Parliament

Enterprise and Culture Committee

Tuesday 2 September 2003

(Afternoon)

[THE CONVENER opened the meeting at 14:00]

Legal Deposit Libraries Bill

The Convener (Alasdair Morgan): I call the meeting to order and ask everyone to ensure that their mobile phones are switched off.

The first item on our agenda is the United Kingdom Legal Deposit Libraries Bill. I welcome the Minister for Tourism, Culture and Sport, who would like to say a few words on the subject.

The Minister for Tourism, Culture and Sport (Mr Frank McAveety): I thank the Enterprise and Culture Committee for the opportunity to speak on the Executive's memorandum, which relates to the Sewel motion to attain the Scottish Parliament's consent to the UK Legal Deposit Libraries Bill. The bill was introduced in the House of Commons on 11 December 2002. It is a private member's bill, but is supported by the Department for Culture, Media and Sport. The bill had its report stage and third reading on 4 July; it was introduced to the House of Lords on 7 July. The DCMS expects the second reading there to be on 12 September.

The bill concerns the extension of legal deposit to include non-print material and imposes a duty on publishers to deposit publications in six nominated depositories. Those are known as the deposit libraries and include our own National Library of Scotland. Under section 15 of the Copyright Act 1911, a copy of each book or serial or other printed publication, published in the UK, is required to be deposited, free of charge, in the British Library. Under the act, five other libraries, including the National Library of Scotland, are entitled to receive, on request, one free copy of any book or any other printed publication published in the UK.

We wish to modernise legislation to extend the provisions of legal deposit to cover material that has emerged in recent years in media other than print—in particular, electronic and online material. That would cover internet publications, e-journals, CD-ROMs and microforms, thereby ensuring that all significant publications are collected regardless of the medium in which they are initially published. Such publications will therefore be preserved as part of the national published archive.

The National Library of Scotland has been very supportive of the bill and has been kept fully informed of its progress through the joint committees of which it is a member, along with the British Library and the other legal deposit libraries. To ensure that the National Library of Scotland retains the benefits of the current arrangements, the bill should extend to Scotland on introduction. There will be provision in the bill for the National Library of Scotland to continue with its current agreement to pass deposited legal publications to the Faculty of Advocates.

The Executive's memorandum sets out the background to the bill and the need for legislation. It comments on each of the bill's clauses that relates to Scotland. I recommend that the committee accepts the proposals in the memorandum.

The Convener: As the minister said, this issue will be the subject of a Sewel motion, which Parliament will debate on 11 September. The committee does not have to make any decisions today; we simply have an opportunity to question the minister, should any member wish to do so.

The bill was introduced in December last year. Is there any particular reason why the Sewel motion has come to us nine months later, as opposed to nearer the time of introduction?

Mr McAveety: If we do not deal with this now, with a second reading due on 12 September, there will be an impact that could prevent the provisions from becoming law. The National Library of Scotland would not then be able to receive publications that would be useful to it. Bob Irvine may wish to comment on the delay since 2002.

Bob Irvine (Scottish Executive Education Department): The delay was caused largely by the shadow of the parliamentary elections in Scotland earlier this year. If I recall, the bill did not go through its first stages until earlier this year. A Sewel motion is not generally available until later in the proceedings.

The Convener: As a matter of interest, is there an ideal point at which a Sewel motion should be introduced? The bill that we are considering will probably not be subject to huge amounts of amendment because it is not controversial, but in previous debates, the issue has been raised that, if a Sewel motion is passed that expresses the Parliament's general wish to be associated with a piece of UK legislation near the beginning of the process, and the bill is subsequently radically altered in its passage through the House of Lords or the House of Commons, what the Parliament assented to at the beginning will not be what we get at the end. Do you have any thoughts on that?

Bob Irvine: There has been a lot of discussion about the procedures for Sewel motions, but I am

not aware of the conclusions that have emerged. The motion that we are considering has come at a relatively late stage in Westminster's consideration of the bill, which allows the Scottish Parliament to be fairly clear about exactly what the legislation is and what implications it has for Scottish bodies.

Mike Watson (Glasgow Cathcart) (Lab): I do not have a question about the bill, which is a fairly uncontroversial and commonsense measure that will bring the legislation up to date. My question for the minister is, given that there is already considerable pressure on storage at the National Library of Scotland building 200yd down the North Bridge, what discussions has the minister had, or does he anticipate having, with Martyn Wade and his colleagues at the National Library about how they will cope with the implications of storing additional information, which will be an inevitable requirement of the bill?

Mr McAveety: That is a significant issue. We must have discussions with the National Library about how it will deal with the impact from within existing resources. We have given approval for the restructuring of the National Library's overall management structure. I hope that that move will release resources from within the library that can be put towards archiving and developing a much more outward-looking role for the National Library. The library must try to deal with the resource implications from within existing budgets and it feels that it can do so if it continues with the restructuring process in which it is involved.

Brian Adam (Aberdeen North) (SNP): It is significant that the minister has said twice that the cost of the changes will have to be met from within existing resources. The bill has financial implications as well as implications for storage capacity at the library. It is rather unfortunate that, when Sewel motions come before us, we do not have a financial memorandum that allows us to make a proper assessment of the bill's impact on the Scottish budget. Can you give us an idea of how much the bill will cost?

Mr McAveety: I do not have the figure for the impact on resources directly at hand, but we will respond to the committee on that.

Many major institutions must accommodate the changing circumstances, but the management of that change is up to each institution through its management structure and resource allocation. Institutions are preparing themselves for a different way of developing and enhancing library services and archives. The cost of those changes can reasonably be assumed to come from within existing resources. That is not an unreasonable request to make of any public body. Bodies should be able to do more, although that might mean that they do less in other areas than they have done in the past because the situation has changed. We

must reflect that dynamic. The best people to make the judgment are those from the National Library, rather than us.

Brian Adam: The point that I am trying to make is that it is a weakness in the Sewel motion procedure that we are not told about the financial implications of the bill. We are asked to agree to something that has a financial impact on the Scottish budget, without knowing whether we will receive more money through the Barnett formula.

There are only five deposit libraries, and I cannot see a per capita arrangement or a percentage arrangement working. We are being asked to agree that Westminster will legislate, but the absence of financial information, whether provided by a public body or otherwise, is surely a weakness in the Sewel motion system.

Mr McAveety: That is a much broader question and it does not relate to the issue of deposit libraries alone. If Brian Adam feels strongly enough about that matter, he should raise it through the appropriate channels. It is not unreasonable to assume that organisations can accommodate within existing resources changes in the way in which they archive material. There are no additional resources for the British Library either, so no distinction is being made between the libraries in the UK deposit library network. That is a broader issue about public spending, but the fact that we are asking people to do things differently, or to do other things, does not mean that there is a cost implication.

Brian Adam: It seems very unlikely that there will not be a cost implication. If you are suggesting that the bill will not have a cost implication, that is fine and there is no problem, but I would have thought that it was important for you to come and tell the committee what the impact will be on the Scottish budget. If a minister comes before a committee with a Sewel motion and asks us to endorse changes, I do not see how we can do that when we do not know how much the changes will cost. I accept that that is not the procedure that is followed at Westminster, and I appreciate that there is no discrimination against the National Library of Scotland, but that is not the point that I am making. The bill has a financial implication, and I think that we deserve to know what that implication is before we agree that Westminster should legislate in that area.

Mr McAveety: We are not arguing that there is an increase in the Scottish budget to deal with that piece of legislation. That is an assumption that you have made, but it is not necessarily in the legislation.

Christine May (Central Fife) (Lab): My question is on the same point. I hear what Brian Adam is saying, but can the minister give us any

idea of the time scale for the increase in the amount of material? Is it anticipated that, once the bill is passed, next week or whenever, there will be a huge influx of material into the library that will have to be dealt with there and then, or will there be a gradual increase over perhaps the next two or three years, some of which would have to be budgeted for next year and in subsequent financial years?

Mr McAveety: Again, I do not have that information directly to hand, but I shall certainly ensure that we give the committee some information on that when we can.

Bob Irvine: The committee might like to know that, last year, the National Library of Scotland received about 230,000 items of printed material and about 6,000 items of electronic material. It is expected that the amount of electronic material will rise in years to come and that the amount of printed material will fall.

The Convener: Am I right in thinking that the bill simply conveys obligations on the publishers of such material, and that it is up to the libraries themselves to decide whether they want to accept it?

Bob Irvine: That is right.

The Convener: Otherwise there might be some interesting consequences for the budget of the Irish Republic.

I should say at this stage that we have received apologies from Murdo Fraser and Jamie Stone.

Subordinate Legislation

Education (Student Loans) Amendment (Scotland) Regulations 2003 (SSI 2003/285)

14:15

The Convener: Under item 2, we have two items of subordinate legislation to consider under the negative procedure. The first of those is the Education (Student Loans) Amendment (Scotland) Regulations 2003. Chris Graham is here to say a few words about the instrument.

Chris Graham (Scottish Executive Enterprise, Transport and Lifelong Learning Department): The legislation is quite simple. It allows for the amounts of loans that are paid under the previously available mortgage-style student loans system to be updated on the same rates as student support generally has been already this year.

The Convener: All that we have to do is decide whether we want to make any comment on the regulations in our report to the Parliament. I take it that, in view of the lack of questions, we do not want to make any such comment.

Members *indicated agreement.*

Stevenson College (Change of Name) (Scotland) Order 2003 (SSI 2003/297)

The Convener: The second instrument we have to consider is the Stevenson College (Change of Name) (Scotland) Order 2003. We have in front of us George Reid—no relation to the Presiding Officer—who wishes to say a few words on the order.

George Reid (Scottish Executive Enterprise, Transport and Lifelong Learning Department): I am occasionally confused with, but am no relation to, the Presiding Officer.

I thought that it would be useful to the committee if I gave some background to the order and commented on the two points that your colleagues on the Subordinate Legislation Committee have drawn to your attention, which are referred to in paper EC S2/03/02/2.

Stevenson College's board of management thinks that the inclusion of "Edinburgh" in its name would avoid some of the difficulties that have been reported in identifying the college's location. The committee will be aware that there is a town called Stevenston in North Ayrshire. There is also a Stephenson College at Coalville in Leicestershire.

Of equal importance to the college's board is that it feels that the name "Stevenson College

Edinburgh” would help to raise the college’s profile at UK level and internationally. These days, further education colleges operate on a range of fronts. Their primary purpose is and probably always will be the provision of skills—non-advanced vocational education—for the communities that they serve. However, colleges are now developing specialisms and expertise that attract students from further afield, including from overseas. Stevenson College has more than 1,000 international students each year from some 100 countries. On its client relationships, I understand that the college has worked with a number of organisations overseas, including in South Africa and the Czech Republic.

That is the background to the order. I will address the two points that the Subordinate Legislation Committee has drawn to the committee’s attention. The Subordinate Legislation Committee’s view was that the explanatory note attached to the order did not give a full indication of why the order was necessary. In essence, the order’s underlying aim is to assist the college to do better what it does at present by clarifying its identity and profile and introducing a formal link to its Edinburgh location. The Scottish Executive took the view that the order’s intention was fairly self-explanatory and straightforward—we are simply adding a word to the college’s name—and no discourtesy was intended. I hope that the background that I have given has covered the main reasons why we seek to support the college by making the change.

Secondly, the Subordinate Legislation Committee wondered why it was necessary to use “(Scotland)” in the order’s title. The Executive responded to the Subordinate Legislation Committee and pointed out that, if we did not use the term “(Scotland)”, the order would not necessarily disclose a Scottish connection. I note from the comments in paper EC S2/03/02/2 that the Subordinate Legislation Committee has advised this committee that it considers the inclusion of “(Scotland)” in the order’s title as guarding

“against there being another similarly named college in the UK.”

That corresponds exactly with the Executive’s view.

I hope that the committee finds those comments helpful in explaining the background to the order and clarifying the points that your colleagues on the Subordinate Legislation Committee raised. If members have any questions, I will be happy to answer them.

The Convener: As none of the committee members, other than Christine May, is a member of the Subordinate Legislation Committee, perhaps Christine might wish to comment.

Christine May: The Subordinate Legislation Committee’s views are reflected accurately in the paper. I recall the debate, and although it might seem academic—if that is not too much of a pun—the situation can be confusing, when internet searches are being conducted for establishments, if people are not sure of the spelling, if they are overseas students or academics, or if they are not familiar with a country’s geography, for example.

The first point is that the explanatory note gives no real information—the Subordinate Legislation Committee has raised issues about the amount of information that is contained in explanatory notes, which is a matter for us to take up with the Executive. As for the second point, I think that the inclusion of “(Scotland)” helps.

Susan Deacon (Edinburgh East and Musselburgh) (Lab): I will comment briefly. I echo Christine May’s comment that the issue is not just academic. I support the proposal, which has substantive reasons for being important. In a former life, I was involved in a debate about naming a significant part of a significant higher education institution in this fair city, which centred on the need to have the city’s name in the name of the establishment, for the reasons that have been mentioned. In these days of the internet, and when colleges and universities have international connections, such information is important. I am happy to support the change.

The Convener: I take it from those comments that members want our report to the Parliament to say that we make no comment on the instrument.

Members indicated agreement.

The Convener: I thank Mr Reid for appearing.

Scottish Solutions Inquiry

14:22

The Convener: Agenda item 3 is our first evidence session for our Scottish solutions inquiry. One of the first papers that were submitted to us was by Professor Midwinter, from the University of Strathclyde, who is here to answer questions on his paper. First, he will say a few words of amplification.

Professor Arthur Midwinter (University of Strathclyde): The background to the paper is that the committee asked Scottish Parliament information centre staff to produce relevant background papers, and they diligently found an academic paper that I wrote five years ago, which is one of the few in Scotland on university funding. After discussion, it was agreed that I should update that paper and address some questions about what might happen to the current system if top-up fees are introduced in England.

I am not a specialist in comparative university funding systems. My knowledge is of the Scottish public finances and, in particular, devolution finance and local government finance. I am here because I am the budget adviser to the Finance Committee, because I have an academic hat and because I have been a dean and lived through some of the resource consequences that the committee will talk about.

I have provided a background briefing paper to help the committee with its inquiry. The paper does not attempt to answer the questions; it attempts to let the committee know where we are and to anticipate some of the issues that the committee might require to face. I take the opportunity to distance myself publicly from the interpretation of my paper that appeared in a Sunday newspaper, which believed that I was advising the committee that top-up fees should be introduced. I do not know whether any committee members saw that report, but I say honestly that I see nothing in the paper to suggest that conclusion. The paper tries to help the committee by taking a practical viewpoint on the possible issues in a university.

I will consider some of the financial consequences for universities if the change takes place. Like many other areas of the public sector, university funding has gone through enormous changes in the past 20 to 25 years, such as the introduction of support for overseas students and the reduction of recurrent grants for home students. Most of my time in universities was spent in management groups considering how to make savings. That was my background throughout the 1980s and 1990s.

My main concern in the document is about the role of the Scottish Higher Education Funding Council and the funding that it provides. It might be useful for members to know that, although I suspect that every university operates in a similar way, we distinguish between what I call the core economy and the soft economy.

The core economy is the money from SHEFC that exists to fund degree programmes and core academic research, and to pay the salaries of permanent staff. The soft economy is the consultancy and research work that we might do for outside clients as opposed to pursuing our own research interests. I stress that difference in case there is a false idea that universities can tap into private money to make up for any loss from the public purse. Although the two functions are related for academic activities, they are separate for funding purposes.

Soft-economy money is usually used only for staff on short-term contracts. Roughly half of the University of Strathclyde's money comes from the soft economy. However, my main concern is the core funding of the university.

The way in which the current system operates—and I am deliberately going back to basics for the benefit of new members of the Parliament—is an issue that will arise in the committee's discussions on how the Barnett formula operates in relation to such matters. The Scottish block grant funds the departmental expenditure limit. Under that system, there is a historical baseline that is high relative to the rest of the United Kingdom. There is also a population-based share of any increases. That means that the historical baseline is the dominant part of the new budget.

The operation of the system gives maximum discretion on the mix of spending to the universities. Despite attempts in the media and elsewhere to compare Barnett results for health, education and other services, the grant is simply a block grant and it is treated as such in the way in which money comes to the universities. If there are changes in the way higher education is funded, that will affect the block grant rather than directly impinging upon the universities. For the benefit of members, my paper contains a simple explanation of how Barnett operates.

Unlike the health service, where we can usually assume that the bulk of the benefits will accrue to people in Scotland, higher education funding is distinctive, because it is still part of the UK access system. When the function was devolved administratively in the early 1990s, the baseline expenditure that was transferred from London took account of the fact that Scotland had a much higher proportion of students than our share of population would suggest. Roughly 11 per cent of UK students study in Scotland, and the historical base figure reflects that.

In the past few years, the department has done some work on what I call cross-border flows. That is the balance between the number of students who come to Scotland and the number who leave Scotland to study elsewhere in the UK. The University of Strathclyde has a high proportion of students from Northern Ireland, for example. The Scottish system was in surplus for most of the 1990s—a surplus of students from elsewhere in the UK were coming here to study—and our core funding reflected that.

14:30

That and the way in which the system operates raise a number of issues. I said earlier that the mix in the use of funding is heavily at the Executive's discretion. I have produced some figures on education, which has been stated to be a political priority. The figures in table 1 of my memorandum are from a public expenditure statistical analysis. They are outturn figures, published every May by the Treasury, so the table shows the most recent Treasury statistics.

The table shows two things. First, it shows that education expenditure as a share of Scottish public expenditure has been declining. Secondly, it shows that such expenditure has been declining in terms of what is known as the expenditure relative, meaning expenditure relative to the UK. If we take the UK spending level to be 100, members will note that education spending in Scotland at the start of the devolution period was 26 per cent above the UK average, but has now fallen to 17 per cent above the UK—117 in the table. The last column of the table illustrates that the Scottish share of total UK spending on public services has remained roughly the same as it was at the start of devolution. That implies that there have been political decisions to reduce the education share of the overall cake. That is in no way to deny that the education budget has been growing in real terms; however, I question whether it has been the priority that it was stated to be.

The funding of higher education has probably been the lowest priority within the Executive's education budget. I pass no comment on that, but state it as a factual position. Next week, new figures will be out on the spending plans for the coming years, but they do not show much difference. The higher education budget is planned to grow by 15 per cent, compared with Scottish budget growth of 23 per cent. I see the trend continuing.

I will explain why I draw those matters to members' attention at this stage. When members hear evidence from the universities, the Executive and from various special interests, they are likely to get differing views on what the position is. Because we have so many students here, straight

comparisons of expenditure per capita are not meaningful for this topic. Instead, we need to identify expenditure per student. Members also need to take into account the difference in the course mix. One of the reasons why the Scottish position is so different is the high number of medical schools, which represent a high-cost university activity.

What would it mean if top-up fees were introduced in England? If an increase were planned for public finance in higher education in England now, Barnett consequentials would immediately and automatically flow and would come into the Edinburgh total for distribution. Top-up fees are not classified as public money, but as fees paid by individuals. All the money would accrue directly to the universities concerned. The result is that there would be no Barnett consequentials for those fees, and there would be a funding gap between the Scottish and English universities. The crux of the issue that members will address is how such a gap could be accommodated if fees were introduced in England.

In its inquiries, the committee might wish to consider whether the current funding arrangements for dealing with cross-border flows need to be revisited. The number of places being allocated to students from outside Scotland grew for a while during the 1990s. The committee needs to get the most up-to-date figures available for that. If fees are introduced in England but not in Scotland, I would expect that number of places to increase, and that students from the north of England especially would be trying to cross the border and get into Scottish universities. There would be no immediate financial effect, because student numbers are controlled, but the demand for places would intensify. The prospect is that more English students could be attracted at the expense of Scottish students.

The committee must address that issue, which could seriously test the devolution settlement. It must consider the system's capacity to deal with difference in a way that has been touched on so far only in relation to free personal care for the elderly and some other issues. Increased fees in England will give English universities a comparative advantage. I understand that the proposals are being sold on the need to generate additional funding so that British universities can stay competitive with the rest of the world, albeit that we have nothing like the resources that flow into American universities. It should be made clear to the committee that such fees will introduce inequality of educational access for low-income students and welfare students. Therefore, I was a little despondent to find that, according to the Sunday press, I was advocating such a change—I certainly have not done so. If I were asked to give my advice in Scotland, I would say that if fees

were introduced, inequality would be a consequence.

The Convener: Thank you for speaking about a fairly complex matter. I am sure that members have been following the issue assiduously.

You have mentioned a health service mechanism that allows payments to be made for patients who are treated north or south of the border. Is that mechanism at the block level or are things done between the two health services?

Professor Midwinter: There are interdepartmental transfers. From your time as a member of the Finance Committee, you might remember that such in-year changes had to be proved. Scotland was usually in surplus, which I think was partly to do with tourism. I think that a substantial amount was transferred from the department in England to that in Scotland. The figures that come before the Finance Committee are adjusted in the budget. The exercise is standard throughout Government departments in the United Kingdom, but there is no equivalent to it in higher education funding, as we already receive funding that assumes that we provide more, given our share of students in relation to our share of the population.

The Convener: In 1993-94, the funding allocation assumed that there would be a surplus in Scotland of 12,600 students more than our population share. Therefore, there would be nothing impractical or novel about having departmental transfers. The actual figure might differ from 12,600 in future, but a mechanism could be set up to compensate for increased numbers coming to or leaving Scotland.

Professor Midwinter: I would have thought so, but I suspect that there would be a desire to reopen the baseline rather than simply to agree to the extras. There might be a desire to move to a system under which the basic funding is for Scottish students and cross-border flows are a complete transfer. Do you understand?

The Convener: I think so.

Professor Midwinter: One way or another, the system would be practical. It is already working in other areas.

Christine May: I thank you for your interesting paper. I have one overriding question and, depending on your answer, a number of supplementary questions. Your paper refers to higher education. Does that mean only universities, or have you included further education?

Professor Midwinter: I did not include FE. I included higher education because, although the two will eventually be brought together, I am not sure what your inquiry will do.

The Convener: You will have included higher education students, of whom I think that around 10,000 are in FE colleges.

Professor Midwinter: The figure of around 133,000 includes FE students who are in higher education in the planning figures. Most of my comments are about how universities rather than FE colleges are funded.

Christine May: I was not sure about that. If students who are pursuing HE courses in FE colleges are included, perhaps the sums would be different—I do not know. Have you done calculations with those students factored in? Does the overall result look the same? Are the proportions changed?

Professor Midwinter: I have not done the sums this time. I did them five years ago. I think that the same thing happens in England where the numbers are comparable. The sums that I did the last time showed a figure of 11.3 per cent of the budget for 11 per cent of the students. That figure included part-time students—everyone who is taking degree-type courses.

Christine May: In that case, I will move on to the last page of your paper. Table 2 shows the spending plans for Scotland for 2005-06 for higher education and the percentage change. Do the figures include FE?

Professor Midwinter: I would have to go back to the source and check it. The table is a straight lift from Government documents. From memory, I think that the FE figures are now included.

Christine May: It would be useful to establish that base. We need to know whether the comparisons that we will make through the whole inquiry will be made on an even basis.

Professor Midwinter: I will send Christine May a note, but I am 99 per cent certain that they do.

Christine May: Thank you.

At the beginning of your presentation, you said that we needed to move to a situation in which we could identify the funding per student in global terms. Did I understand you correctly?

Professor Midwinter: Yes.

Christine May: Does that include the soft funding?

Professor Midwinter: All that information is available, but it depends on the focus that the committee wants to take in the exercise. Members might want to compare public funding as opposed to soft funding. Prestigious universities have a greater capacity to generate external moneys. In the end, all the information is available in the public domain.

I have seen papers that consultants have prepared recently for various people, but I have not yet seen a paper in which everybody agrees. The subject is likely to cause disagreement about how much is allowed for X and Y and for differences in course mix and so on.

Mike Watson: I, too, found your paper interesting. I have a couple of questions on it, after which I want to ask you to speculate a bit about what we might do.

In your opening remarks, you said that the total number of students in higher education in Scotland is fixed and will not change. In paragraph 12, you say:

"the expectation is that student numbers will remain broadly stable to 2005-6".

I want to probe you further on the possibility of a squeeze on Scottish students who study at Scottish universities. I can see precisely what the problem might be, which is that universities accept their students on the basis of merit. I do not know whether you want to comment on the suggestion made by the new principal of the University of Edinburgh, who said that he wanted to find ways of trying to increase the number of Scottish students at his university. I am not sure to what extent that will be possible, but we might have to consider that suggestion. If fewer Scottish places were available for Scottish students, it would be difficult for them to study at other universities in the UK or abroad due to cost. How will other Scottish universities react to the principal's suggestion?

To what extent does the net figure of around 16,000 reflect the number of Scots studying outwith Scotland? Can you give us the gross figures for outgoing and incoming students? Are you aware of the effect on the numbers since tuition fees were scrapped? English, Welsh or Northern Irish students who come to Scottish universities have to pay tuition fees, but students from European Union member states other than the UK do not have to do so. Has there been an increase in the number of those students coming to Scottish universities since tuition fees were scrapped?

The Convener: I am not sure whether Professor Midwinter will remember all those questions.

Professor Midwinter: The figures show public spending on higher education in Scotland with the Scottish surplus from the UK included. That is why I said that it is difficult to account for the figures in conventional terms. The money is allocated within the Scottish budget. I am talking about how much is spent by universities in Scotland.

Mike Watson: I am asking not about the surplus, but about student numbers. If the net

figure is 16,000, that could mean that 26,000 students come to Scotland from other parts of the UK and that 10,000 Scots study elsewhere in the UK. Do you know how many Scots study outwith Scotland but within the UK?

14:45

Professor Midwinter: No.

Mike Watson: We will try to get that figure from another source.

Professor Midwinter: You will get it from the Enterprise, Transport and Lifelong Learning Department. I have seen the departmental calculations of the cross-flow—the balance.

What was the other question?

Mike Watson: Do you know whether, since tuition fees were scrapped, there has been an increase in the number of overseas students from EU member states other than the UK? Has the abolition of tuition fees had a noticeable effect on the number of such students at Scottish universities?

Professor Midwinter: I do not know the answer to that question.

Brian Adam: In your opening remarks you suggested that half the money received by the University of Strathclyde—of whose finances you have, I presume, intimate knowledge—came from the soft economy. A significant proportion of that money is Government money; it is research funds.

The Russell group of elite institutions included a double-digit number of universities throughout the UK, but only two of those universities were Scottish—the University of Edinburgh and the University of Glasgow. I understand that the potential squeeze from changes south of the border and the introduction of tuition fees has already happened. The Russell group no longer gets the money, but the money either has been, or is about to be, concentrated on four institutions, none of which is in Scotland. How might that affect the other half of the money that the University of Strathclyde gets? Might it have an impact on the attractiveness of Scottish higher education institutions to staff and students?

Professor Midwinter: You must be using a figure that refers to the public finances, rather than to total income. If you are saying that money will be concentrated on four universities, rather than on 20, I presume that you refer to allocation of funds through the formula, which is the only way in which that could be guaranteed to happen.

Brian Adam: As I understand it, of the institutions that were in the Russell group—I thought that there were 19 rather than 20—four are likely to receive the lion's share of funding and

the others will fall back. That would have significant implications, especially for Glasgow and Edinburgh universities. It would also place a further squeeze on overall university finances, especially if soft-economy money is as big a share of other universities' budgets as it is of Strathclyde's.

Professor Midwinter: I do not know the figure for other universities. Brian Adam appears to be referring to the distribution of research assessment exercise moneys. The formula in Scotland is different from that which applies in England. In the past few years, there has been a tendency to try to reward excellence and, increasingly, to reward what are known as five-star departments—departments that achieve a 5* rating in the research assessment exercise.

When I last examined the matter five years ago, I thought that the funding councils were running out of money for the RAE. They could not transfer much more, because they had stopped giving money to departments with 1 and 2 ratings. In the previous research assessment exercise, 3-rated departments received minimal funding.

The soft-economy money and the core money are separate issues. There was a strategy of trying to invest more in what are called excellent departments that are internationally competitive.

Brian Adam: Does that not simply add to the complex mix of factors that must be taken into account when assessing the likely impact of the introduction of top-up fees in England and Wales?

As I understand it, Scotland had a surplus of students because it was an attractive place to come to study. The introduction of fees meant that a slightly smaller number of students from south of the border came, but I understand—although the figures are not yet available—that after the alleged scrapping of fees we have not seen a major recovery. The introduction of fees has meant that students have stayed at home. I am not sure what implications that might have and whether the introduction of top-up fees will mean that even more students will stay at home.

Professor Midwinter: Since the expansion of higher education, an increasing tendency is for students to stay at home in the fullest sense. When I was a student, lots of people went away from their home towns, but that practice is declining because of the cost. You appear to be suggesting that the change in the fees system will give the four elite institutions an added advantage. There can be no doubt about that.

Brian Adam: The situation is complex. It is not about one factor or a flow in one direction. I suspect that the Barnett squeeze, which is now coming into play, will exacerbate the difficulty. Despite the fact that there is an overall ceiling on

the numbers, the Barnett squeeze will mean that there will be proportionally less money in Scotland. I strongly suspect that once we get the figures they will show that less is spent per student in Scotland. Top-up fees will make that situation even worse, which will disadvantage Scottish universities. I suspect that the changes to the Russell group funding and the concentration beyond that on four elite institutions, which are all south of the border—although it is UK money—will make the situation even worse. We will need to get more evidence on that.

Professor Midwinter: You will forgive my scepticism over the Barnett squeeze, which I regard as theoretical, not real.

Mr Richard Baker (North East Scotland)

(Lab): I welcome Professor Midwinter's report. It paints a clear and stark picture of the financial problems that could be caused for institutions by the introduction of top-up fees, although I take issue with its tone in some ways. I agree that the proportion of spending on higher education in the overall budget has gone down, but similar political decisions were made in Scotland as were made in the UK in order to focus spending on health. That is why the national insurance changes came in. It is fair to acknowledge that there have been increases in overall higher education spending of more than £10 million over three years, although I am not saying that that will alleviate some of the major problems that the report highlights.

I have two questions. First, will UK research bodies, to which Scottish universities can apply for research funding, benefit from financial changes that result from the UK white paper? To what extent might that offset some of the potential financial problems caused by the changes proposed in the white paper? Secondly, we discussed the national health service system of cross-border payments. Could that model be transposed easily on to this situation? Might that provide a solution?

Professor Midwinter: On the first question, I do not think that research bodies will be directly affected by the changes proposed in the white paper, except if the capacity to generate fees attracts the best staff. Grants often follow staff as much as they do institutions so, in that sense, the changes could have the effect of giving a competitive advantage.

On the second question, the mechanisms that operate throughout Government departments for transfers are well established. The committee should examine that in more detail to ensure that the desired result will be delivered. My view—given the way that the Treasury operates—is that if you open those matters up you will open up the baseline; the Treasury will start to discuss the baseline rather than only the add-ons. I think that

the committee should explore the issue and reach a judgment once it has before it all the figures.

Susan Deacon: I, too, thank Professor Midwinter for providing the committee with an interesting and thought-provoking report. I would like to find out more about the data and the analysis that flows from them. There are two tables in the report and two sources are mentioned.

You said earlier that the figures were—I think I quote—a “straight lift”. Will you confirm whether the data are as they were presented in the published Government documents or have you done further extrapolation? Are the Government documents the sole sources upon which your report is based or have you drawn on other sources of statistical information?

Professor Midwinter: The Government sources are all that were used. I do not know whether you are familiar with HM Treasury’s “Public Expenditure Statistical Analyses 2002-03”, but one of the sections in it is on spending in the nations and regions of the UK. The education figures are lifted from it. I have done a calculation on spending on public services. The PESA total includes expenditure on social security, so the total minus the social security figures is in the column for spending on public services in my paper. Social security spending is about £10 billion on top of that and it is not really spending on public services, so normal practice is to take it out when we do comparisons. The other figures are my calculations using the Government’s data.

Susan Deacon: You have made a number of suggestions in your report and in your comments today about other data that we might want to obtain for the purposes of our inquiry. What sources of information should we draw upon?

Professor Midwinter: I cannot remember, but I will send you a note of an official statistics presentation that was produced jointly by the universities. It is their equivalent of the rating review in local government, where everyone sends in submissions with detailed figures. That is what I used five years ago when my principal asked me to examine the information. That is the main source.

The committee needs to get someone in the field who is on top of the figures and who can deal with the differences between the two systems, because the way in which they account for money might be different. When recent comparisons were made in the press, a clever spin was used by the minister in England to suggest a much bigger percentage spending increase in comparison with Scotland than was the case, because we dealt with some of the money elsewhere in the budget. The committee really needs specialist help in

comparing Scotland with England, so you should use a consultant or an academic.

Susan Deacon: Given what you have said, are you concerned about drawing specific conclusions from the data that are available? Paragraphs 12 and 13 of your paper deal with the falling share that higher education has within the Scottish block, and with comparative spending in England. You say in your paper that

“Comparisons with HE spending in England are problematic.”

You also say that the committee will need accurate comparative data.

Professor Midwinter: Paragraph 12 is straightforward—it makes a comparison of the decline in the Scottish Higher Education Funding Council’s share of the budget. The problem arises with further education and how it is dealt with. Comparisons have to take account of different course mixes and so on, so that we get a weighted figure per student that is meaningful in the sense of what is provided for their money. I have no problems with paragraph 12 and I have no problems with the first couple of sentences in paragraph 13. Straight comparisons are problematic. I saw figures that were drafted within the Executive for a minister, which I immediately thought were completely misleading, but they were confidential so I cannot repeat them here.

Susan Deacon: If I may, I will conclude on this important point. Although the paper is enormously informative, it also contains some absolute statements about the position of higher education funding in Scotland. We ought at least to place some caveats around it. There has been acknowledgement of the robustness and availability of data, but some of the conclusions that have been drawn are, at least, debatable. I also note Christine May’s point—which we have not been able to clarify—about the inclusion of HE students who are based in further education. That point must also be germane to the issue. Much as I appreciate the paper, some of the issues certainly need to be probed further as we proceed. However, I am genuinely grateful for it.

15:00

The Convener: Can Arthur Midwinter clarify whether he is happy with the statement that the

“Higher Education Programme’s share of the Scottish Budget has been falling consistently”?

Even leaving aside issues of FE, are you happy with that statement?

Professor Midwinter: I was not looking at comparisons there, but the position of HE within the Scottish budget.

The Convener: One of our problems is that we are dealing with legislation that has not even been written yet, far less passed. However, one of the Scottish Parliament information centre's briefings referred to the Institute for Fiscal Studies report, which tried to calculate what the net effect on the English system would be once the proposals were implemented fully. The proposals are not just about top-up fees, but about increasing numbers through increased access. The IFS suggested that, after top-up fees, the cost to the English system would be an extra £1.8 billion per year. Let us leave aside the fact that we are probably at the last of the big budget increases for some time and that we do not know where exactly that £1.8 billion will come from. If that money were to be found, a significant part would have to come from public funds. Would not that mean that there would be a Barnett consequential for Scotland?

Professor Midwinter: Yes. I cannot remember the detail of the IFS paper, but I remember querying one of the assumptions, which was that all the new costs could simply be added as if behaviour would not change. The assumption was that the costs of doing things could be run forward after the event. I will send a note on that.

The Convener: Even if the IFS is wrong by a factor, there will still, I presume, be significant extra costs that will all have Barnett consequentials.

Professor Midwinter: If there are additional costs that are approved in the UK budget, we would automatically get Barnett consequentials.

The Convener: I have just one more question. In your earlier remarks, you said that you had spent a lot of time working out where you could make cuts or economies here and there. However, I notice that paragraph 5 of your paper also states:

"pay policy assumed that increases in public sector pay would be funded from efficiency gains of around 2% per annum. In practice, this simply squeezed university staffing budgets".

Does that mean that, over the period, universities were not able to find efficiency savings?

Professor Midwinter: That depends on what you mean by "efficiency". The universities' official position would be that they achieved efficiency gains because the staff to student ratio rose and they were teaching more students.

Ninety per cent of the budget that I managed was staff costs. That was in the context of there being no compulsory redundancies. I am not sure that the unions' notion that academic staff have tenure has ever been tested in the courts, but nobody really wanted to test it. Each year, I was left in the position whereby, in order to make the necessary savings, I had to not fill vacancies, because that was the only turnover that there was.

In their wider budgets, the universities made economies on their estates and so on. Efficiency gains were used in a way that assumed that the same amount of classes could be provided and that a growing number of students could be taught for a fixed sum. In that sense, it would have happened. Whether it is an efficiency gain is not something that I want to judge. All I know is that I made the savings with difficulty each year for five years until I finally balanced the budget in year 5. That was achieved by the crude method of not filling vacancies as they arose.

Mike Watson: My main point is based to some extent on the IFS figure of £1.8 billion, which it claims is due to increased student numbers. A pro rata increase in student numbers would not happen in Scotland; the additional block grant would increase through the Barnett formula, but that money may not come to higher education.

Professor Midwinter: That would be for the Executive to decide.

Mike Watson: I would like you to look ahead. I am sure that you have seen the SPICe document in which some of the ideas for methods of funding higher education are considered. What do you think is the realistic prospect of Scottish higher education attracting additional funding to make up for any top institutions losing out because the introduction of top-up fees in England allows English institutions to attract some of the better research projects or even some of the better staff? Do you think that corporate or philanthropic sources are likely to be of assistance? Is there a realistic prospect of making a difference?

Professor Midwinter: Universities are already very serious about that kind of thing and go to great lengths to acquire funded chairs if they can. However, I cannot see them raising that money as a substitute for public finances for the core function of the universities, because most corporate funding comes with strings attached; people want something in return for providing universities with money. I am quite confident that universities will be able to continue to raise funds outwith the funding council, but I do not see them raising those funds as a substitute for public funding from SHEFC. It is highly unlikely that people will come along and provide funding for universities to perform their core tasks of teaching students and undertaking basic research.

Mike Watson: So that sort of finance would always be what you described as "soft"?

Professor Midwinter: The soft economy.

Christine May: I have three quick points that look forward to what might be the meat of the inquiry.

First, in paragraph 11, you refer to short-term contracts as the backbone of staffing for funded

research projects. I suspect that that is an issue that we will be asked to take an interest in, because it is already a matter of some concern to staff who are on such contracts, and we might be falling foul of European Union legislation fairly soon, anyway. I would like to hear your view on whether that would be a reasonable add-on to the inquiry.

Secondly—I have to confess that I have not read the paper in any detail—is it envisaged that all institutions in England and Wales will charge top-up fees? If only the elite institutions will have the opportunity to do that, what will happen to the rest? Should we look into that?

Finally, have you factored into your financial calculations the £150 million that is going into the intermediate technology institutes over the next 15 years? I imagine that a good proportion of that money will come to the universities at some stage. Should we look at that?

Professor Midwinter: I have not done that last calculation.

Christine May: Okay. It is a lot of money.

Professor Midwinter: What was your second point?

Christine May: I asked whether top-up fees will apply to all institutions and, if they do not, what arrangements will be made.

Professor Midwinter: From memory, I think that the new arrangements are permissive rather than—

The Convener: They are optional, and some universities may feel that they can charge more readily than others.

Professor Midwinter: What was your first question?

Christine May: It was about short-term contracts. If the introduction of top-up fees goes ahead down south and has some of the impacts on Scottish institutions that have been suggested, will that mean more short-term contracts or fewer short-term contracts in Scotland?

Professor Midwinter: Any time there is pressure on the budget, I have seen greater use of temporary and part-time staff and people who are paid by the hour. That has been my experience over the past five years. If a staff member leaves and there is no capacity to fill the post, the tendency is to buy teaching by the hour from, for example, postgraduate students. I do not want to guess what the consequences of that approach might be. Universities need to consider that scenario if they feel that they are being disadvantaged, but it is not necessarily the only scenario. Short-term contracts mainly affect research staff who are employed for a particular

piece of work. The theory is that such work is one's first academic job and that, if one intends to stay in academia, one will move on from there to core funding at some stage.

The union has been pressing for a long time for more stability in short-term contracts, but it is difficult to achieve that when funding is short term. Personally, I have employed a fair number of research staff over the past 10 to 15 years, but most of them were employed only for a year to 18 months. That is part of the way in which we operate. However, of greater concern is the increasing tendency to have short-term arrangements for teaching.

Brian Adam: I want to draw a parallel between education and football. In the past few years, two major distortions happened in the football industry, particularly in Scotland. One was the advent of Sky television and its large sums of money, which certainly had a detrimental effect on Scottish football; the other was the Bosman ruling, which made a big change in the market for players. I put it to you that the introduction of the research assessment exercise created an initial change in the market for academics, in terms of not only their research capability, but, as a consequence, their teaching capability.

The changes in the funding for the Russell group and for the four elite universities south of the border are likely to make the situation worse. I do not think—as you do, according to your earlier remarks—that the core funding can be detached from the soft funding. Are there likely to be major shifts in and destabilisation of our institutions because of the two changes? The soft money change has happened and the other change could happen if the proposed legislation comes into effect in England in 2006. Is that in the best interests of—

Professor Midwinter: Academic poaching and headhunting already happens. Some of us have been the beneficiaries of that.

Brian Adam: But that certainly happened to a greater extent after the introduction of the research assessment exercise and its funding.

Professor Midwinter: Yes, that is what I mean.

Brian Adam: The further refinement of that exercise is likely to lead to even more poaching, therefore—

Professor Midwinter: It depends. I think that there might be a review of how the research assessment operates. There was an attempt to produce some order in its operation by considering how long particular institutions had employed people, because the skill was to snatch a five-star researcher six months before the end of the research period. Under the old regime, that meant

that an academic would receive the whole credit for a researcher's output for the previous four or five years. I think that people are very concerned about the gaming that has gone on.

Brian Adam: But it is not just single researchers who are picked off—whole teams are picked off.

Professor Midwinter: Whole teams—is that a plea for Aberdeen?

The Convener: I do not think that any of our institutions are in as bad a state as that.

Christine May: Perhaps there is an issue here for the committee's inquiry. Are there key teams in key institutions that would be a significant loss to Scotland if they went? What—if anything—can be done to safeguard such teams? I know that there is a concern about that matter.

Professor Midwinter: I am sure that the committee will want to address the issue with the principals when they give evidence.

The Convener: Given the list of witnesses that we have lined up, I am sure that the point will be made if it is indeed a concern.

Professor Midwinter: It is a real concern.

The Convener: If there are no further questions, it simply remains for me to thank Professor Midwinter for this interesting start to our inquiry.

Professor Midwinter: I will send you that note.

The Convener: Thank you.

15:15

The Convener: Item 4 is consideration of a paper on witness expenses for our inquiry. Very few witnesses claim expenses from the committee, because their visits are usually paid for by their employers or through other methods. However, the proposal in the paper simply saves us from having to bring any such claims formally to the committee on each occasion. Is the committee willing to delegate to me as convener the authority to authorise such claims in respect of the inquiry?

Members indicated agreement.

The Convener: We move on to item 5, which is consideration of a paper that is also connected to the inquiry. The paper points out that, although we have received a lot of evidence from many parts of academia and elsewhere, it has not been particularly strong on how to tackle the problems that might result from top-up fees. That is not necessarily surprising.

As a result, it might be worth experimenting with another method of generating some solutions for the Scottish solutions inquiry. The Scottish Council Foundation, with which most members might have come into contact, has offered to organise and

manage a brainstorming workshop with independent individuals, potentially to draw up some solutions. It is suggested that up to three members of the committee might attend, although that number is flexible and could be higher if members were particularly interested in going along.

It is also suggested that instead of just inviting the usual suspects to the workshop—after all, they will be giving evidence to the committee anyway—we might invite individuals who know about higher education but do not have a direct stake or vested interest in it. I ask the committee to agree to participate in this workshop; if that is agreed, I also ask the committee to nominate three members to attend it and to authorise me to go to the Conveners Group to seek assistance with the costs, which should be no more than £2,000. How do members feel about the proposal?

Mike Watson: It is an interesting idea. I am not aware that any committees have done anything like it before, but it sounds worth while. However, we should probably have some input into designing the event. The Scottish Council Foundation could suggest ideas and seek our comments not so much on the way the event would be run but on what should be its starting point. Moreover, there should be no restriction on the number of committee members who want to go; everyone who wants to go should be able to.

The paper also suggests that we should be observers, which is fair enough. However, we might want to contribute to the event. We should not see it merely as a fact-finding exercise, and I do not see why personal input from members should not be permitted. Other than that, I think that the proposal is worth while.

The Convener: I certainly do not think that we will be Trappist monks at the workshop.

Mr Baker: It would be interesting to find out how we will identify the individuals who should take part and their general backgrounds. It is also worth pointing out that some individuals who are stakeholders are not among the usual suspects. We could invite some lecturers and academics who might contribute a different point of view.

Chris Ballance (South of Scotland) (Green): I was about to make exactly the same point.

Susan Deacon: I strongly support the idea of a brainstorming workshop and am happy for the Scottish Council Foundation to take the matter forward. However, I agree with Mike Watson and others that we should seek to shape the event.

That said, we should do a bit more thinking about what we are trying to get out of the event before we decide on who should be invited. I have had some preliminary discussions with a few

senior people in the sector—I do not want to make more of it than that.

The more I consider the issue, the more it seems to me that although there is a consensus on policy, a technical problem has arisen about how the funding gap will be bridged if the policy goes ahead south of the border. A number of technical brains must be applied to the issue—I mean people who have in-depth knowledge of the financing of universities and of other issues such as the so-called soft resources that Brian Adam mentioned.

There are two distinct groups of people involved, so perhaps we could have two events. One worthy group of people could discuss broad policy, but hard edges must be put on those ideas in terms of pounds, shillings and pence. I do not want to say any more today, but I hope that, if we follow Mike Watson's suggestion about the shape of the event, my idea might be one of the strands of thinking that is factored in.

The Convener: We will put together another paper to try to address some of the points that have been raised and circulate it to members to get their reactions. We will then decide how to progress and whether to agree to the recommendations. Do members agree to that suggestion?

Members indicated agreement.

The Convener: The clerk has helpfully pointed out that, because of the necessity of getting the matter on to the Conveners Group agenda in time to authorise expenditure, it might be helpful if we were at least to agree to recommendation 3. Clearly, the agreement from the Conveners Group will be in principle, because if we cannot arrive at a satisfactory format, there will not be any expenditure. Do members agree to recommendation 3?

Members indicated agreement.

Susan Deacon: Before we leave this agenda item, I have a further question about the Scottish solutions inquiry, although I am not sure whether this is the right point at which to raise it. Can the convener enlighten us on the plans for taking further oral or written evidence and how those plans flow into the committee's agenda? I note the convener's earlier point that, thus far, there have not been many submissions. We have heard from Professor Midwinter, which has given his paper a degree of prominence, but I wonder how the range of other opinions will be heard.

The Convener: We have set up a series of evidence-taking sessions, which will run from now until the end of September. That means that there will be three more meetings on the inquiry. They will mostly involve people from universities, but

also Andrew Cubie and representatives of the National Union of Students and the funding councils. That is as far as we have got.

Christine May: It might be helpful if the committee had sight of that draft.

The Convener: A draft programme has been sent out already, although I am not sure whether all the names were pencilled in at that stage. We will send out an updated programme.

Christine May: My point is that committee members might have access to sources of information that might or might not be useful, but which could be flagged up.

The Convener: We are always willing to receive suggestions about people who might give us further written or oral information.

Christine May: I have a vision that, at some stage in the inquiry, there should be a major focus for debate among practitioners and experts through a series of workshops, rather than just a single brainstorming workshop. That would generate ideas and should be done earlier rather than later in the process.

The Convener: We will take that on board. We will find out members' reactions to the suggestions that we produce as a result of today's discussion.

Work Programme

15:24

The Convener: Agenda item 6 is on the work programme. As a result of our away day last week, we have produced a paper that I hope reflects accurately the interests that members expressed. Ideally, we should agree on two major inquiries with a view to drafting a remit and starting work on them perhaps at the turn of the year. The other items would remain for the committee to deal with as and when time arises. If members are happy with that approach, we must agree on the two most attractive or urgent items for major pieces of work.

Brian Adam: Between now and when?

The Convener: The idea is that if we agree on the items now, we can draft a remit. After agreeing a remit, we can put out a call for evidence with a view to obtaining written evidence by the end of the year and starting the inquiries either towards the end of the year or at the beginning of next year. That time scale is, of course, subject to other events.

Mike Watson: Are we not timetabled to undertake the Scottish solutions inquiry through to the end of the year?

The Convener: That is right.

Mike Watson: The aim would be to start the next inquiry in January with some evidence in place.

The Convener: That is the idea. I was flexible about time scales in case the Scottish solutions inquiry finishes earlier or later, but the rough idea is that once that inquiry is out of the way, the two inquiries on which we agree could run in tandem throughout the earlier part of next year.

Christine May: Let us get in with both feet. What is happening with UK legislation means that an inquiry on renewable energy should take place sooner rather than later. If we leave that too long, an inquiry will be almost irrelevant.

Given its overriding importance for the Parliament, an inquiry on the economy must be of equal priority. I do not mind whether we run the inquiries in tandem or take them one after the other, but they are far and away the most important matters.

Brian Adam: I have no problem with anything in the paper. We are being asked to give priority to some items. I do not necessarily agree or disagree with Christine May, but perhaps one way of dealing with the matter is to rank the major and minor inquiries in e-mails to the clerk. In that way,

the clerks will have guidance from the committee on what is wanted.

I rate entrepreneurialism and business birth and growth as the number 1 priority. As an Opposition member, I do not want to say this, but the issue coincides with the Administration's view of what is most important, because we must grow the economy. I do not suggest for one minute that renewable energy is unimportant—the timing of an inquiry on that might also be important. However, my constituents are pressuring me about the roll-out of broadband now. There are many technical roadblocks to delivering broadband changes. Many people who want those services now want that matter to be examined.

I suggest that we have a short deadline for prioritising the inquiries and that we leave it to the clerk and the convener to collate our priorities. As the convener suggested, we should deal with the top two major inquiries and slot in smaller inquiries when time is available.

Mike Watson: If we agree to that, there is no point in more discussion now.

The Convener: If that general approach finds favour with members, we will send an e-mail with the headings, because we might need to think carefully about what is and is not a topic. Members can respond to that e-mail—I am not sure whether the single transferable vote system will be used or whether another voting method is favoured—and we will reflect fairly members' views.

Mike Watson: I understood that Brian Adam was suggesting that we should rank the inquiries in both categories from 1 to 5.

Brian Adam: Yes—or whatever numbers are appropriate.

Mike Watson: A point-scoring system will be used.

The Convener: Okay. Perhaps the number 1 priority will have five points. That system must have a name.

Christine May: Ranking the priorities from 1 to 5 would do.

The Convener: Are members content with that approach?

Members indicated agreement.

Brian Adam: That will let the committee get on with its work.

The Convener: I thank members for their assistance.

Meeting closed at 15:29.

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