

# **FINANCE COMMITTEE**

Tuesday 18 November 2003  
*(Morning)*

Session 2

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## FINANCE COMMITTEE

### 14<sup>th</sup> Meeting 2003, Session 2

#### CONVENER

\*Des McNulty (Clydebank and Milngavie) (Lab)

#### DEPUTY CONVENER

\*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

#### COMMITTEE MEMBERS

\*Ms Wendy Alexander (Paisley North) (Lab)

\*Mr Ted Brocklebank (Mid Scotland and Fife) (Con)

\*Kate Maclean (Dundee West) (Lab)

\*Jim Mather (Highlands and Islands) (SNP)

\*Dr Elaine Murray (Dumfries) (Lab)

\*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

John Swinburne (Central Scotland) (SSCUP)

#### COMMITTEE SUBSTITUTES

Mr Adam Ingram (South of Scotland) (SNP)

Gordon Jackson (Glasgow Govan) (Lab)

David Mundell (South of Scotland) (Con)

Iain Smith (North East Fife) (LD)

\*attended

#### THE FOLLOWING GAVE EVIDENCE:

Councillor the Rev Ewan Aitken (Convention of Scottish Local Authorities)

Susan Aitken (Scottish NHS Confederation)

Hilary Robertson (Scottish NHS Confederation)

Alan Ross (Convention of Scottish Local Authorities)

Donald Thomas (Convention of Scottish Local Authorities)

Martin Vallely (Convention of Scottish Local Authorities)

#### CLERK TO THE COMMITTEE

Susan Duffy

#### SENIOR ASSISTANT CLERK

Jane Sutherland

#### ASSISTANT CLERK

Emma Berry

#### LOCATION

Committee Room 1



# Scottish Parliament

## Finance Committee

Tuesday 18 November 2003

(Morning)

[THE CONVENER opened the meeting at 10:05]

### Education (Additional Support for Learning) (Scotland) Bill: Financial Memorandum

**The Convener (Des McNulty):** I welcome the press and the public to the 14<sup>th</sup> Finance Committee meeting of session 2. I remind members and others that all pagers and mobile phones should be switched off.

The first item on our agenda is consideration of the financial memorandum to the Education (Additional Support for Learning) (Scotland) Bill, which was introduced on 28 October by Peter Peacock. To assist us in that, we have witnesses from the Convention of Scottish Local Authorities: Councillor the Rev Ewan Aitken, education spokesperson, and Martin Vallely, from special education, from the City of Edinburgh Council; Alan Ross, from the social work department of East Lothian Council; and Donald Thomas, head of finance and personnel for education resources at South Lanarkshire Council. We will also hear from Hilary Robertson, the director of the Scottish NHS Confederation, and Susan Aitken, the confederation's policy officer. Susan Aitken is not quite with us yet but she is, I hope, on her way.

I welcome the witnesses to the Finance Committee. Members have a copy of COSLA's written submission, although we recognise that it is only an interim submission at this stage. We have also received submissions from the Scottish Further Education Funding Council and from Careers Scotland. Those have been circulated. Does the Scottish NHS Confederation have a written submission?

**Hilary Robertson (Scottish NHS Confederation):** Yes. We sent a submission, but there might have been a problem with your receiving it. I have further copies with me.

**The Convener:** It would be helpful if those could be given to the clerks. It might be helpful to take the COSLA evidence first and then move on to the NHS Confederation. Hilary Robertson will still be here so she will have the opportunity to speak. If it is acceptable to members, we will take her opening statement after questioning the COSLA representatives.

I invite Councillor Aitken to make an opening statement on behalf of COSLA.

**Councillor the Rev Ewan Aitken (Convention of Scottish Local Authorities):** My colleagues and I value the opportunity to be here today. Our comments must be seen in the context of COSLA's wanting the bill to work. We have already seen changes as a result of the consultation and we are encouraged by those changes. We had the opportunity to lay out some of our concerns and questions at last week's Education Committee meeting, which was a helpful and productive discussion.

Today's discussions must necessarily focus on the financial consequences of the bill. We need to begin with the assumptions that have been made about who will be in receipt of a co-ordinated support plan. We also need to consider how much additional support will need to go into schools to avoid the need for CSPs, which is the ultimate aim not only of the bill but of the integrated community schools legislation.

In particular, we have concerns about whether there will be a move towards schools having the resources that would produce the levels of CSPs that the bill assumes. The issue is not so much that we think that the sums are wrong; it is more that we do not yet have the detailed information from the code of practice and the legislative guidance upon which to make the calculations that would provide us with a real understanding of what the costs will be, the extent to which those costs will be able to be dealt with through reconfiguration and how much will be needed in addition. We know that it is hard to assess resource implications when cost estimates are subject to considerable uncertainty and margins of error that vary considerably between local authorities.

In the preparation of the bill, COSLA found it helpful to have the chance to advise the Scottish Executive through the working group that is mentioned in the memorandum. COSLA's comments were taken into account through that working group, but we still believe that the costs outlined in the memorandum are underestimates. We believe that the financial memorandum working group should be reconvened at the earliest opportunity to examine in more detail the estimates and the assumptions that underlie them. It should then report back to the Scottish Parliament.

We also think that a joint COSLA-Scottish Executive working group should be set up to monitor actual expenditure on implementation. If necessary, authorities should be reimbursed in full where estimates are shown to be significantly out. We believe that that kind of engagement would reduce conflict between the Executive as

policymaker and local authorities as service deliverers.

We also want to challenge the idea expressed in paragraph 79 of the financial memorandum that the cost of implementation can be seen as the cost of filling the gaps in existing provision. We think that it will be far more significant than that. The cost consequences of the bill must be seen as part of the presumption of mainstreaming expressed in section 15 of the Standards in Scotland's Schools etc Act 2000.

The Audit Scotland report, "Moving to mainstream", estimated that the costs of mainstreaming would be significant. It estimated that the cost would be between £38 million a year, which was a low estimate, and £121 million a year, which was a high estimate, depending on the number of pupils moving into mainstream schooling. We believe that costs will be far higher than the estimates in the financial memorandum, which appear to be based on administrative costs and the questionable assumption that only a very small proportion of the child population is liable to require CSPs. That might be the case in the medium to long term, through the transfer of resources and changes in work-force location, but that journey is a long one and the financial memorandum does not take that into account. The implementation of the bill, both in the lead-up and in the initial years, will generate new demands that will require provision of the necessary additional funding on a more immediate basis.

Our major resource concerns include the costs for local authorities of the new and complex approach to co-ordination and management not only of the resources but of the agencies involved in delivering the services that those resources represent. That needs to be set in the context of an average rise under the current system of 15 per cent in spending on special educational needs across the 32 authorities.

We are concerned that costs will be determined by the clarity of the definition in the code of practice, in particular the definition of additional and different needs. Other costs that we are concerned about include those associated with the potential increase in the number of placing requests to independent special schools and with the need for grounds for refusal to be compatible with the child's best interests, taking cognisance of the child's social needs, home residence and need for health services as well as education.

Costs will also be associated with the mediation and dispute resolution system and with the scope of the appeals tribunal. The fact that the opportunity for appeal is wide is not in itself a bad thing, but it has serious cost implications. The apparent opt-out clause for other agencies from appeals tribunal decisions is also a concern.

The dissemination of information to parents and pupils is not a bad thing and we support that, but it will require significant additional work. Costs will also be associated with arrangements for monitoring the implementation of the legislation and the associated guidance and quality assurance of the implementation, which is clearly a necessary part of working out whether this is money well spent.

We are keen to accede to the idea that the need for CSPs should diminish over time, but we are a long way from that aspiration. The way in which the bill is designed to build up capacity means that schools will have to have children and young people with CSPs. That means that there will be many more CSPs in the early years than the 3 per cent that is suggested. That means that many more resources will be required. We believe that that is exacerbated by the change during redrafting to section 2(1)(c). An "or" has been inserted, which means that the criteria will capture any child who requires the support of an agency, whether that support would normally be available or readily accessed.

We have laid out those and several other issues in our submission, which the committee has received a version of. Although the submission asks hard questions, I reiterate that those questions are driven by a desire to make the bill successful in achieving its high aspirations and not by a desire to knock it down.

**The Convener:** Thank you.

I will ask two related questions. First, I would like more clarity on the workings of the working group that is mentioned in the financial memorandum. What happened on that working group? What specific issues do you think need to be revisited?

Secondly, you referred to the importance of the definitions in the code of practice. What level of agreement is there between COSLA and the Executive about the definitions, which will determine many of the financial implications?

**Councillor the Rev Aitken:** On your second question, there can be very little agreement, because we have not seen the definitions yet. My colleague was on the working group, so he can give some idea of the issues that it covered.

10:15

**Martin Vallely (Convention of Scottish Local Authorities):** I recall that there were three meetings that involved representatives from COSLA and other education authorities. I understand that two meetings were held that involved representatives from the health sector, although other members of the panel will perhaps be able to comment on that.

We questioned some of the assumptions that the Executive was making. Some of those points were taken on board, but a number of significant points were not accepted, not least of which was our view on the estimate of the proportion of children who would be eligible for a co-ordinated support plan. In the City of Edinburgh Council's case, we submitted evidence that was based on careful analysis of children who currently receive records of needs, in relation to which the approach that we have adopted is quite strict, as it incorporates children with social, emotional and behavioural difficulties. We see no prospect of less than 3 per cent of children requiring CSPs, albeit that that makes a number of assumptions about the definition. Until the work is undertaken on the definitions in the code of practice, it is not possible to arrive at informed estimates about the implications.

**The Convener:** The Executive's information on children with such needs must necessarily come from COSLA in the first instance, because schools have the most immediate contact with the children. How can you come up with one assessment of what might be required and the Executive can come up with an entirely different one?

**Martin Vallely:** The first point is that the implications for special educational needs of the definition of school education, as introduced by the Standards in Scotland's Schools etc Act 2000, are untested. In a sense we are all in the dark on that.

Against the background of that uncertainty, the Executive made certain assumptions about the implications of the introduction of additional support needs and co-ordinated support plans, but it did so without specifying in detail the definitions or their application in practical terms. Therefore, there is considerable scope for differences of view between the Executive, local authorities and other affected parties.

**The Convener:** When you consulted local authorities on the implications of the bill, did the process extend beyond the headquarters of each different local authority making an assessment that was based on their existing records under the current scheme or was there an attempt to take the process out to schools and to take into account the idea that, if the new system is introduced, head teachers, or perhaps even classroom teachers, will have some input into the number of children who might be affected or who could benefit from the proposals?

**Martin Vallely:** The Executive appointed a consultant who might have done some work in schools, but the discussions that took place with local authorities were held in a short time frame and were subject to confidentiality agreements. That meant that the process was largely confined to desktop exercises within local authority headquarters.

**Donald Thomas (Convention of Scottish Local Authorities):** In South Lanarkshire, head teachers of schools were consulted so that we could get more detail about the trawl of pupils who were attending school. That is what our information was based on.

**The Convener:** COSLA got the returns in from the consultation of local authorities. Was there a difference between the procedures used by local authorities to develop the assessments and produce the figures? Did the kind of exercise to which Donald Thomas refers lead to a different outcome? How did the outlier figures, such as that from South Lanarkshire Council, compare with the desktop estimates that were arrived at in other local authorities?

**Martin Vallely:** To be honest, that analysis has not taken place. The Executive holds that information. The information was based on the consultation exercise that was carried out earlier in the year. There was a significant range of responses from authorities, which was not unexpected given the uncertainties with regard to the context and the definitions.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** The bill's aims are worthy. It seeks to move us from recognising special educational needs, which have been interpreted fairly narrowly, to a much wider definition of additional support needs. However, as is so often the case, it is difficult to translate worthy aims into practical measures. I am concerned that the legislation may tie up our teachers in a tangle of tartan tape.

The question that I want to ask relates to the kernel of COSLA's detailed and helpful submission. Paragraphs 81 to 83 of the financial memorandum concern the definition of additional support needs. The Executive estimates the cost of the new co-ordinated support plans to be £7.3 million. The CSPs will enhance and replace records of needs, which currently cost £6.7 million per annum. That implies that only approximately one in 10—perhaps one in eight—more kids will be recognised within the wider ambit of additional support needs.

The Executive explains the new figure of £7.3 million by stating that it is based on the assumption

“that 50% of children who currently have Records of Needs will have such needs that require a CSP”,

plus an additional 0.3 to 0.6 per cent of the school population.

In your written submission, you state:

“In COSLA's view this is an underestimate, we envisage that up to 3 per cent of the pupil population may be eligible for a CSP.”

I do not want to be a nit-picker but, in his verbal remarks, Mr Vallely stated that it is unlikely that any less than 3 per cent of the pupil population will be eligible for a CSP, rather than

“up to 3 per cent”,

as indicated in the written submission. No doubt you can expand on that.

My point is that your estimate is five or 10 times higher than that of the Executive. A factor of 10 is the Holyrood factor—the Holyrood project cost 10 times more than the original estimate. I am sure that we do not want another Holyrood howler to be visited on us.

Given that your position and that of the Executive are poles apart—you think that five or 10 times as many kids may have additional support needs—should the bill not go back to the drawing board? Do you agree that your recommendation that the financial memorandum working group should be re-established should be implemented before we go any further? If not, we will be heading once again for the iceberg as far as costs are concerned.

If the costs associated with the bill are 10 times higher than the Executive estimates, CSPs may cost £73 million, rather than £7.3 million—based on COSLA’s figures, that is the worst-case scenario. Given the total lack of clarity, surely we cannot begin to make progress on the bill. Do you agree that it would be best for us to start again with the bill once we have a much clearer idea of the definitions, which are the critical aspect?

**Councillor the Rev Aitken:** We do not need to go back that far. As I indicated, we have a good starting framework. The aspiration that the bill expresses is good and we want to work with it. However, we are concerned that the code of practice, which will help to make the bill work, and the legislative guidance need to be bottomed out before we can understand the costs associated with the bill. That is the key issue. We are saying that if we interpret the bill in one way, it has particular consequences, but if we interpret it in another way, it has different consequences.

Rather than go back to the beginning of the process, we need to interpret the bill. We want to work with the Executive to understand what the bill means. The re-establishment of the financial memorandum working group would make that possible and would allow us to consider the bill so that everyone understands how it should be interpreted and what it will cost. It would also benefit the parent population—which is a key element—to understand the processes by which their children’s needs will be served. We discussed that important issue with the Education Committee.

**Fergus Ewing:** You are suggesting that scrutiny of the bill should proceed and the financial memorandum working group should reconvene, but that we need to see the code of practice. I agree. We also need to see the regulations associated with the bill. Is it COSLA’s position that we cannot really make progress until we see what the code of practice says and that the Executive should publish the code of practice before we go any further?

**Councillor the Rev Aitken:** Clearly, having the code of practice would make the lives of all of us easier and more focused, because it would provide us with a grasp of the issues. At the end of our submission, we say that it would be helpful to have a lead-up period of at least two years before the bill is implemented. If we want to get the legislation right, we should take our time about it and do things well. We do not need to go back to the beginning of the process, but we must ensure that we take the journey together rather than in conflict.

**Fergus Ewing:** I appreciate what you say. We all want to be helpful. No one quibbles with the aim of the bill, which is worthy. The legislation can help a great many kids if it is thought through.

There is another issue that troubles me. Rightly, the bill would give parents a legal right to request a CSP. A large number of parents may argue—quite rightly—that their child has additional needs. If I know parents, they will be most tenacious when pursuing any claim of that nature. If the bill proceeds without definitions of parents’ rights and without the code of practice that sets out exactly and circumscribes those rights, surely we will create legislation that is wholly untried and untested, the costs of which may be determined by parents, rather than by the Executive. In effect, the costs of the bill would be out of control, as you have anticipated.

**Councillor the Rev Aitken:** As we have already said, we argue that the code of practice and the legislative guidance should be in place before the legislation is implemented. If that means taking longer to implement the bill, we should do so.

**Dr Elaine Murray (Dumfries) (Lab):** I am sorry to quiz you on this issue again so soon after last week’s meeting of the Education Committee.

**Councillor the Rev Aitken:** That is okay.

**Dr Murray:** I would like you to clarify some of the figures that were thrown around a moment ago. At the moment, about 2.3 per cent of children have a record of needs. In the financial memorandum, the Scottish Executive assumes that half of those children—plus perhaps another 0.3 per cent of the school population—will need a co-ordinated support plan. The estimate is that between 1.5 per cent and 1.8 per cent of children



will need a CSP. You estimate that the figure is likely to be at least 3 per cent. In that estimate, are you assuming that every child who currently has a record of needs will probably need a co-ordinated support plan? Is it unlikely that anyone who has a record of needs would not be eligible for a co-ordinated support plan?

**Martin Vallely:** Based on the records that cross my desk and that I sign, we assumed that at least 80 per cent of children who have a record of needs would qualify for a co-ordinated support plan. When we take into account the additional children and young people who might be captured by the definition, the figure rises to at least 3 per cent of the school population. I emphasise that that estimate was made prior to the insertion of the word "or" in section 2(1)(c). That change might extend very significantly the population that is eligible for a CSP.

**Dr Murray:** There is a lack of clarity about that change. In evidence, the Executive appeared to return to its previous definitions. We must seek clarification of the point from the Executive.

At last week's meeting of the Education Committee, I was concerned to hear that the Executive's sensitivity analysis suggested that if 70 per cent of children with records of needs received a co-ordinated support plan, local authorities would be subject to further expense of £2 million. It appears that the figure covered only the extension of CSPs and excluded training. If the number of children who will be eligible for CSPs is not 70 per cent of those who have records of needs, but as much as 200 per cent of that figure, the cost to local authorities will be very significant. How able would local authorities be to bear that cost?

10:30

**Councillor the Rev Aitken:** We could not bear such a cost. We are talking not only about cash resources, but about the availability of time for staff to manage cases. It is not clear who will manage cases. It looks like teachers might do that, but teachers do not have the same level of training in managing cases as have social workers, for example, so training would be needed. In addition, complex tasks must be undertaken in holding together the different agencies that deliver services to a child and ensuring that those services are delivered in a co-ordinated way. That may sound obvious, but we have recent experience of cases in which that has not happened.

**Mr Ted Brocklebank (Mid Scotland and Fife) (Con):** Through virtually every line of COSLA's submission, alarm bells ring about the cost implications for local authorities. Some cost implications arise because you disagree with the

Executive's view and others arise when you throw up your hands and say, "Is this or that included?"

The submission touches in particular on social work provision and says that

"significant new resource input from social work, health ... other services"

and more social workers will be required. Elsewhere, the submission talks about a shortage of therapists. Have you identified the extra sums of money that will be required? Have you any idea about that?

**Alan Ross (Convention of Scottish Local Authorities):** I was involved in the financial memorandum working group, albeit briefly. I missed the group's first and third meetings, but hit the second meeting. I was impressed with my ability to pick up on what are technical educational matters for me, because I am a social worker.

The group's ultimate conclusions remained fairly unaffected by my submission, but I said in it that there has in the past 15 to 20 years been a wholesale movement of children out of hospital wards, hospital settings and clinical settings and into the community. I will not dwell on that tangent for too long, but that movement has brought remarkable costs to social work services and allied services for respite care, domiciliary care and sitter services. Social care has replaced what medical care might have done in relation to tracheostomies and tube feeding, for example. It was right that social care took that over—I do not disagree with that dynamic.

In much the same way, in the past five years a move has been made away from specialised residential schools to inclusive education and to mainstreaming. The presumption of mainstreaming cannot be divorced from the bill, because it is part and parcel of the same concept; I applaud that, but it makes a huge impact. Previously, parents would go up north to a fairly good school that provided respite for parents at weekends. Parents had 38 weeks' respite. At home, the situation was quite manageable with minimal input.

The amount of resources that is required from social care to retain children in mainstream schools and therefore to back up co-ordinated support plans is growing hugely. I am sure that members are aware of the various shroud-wearing antics of the social work profession in saying that we do not have enough money for this, that and the next thing, but child protection and looked-after children are priorities that are balanced against the inputs or outputs that we can achieve for children who are affected by disability.

In the past four years, I estimate that my respite care budget in East Lothian Council has increased

from £60,000 to £320,000 to deal with mainstreaming and with the community-care requirements of children who were previously in hospital. I can work only on a small scale and use that as a microcosm to illustrate that at the hard end of CSPs, a £3.2 million increase would be required throughout Scotland simply for respite care such as I have provided. I emphasise that my council has built that provision up; other authorities have not.

I am sorry; I will stop rambling now. I hope that what I have said answers some of members' questions. Social workers are concerned not about the bill on its own, but about the fact that the bill is part of a series of dynamics. Although one applauds and works hard at them, they have a severe impact on resources that will not be recycled from the record of needs system, because the resources do not exist in that package. I think that the 14<sup>th</sup> paragraph in the financial memorandum says that authorities simply have to use better what they have. Authorities that have not developed such resources will have to develop them.

**Mr Brocklebank:** Is that one aspect that you want the financial memorandum working group to be reconvened to consider?

**Alan Ross:** Although I was absent from two meetings, I fear that a cursory glance was given to the financial memorandum and that later chances to offer input were not substantial.

**Mr Brocklebank:** COSLA's submission states:

"Clarity is required as to what counts as an 'additional support need'"

and asks whether additional support could

"include Gaelic medium education, education in minority languages and faith schools".

It also mentions

"special provision with regard to music, dance etc."

Is that serious and realistic? Is the meaning of the phrase so wide and difficult to understand that you do not know whether those aspects are covered?

**Councillor the Rev Aitken:** That must be seen in the context of the submission's opening paragraph, which refers to the aim in the Standards in Scotland's Schools etc Act 2000 of enabling each child to develop to his or her fullest potential. That is a high bar, which is good. The submission then refers to barriers to learning. If those two aspects are combined, it could be argued that a child's barrier to learning and to fulfilling their potential is that he or she does not have access to teaching in his or her first language. One can see that conclusion and would therefore want to ask for that to be clarified, but we need it to be clarified in the code of practice or the guidelines.

**Mr Brocklebank:** Obviously the inclusion of such provision could have massive cost implications.

**Councillor the Rev Aitken:** That is correct.

**The Convener:** Several head teachers in my constituency to whom I have spoken have expressed concern about the intentions that lie behind the bill and about whether the process of recording co-ordinated support plans will follow the same track as that for records of needs, whereby parental pressure as much as professional diagnosis influences whether a child is encompassed within the system. Head teachers find that their perceptions of the relative needs of children in the class do not link with entitlement as worked through the system.

From your experience of the way in which the system works, could anything in the bill be disadvantageous to children who have not quite got into the system? Could the bill go one step too far by displacing resources that are required for mainstream teaching of mainstream pupils in order to deal with a particular group? That is a hypothetical question, but it deals with a concern that has been expressed to me.

**Martin Vallely:** That concern runs through COSLA's response. Several strands run through the bill; some have been picked up and dealt with in great detail, but the strands have not been woven together into a coherent whole. In the absence of that, the danger that some aspects could run out of control is real. That might involve scope for conflict among schools, authorities and parents and resource demands. In such a situation, the danger is inevitable that a disproportionate amount of resources will be diverted to those who pursue avenues that the bill might offer.

We are concerned that the whole approach should be brought together in a coherent package that reflects the principles of the presumption of mainstreaming and the requirement for an authority to demonstrate best value in the use of public resources, but which also protects the interests of the most vulnerable children. The danger is that one aspect will lead to distortion of resources for the other if the work that we propose is not undertaken.

**The Convener:** I want to be careful not to stray into policy, but you seem to say that the way in which the system has been conceived creates the risk that some children whom we ought to target might be missed. If the mechanisms for running the system—not only the diagnostic aspects, but the tribunal aspects—were used to the extent to which they could be used, they could have a substantial further resource implication that has not been tested.

**Councillor the Rev Aitken:** That is correct. We are concerned about pressures that the tribunal system and the mediation system will exert—it is clear that resources will be tested. Parents who have had to fight for everything for their kids will want to fight again—which is absolutely understandable—so they will test the system. We need to ensure that the system is robust enough to meet their aspirations and that it does not put such pressure on schools that they must spend all their administration time on a particular cohort of kids at the expense of other kids.

**The Convener:** I want to ask about transition costs for moving from records of needs to the new system. Do you have any estimates of costs for simply moving children who are currently in the record of needs system into the CSP system? What might the costs be for local authorities and other people?

**Donald Thomas:** The situation is currently so fluid that no costing has been done on the transition from one system to another. We have costs for the current record of needs system and for what we think will be the new system, but no interim costs.

**The Convener:** Nearly every organisational change of such a kind has substantial transitional costs. It is one thing to estimate the costs of the old system and then estimate the costs of the new system, but unless a bridging process that takes account of transitional costs is considered, there will not be a proper estimate of costs.

**Councillor the Rev Aitken:** That is correct. Because of the lack of clarity, we cannot begin to work out transitional costs. If there is to be a transfer to a system that will have 0.5 per cent of kids on CSPs as opposed to 3 per cent, transitional costs will be massively different.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** CSPs are the largest costs in the summary table in the financial memorandum, although they might not be the largest net costs if costs for the records of needs are deducted.

I do not want to go down the Holyrood howler route and see 10-fold increases, although I am not sure where that figure comes from. Martin Vallely estimated that 80 per cent of the cases that cross his desk that currently have a record of needs would require a CSP. I wonder whether Donald Thomas agrees with that. We are talking about an Executive consultation process. The Executive has consulted local authorities; the information in the financial memorandum is based on assumptions that were based on local authorities' evidence. However, in your submission, you say that things are radically different. I wonder whether Donald Thomas can say from experience whether the financial memorandum gets closer to the facts.

**Donald Thomas:** I would need to refer the matter back to Martin Vallely, because the City of Edinburgh Council probably has more detailed and up-to-date information than we have. However, I think that we can work with the figure of 80 per cent conversion from records of needs to CSPs.

**Martin Vallely:** The bill's financial memorandum does not appear to have been changed to reflect changes in the substance of the bill, which further underlines our concerns about the need for more work to be undertaken.

**Jeremy Purvis:** What do you mean by that? I would like to explore that matter further. Section 2(1) of the bill, as introduced, states that a child or young person requires a plan for the provision of additional support if

“the child or young person has additional support needs arising from—

(i) one or more complex factors, or

(ii) multiple factors,

which are likely to continue for more than a year, and

(c) those needs require significant additional support to be provided”.

There is an “and” rather than an “or”, so I am a little confused about whether you are saying that an “or” has been substituted for an “and”.

10:45

**Martin Vallely:** I refer to section 2(1)(c)(i). In the previous draft, there was an “and”. There are other substantive differences; for example, the introduction of dispute resolution does not appear to be reflected in the financial memorandum, nor does the entitlement of parents to appeal for specific assessments, yet that appears to have been the basis for the estimates that a CSP would be less costly to produce than a record of needs. If parents have the right to request such assessments, I suggest that any savings will be marginal.

**Jeremy Purvis:** So the substantive difference between “or” and “and” in section 2(1)(c)(i) relates to the involvement of other agencies, which could capture more cases.

**Martin Vallely:** Yes, because other functions of the local authority are included. Using “and” would mean that if a child required education and social work support, it would not qualify for a CSP; however, with the change, the child would qualify for a CSP.

**The Convener:** That would significantly increase costs.

**Dr Murray:** I would like to say something for clarification. The Education Committee needs to explore that matter, because the difference is

significant. When the Executive was questioned, it reiterated that no child who did not have input from another agency would be entitled to a CSP. The document that came out after the consultation implied a significant change in direction, but officials seemed to deny that at the Education Committee, which is rather confusing.

**The Convener:** Martin Vallely is obviously not happy about that issue.

**Martin Vallely:** The bill's wording is unclear—it refers to “the education authority”, “the local authority” and so on. Matters certainly require to be clarified.

**Fergus Ewing:** More Holyrood howlers, I suspect.

**Jeremy Purvis:** My second question relates to the bill's assumption that pupils are static in local authority areas. Officers in my local authority area have raised the issue of pupils who move into a new local authority area, which will require work to be carried out and could put on that local authority a financial burden for which it had not budgeted. Will pupils who move from one local authority area to another be a widespread problem, given the fact that the financial memorandum states, in effect, that the matter simply concerns the reorganisation of existing budgets? [*Interruption.*]

**The Convener:** I have been told that there are problems with the sound system. I therefore suspend the meeting for a couple of minutes.

10:48

*Meeting suspended.*

10:50

*On resuming—*

**The Convener:** I understand that we have now got our sound back, so I hand back over to Jim Mather. Would you care to repeat your question, Jim?

**Jim Mather (Highlands and Islands) (SNP):** If the financial memorandum working group were reconvened and had a clearly defined code of practice, how confident would you be that steps could be taken to converge with and adhere to the Scottish Executive's original estimate of costs?

**Martin Vallely:** I am not confident that that would be the outcome unless very tight specifications were applied to the circumstances, in which additional resources would flow from a co-ordinated support plan or the attendant arrangements for additional support needs.

**Jim Mather:** That is, in effect, a no.

**Councillor the Rev Aitken:** That is the case, but that is not a reason for not doing it. We need clarity so that we know what we are dealing with.

That is the fundamental issue at the moment.

**Jim Mather:** What do you see as the ideal output from such a reconvened working group with a clear code of practice on the table?

**Councillor the Rev Aitken:** We would like clarity about the resource requirements, clarity from the code of practice and a meshing together of the memorandum with what we see as the content of the bill.

**Jim Mather:** That clarity also suggests an element of financial control converging, at least to some extent, with what we have been discussing.

**Councillor the Rev Aitken:** That must also be set in the context of all the other things that have been happening. Integrated community schools, the move towards personal learning plans and other policy initiatives will have a direct effect on the bill and on the presumption of mainstreaming.

**The Convener:** One could at least argue in the context of community schools that there was an attempt to pilot that process through education authorities and to work out what the costs of going down that route might be before the approach was expanded across the whole spectrum. Would a similar exercise in piloting new arrangements of the kind that are proposed in the bill have offered greater certainty about how to proceed?

**Councillor the Rev Aitken:** It might well have done—I do not know.

**Donald Thomas:** Pilot exercises cover all those aspects and identify additional resources or savings that could be made in the current provisions. We have used that process successfully in a number of initiatives, both in local authorities and nationally, so that could be considered.

We would need to take account of the possibility that people might actually move into another local authority area if they thought that there was a better level of service there while the scheme was being piloted. Parents do move from one local authority area to another if they think that they will get better access to resources and provisions.

**The Convener:** There is perhaps also a technically linked issue with pupil records. Do you envisage significant increased costs because there will be a higher level of demand for pupil records so that people can get evidence, as they would see it, to support them in tribunal cases or for other reasons?

**Councillor the Rev Aitken:** There is an issue right across the board in terms of the administrative costs of the proposals and the management of their administration. Who would have to provide the information that would be required for tribunals? Where some agencies are

under obligation and other agencies are not, on whom will that responsibility fall?

**The Convener:** In the context of existing local authority arrangements, that would be a significant additional task for what is, I presume, a relatively tight education administration.

**Councillor the Rev Aitken:** Absolutely.

**The Convener:** I would like to ask a similar question about social work. In my local authority area and in Glasgow, with which I am familiar, there is a great deal of concern about the pressure on social work resources because of children's services. In the context of the introduction of the bill—with additional support needs tribunals, processes of mediation and so on—do you envisage significant additional pressure arising out of the way in which the bill would work for what is already a hard-pressed part of the social work service?

**Alan Ross:** In some senses, until you know the shape of the beast, it is difficult to quantify how hard he is going to stick his horn into you. The administrative costs of our involvement would be based on greater involvement, and that is to the good. We would expect to be called to more appeals tribunals and to be required to make more productions for parents.

At the moment, there is fairly open access in social work. Parents and clients can ask at any time to view records, but that is very time consuming and is surrounded by a large panoply of safeguards about third-party information and photocopying material. It also involves sitting with the client to go through it, which is very expensive. We cannot do productions, but that is generally not what people ask for under the social work rules on what we are allowed to give them. It would therefore be an even greater exercise for us to produce files so that people could take photocopies away.

Until we know the scale of what we are talking about with further examination through the financial memorandum group, I have no doubt that there will be an increased burden, although I have to be honest and say that I am not sure how great that burden will be.

**The Convener:** In that context, is there an issue about specific groups of social workers having to spend much more time serving the system by making paperwork returns rather than by working with children?

**Alan Ross:** That is a frightening aspect. I am sure that members will have heard about bureaucracy and form filling; great steps are being taken to reduce the impact of the Executive's requirements on form filling with regard to our looked-after and accommodated children. Unless

there is great clarity about individualised educational programmes, CSPs and the co-ordination requirements for looked-after and accommodated children, we could end up with a massive paper chase and disagreement for years to come about which assessment holds supreme in that it covers the whole child.

**The Convener:** I would also like to ask about mediation services. Your submissions state that you think that the cost of mediation services has been significantly underestimated by the Executive. Could you give us a rough cost of the operation of a mediation service?

**Councillor the Rev Aitken:** Our estimate of £2 million was based on a smaller cohort of children. We are not absolutely sure whether the costs of handling requests for mediation have, as well as the costs for carrying out the process of mediation itself, been taken into account. That also brings us back to the transition issues that were raised earlier, because the whole system will be tested very hard as it is implemented. To calculate the overall cost, however, we would need to extrapolate up from the £2 million that has been estimated as the cost for the smaller cohort.

**Donald Thomas:** We had from one of the law centres an indication of cost, which was something like £8,000 per mediation. That gives you an idea of the cost that the local authority would be charged for the mediation.

**The Convener:** What is the annual cost in Edinburgh of educating a child who does not have special educational needs? You must have a figure.

**Donald Thomas:** I can give you the figures for an individual child. The figure is £14,000 a year for a child who has special educational needs, compared with about £4,000 for a secondary-age pupil.

**The Convener:** So the legal costs that would be associated with the tribunal would be twice the cost of educating for a year a child who has no special educational needs.

**Donald Thomas:** The costs per year are £4,298 for a secondary pupil and £3,181 for a primary pupil.

**Councillor the Rev Aitken:** It is important that there are ways in which parents can engage in the process. We are not saying that the tribunals should not happen, but they need to be resourced properly so that people can have the opportunity to be part of the decision-making process about their children. That is our concern.

**The Convener:** The tribunal does not deliver any additional services for the child; it just delivers the entitlement for the parent.

**Councillor the Rev Aitken:** That is true. However, the theme of the bill as we understand it is to try to encourage partnership, which is a good idea. Unfortunately, it seems that the tribunals would be a little more adversarial than we would like, and that is a concern. However, it is important that we have a way in which parents can engage in the process. There will, merely because there is a change, be greater pressure on parents who are testing the system and trying to understand it.

To be frank, parents are bound to be more scared of change when the child is vulnerable, as will be the case under the legislation. Such parents are more likely to push harder to ensure that they have everything that they need for their child.

11:00

**Fergus Ewing:** We received a submission from Careers Scotland, which, as the witnesses know, is closely involved in the process. The submission opens with the statement:

“around 2.1% of young people have a Record of Needs.”

However, Careers Scotland goes on to state that on a conservative estimate, it envisages that “more than 20%”—or one fifth—of young people “may require additional support.” Careers Scotland’s statement suggests that 10 times as many children might have additional special needs than there are young people who have a record of needs at present.

Paragraph 95 of the Executive’s financial memorandum concedes:

“more children and young people with additional support needs are expected to receive support from Careers Scotland”.

When it comes to the sums, the Executive says that there will be no extra financial burden in respect of future needs assessment—as opposed to support for future needs. The figure in each case is £1 million: £1 million at present; £1 million under the new system. However, Careers Scotland states:

“we estimate that this would involve 5 hours per client per year which would result in a total of £9,996,690”—

which is £10 million.

Therefore, the Executive says that no extra costs are involved and that its figure will remain at £1 million whereas Careers Scotland says that the costs may be £10 million—again, we have the Holyrood tenfold factor. I am sorry that Careers Scotland is not present at the committee today to give us some further indications of its thinking, but I am sure that our witnesses will have been involved in thinking about those issues. Can you comment on the Holyrood-scale discrepancy?

**Martin Vallely:** The operative word is “might”, which is the word that runs throughout what we have been saying. We want to make the bill work, but unless and until there is greater clarity, we cannot responsibly say that that can be done within this or that level of resources.

**Councillor the Rev Aitken:** Not all children who receive support at present have a record of needs—that is not the only definition of need. The question is one of understanding what is meant for all the children who are described as having a barrier of learning. From that point onwards, progress can be made to identify which children’s needs can be met by a school without the need for additional agencies to be involved and which will require the support of other agencies and—as a consequence—a co-ordinated support plan.

Given the rolling out of integrated community schools, including the joint campuses that are being developed in various areas, it is possible to see how the number of children with a CSP will be significantly reduced in the end. What we are concerned about is the process of getting to that point. We also need to get to the point at which we understand the definitions of different and additional.

**The Convener:** If I understand the situation correctly, there is concern about the lack of a definition for the children who are to get the co-ordinated support plans that are set out in the bill. There is a lack of understanding about what impact CSPs might have on other children with support needs, as their needs might continue to require to be met in the classroom. Teachers have a responsibility in that context. There is also a lack of clarity about the impact that CSPs might have on the education of all the other children who are going through the system, because of the resources that the measure might absorb.

**Councillor the Rev Aitken:** That lack of clarity leads us to a number of possible scenarios, one of which was articulated by your colleague Mr Ewing. There are other ways of dealing with the issue. We need to get together round the table rather than deal with the process in an adversarial way.

**Ms Wendy Alexander (Paisley North) (Lab):** I want to return to placing requests. The Education Committee discussed that issue, and you deal with it in your submission. I want to try to stay away from the policy issues; I simply observe that, as a result of the approach to placing requests that has been taken, there is likely to be a higher demand for access to pupil’s records. Do you have a view on how much that might cost?

**Councillor the Rev Aitken:** I am not sure that we have a specific answer to that question, but we can give the committee an indication of our present experience.

**Martin Vallely:** We are very concerned that, given all the uncertainties about definitions and so on, an authority might find itself with an increased demand for placing requests for independent schools. Indeed, we are concerned that facilities in some existing independent schools may well fit the definition of a special school that is contained in the bill. Parents who currently choose to educate their children in the independent sector will be looking to their local authority to pick up the costs—or some of the costs—of those placements. That would place a significant additional burden on the local authority.

Furthermore, we are concerned about the lack of clarity in respect of the authority's responsibility for the assessment of children who are in the independent sector and the very real cost implications that are associated with that. We estimate that the cost of additional placements to the City of Edinburgh Council could be up to £500,000 a year. Again, without the regulations and the definitions, it is difficult to be precise. I know that Donald Thomas has done some similar figures for his authority. Authorities anticipate that there will be additional costs unless we have clear definitions and tight regulations.

**Ms Alexander:** I also have a question for the representatives of the Scottish NHS Confederation.

**The Convener:** I will bring them in afterwards.

**Jim Mather:** I return to the Careers Scotland submission, which contains another worrying point, in addition to the one that Fergus Ewing referred to earlier. It says that the 20 per cent figure

“is a conservative estimate as we would envisage that more than 20% young people may require additional support.”

Are we spending the money at the right stage in the cycle? Is there a mechanism by which we could spend money to reduce the level from 20 per cent plus?

**Councillor the Rev Aitken:** That depends on the issue that requires additional support. If we are talking about a health issue that affects the child's ability to engage with their education, one can say that, as the position may not change, the money will have to be spent all the way through the child's education. If we are talking about a social issue, such as compulsive behaviour disorder, which we dealt with earlier, one can say that that will not be an issue further down the line.

Careers Scotland has a pilot mentoring project for 15 to 24-year-olds under which the young people are each given a mentor who works with them up until they reach the age of 24. The pilot is showing real results—it is making a real difference. An argument is that those kids need to

have support put in at an earlier stage, which would enable someone to work with them, no matter what agencies the young people were dealing with. The mentor would be a permanent contact for them. Support must relate to the needs and barriers that are identified in the first instance.

**Jim Mather:** In your own gamut of inputs, you do not refer to international models or benchmarks that illustrate how outcomes such as the 20 per cent level have been avoided.

**Martin Vallely:** To be honest, we have not looked at the issue from that perspective. On one level, the question of additional support is not a great cause of concern. Under the existing legislation, it is estimated that up to 20 per cent—in fact, I think that it is up to 25 per cent—of children and young people may have special educational needs.

The wider definition that is included in the bill means that up to 30 or 35 per cent of children and young people could require additional support at some point in their educational career. That additional support may be in the form of a specialist teacher visiting the school to provide advice and individual tutorial work for a child who is bilingual, or it may be about providing additional classroom support or the teacher taking into account a child's particular learning style in the way in which subjects are presented.

The definition is very wide; it is also tautologous, although that is not really a matter for the committee. A child is defined as having additional support needs if they require additional support. There is no objective test of that.

To be honest, I would have thought that a figure of 20 per cent for the proportion of young people who require additional support as school leavers was probably on the generous side. In practice, I doubt whether it would go up that high. I would have thought that 10 or 15 per cent might be more realistic figures.

**Jim Mather:** Do we have any methods for benchmarking the level of special needs or the requirement for additional support in order to compare Scotland with other regions of the United Kingdom and internationally?

**The Convener:** That might be a question that we could flash at the Executive when its representatives are in front of us; it is probably not a question for COSLA.

I want to move us on to asking the NHS Confederation in Scotland for its opening comments. I am sorry that its representatives have had to wait such a long time, but it has been an interesting session.

**Hilary Robertson:** I had not intended to make an opening statement because I expected that the committee would have our written submission.

**The Convener:** We have it.

**Hilary Robertson:** It might be helpful if I just summarise the submission's key points for the committee.

We think that it might be difficult to achieve a saving of £55,000, which is the figure that is given in table 1 of the financial memorandum, in the first year. We are also concerned about the figures not covering existing levels of unmet need and not recognising that there may be additional need for children who are identified as needing co-ordinated support plans, who are not covered by the current record-of-needs system.

From the health service point of view, the key therapists involved are speech and language therapists, occupational therapists and physiotherapists. Those are quite small professions, so we think that there might be an issue to do with recruitment and the ability of those professions to meet demand.

We also emphasise that we are keen to have some arrangements along the lines of the joint future arrangements that exist between the national health service and social work departments. We want such arrangements to be extended to include education departments, too.

**Ms Alexander:** I will raise the staffing issue, which was mentioned in the Education Committee's meeting last week. I want to find out whether you have anything to add in the financial context on the implications for staffing levels and staff training, particularly in the areas of speech and language therapy, physiotherapy and occupational therapy, which are likely to be called into play more extensively as a result of the co-ordinated support plans.

**Hilary Robertson:** Since we appeared before the Education Committee last week, we have been discussing the issue with our members and trying to get some more detail. Our present best estimate is that, throughout Scotland, we would probably need about an additional 60 therapists in each of the three categories of therapy. It is hard to know how that will translate into cost, because there will be a number of variations to do with grades and the additional expenses that go with an individual's discharging of their duties. Our estimate is that that would cost roughly £2.4 million across Scotland. We need to do further work on that estimate, to test how accurate it is.

**Ms Alexander:** Thank you; that was helpful.

**The Convener:** I want to consider matters in the context of the NHS contribution to linking in with schools. There is obviously a significant public health agenda, with information going into schools. Do you think that the bill's more targeted intervention is being set against public health

intervention? Given that we always have limited resources, is the bill forcing us into a choice between different kinds of intervention? Has there been any cost-benefit analysis of the wider interventions compared with the more focused interventions?

11:15

**Hilary Robertson:** We would certainly hope that it is not an either/or situation. As you say, with the best will in the world, we must acknowledge that the available resources are finite and that some prioritisation might be necessary. We would like the health service's existing work with schools to complement the work on co-ordinated support plans, which will probably involve different therapists and different groups of children. My colleague might have something to add on that.

**Susan Aitken (Scottish NHS Confederation):** On joint working between health and education, we would like structures to be implemented that replicate the existing joint structures between health and social work; perhaps more appropriately, we would like education to be brought into those structures, because it is clear that there are links between all three areas. We hope that, where existing work is going on—for example, in public health and health improvement—the planning in those areas will be improved and enhanced by joint working. We also hope that there will not have to be a play-off between specific interventions and on-going health improvement work, but that all joint working between the health and education sectors can be better planned at a higher level.

From talking to our members, we have identified that one of the problems is that, although a lot of joint working goes on, it tends to be done at the level of individual professionals. For example, on the whole, arrangements are made between schools and individual therapy departments or individual child mental health departments. There is a lack of high-level planning at the organisational level. In our view, that is a priority for action before the bill is enacted. Our hope is that integrated planning at a higher level would start to have knock-on benefits, not only for children with additional support needs, but for all joint working that is done between health and education.

**The Convener:** My concern is about whether the driver in relation to resources will be the needs of children with identified additional support needs or whether it will be based on an overall appraisal of the health requirements of all children in school, including children with additional support needs. It is a question of where one starts from when one thinks about how to manage and allocate one's resources.



**Susan Aitken:** In health care generally, not just in health care for children, the reality is that the driver is the delivery of health care and health services, rather than health improvement. Everyone has acknowledged that the balance of those priorities has to change but, in reality, the driver for all services is the delivery of special services to people who need specific health care interventions and I am sure that—in the first instance at least—that will also be the case for the services that are covered by the bill.

**The Convener:** You say that we have all got to realise that we should move towards the health improvement agenda, but you also say that the provisions in the bill might drive you away from that; or rather, that the mechanisms for the allocation of resources that are envisaged in the bill might drive you towards a service mechanism.

**Susan Aitken:** That will not necessarily be the outcome. The Finance Committee is obviously focused on specific resources, and our focus is on the specific resources that will be required to deliver services. I do not think that we have really considered the health improvement implications. As you have raised the issue, I do not think that what you have suggested would automatically be the outcome. In the first instance, the NHS's job will be to examine future unmet need and to plan and deliver for that. I suppose that what you say is correct, in that the bill will focus priorities on that in the first instance.

**Dr Murray:** In your submission, you suggest that you expect that the number of children who have a co-ordinated support plan will be greater than the number of children who currently have a record of needs and you point out that there are a number of children who do not qualify for a record of needs but who, under the bill, will require medical intervention. I presume that you feel that the figure of £915,000 that is allocated to co-ordinated support plans is insufficient. I presume that those children already have a medical intervention.

**Hilary Robertson:** They may not. Our interpretation is that the bill will extend the support that is available to children who have, for example, social, emotional and behavioural difficulties. There is an increasing awareness that, at times, those problems may have a physical cause that has not thus far been recognised. Our interpretation is that those children will be included in the new system and that they could be recognised as benefiting from some input from the health service. The figures that appear in the table do not appear to reflect the fact that there may be other groups that have not yet been identified.

**Dr Murray:** Is it possible for you to give an estimate of the number of young people that you are talking about?

**Hilary Robertson:** We have not been able to do that so far. We heard earlier about pilot schemes, and it might be that a pilot scheme would help to identify the scope of that.

**Dr Murray:** But you expect there to be a greater demand.

**Hilary Robertson:** Yes.

**Dr Murray:** Because there is unmet need in the system at the moment, which will be required to be met under the bill.

**Hilary Robertson:** We recognise the fact that there is unmet need, as is evidenced in the waiting times for existing therapies, although that is probably more a reflection of the small number of therapists in those professions. Additionally, we expect the bill to identify a new group of children who are not currently recognised as needing help but who will come through the system and will, subsequently, be recognised as benefiting from some of those therapies.

**Susan Aitken:** I spoke to the head of a paediatric therapy department, who estimated that, out of the cohort of children with social, emotional and behavioural difficulties who will be brought in under the bill, up to 50 per cent might have undiagnosed physiological or physical needs that are currently not being met. However, as awareness of their needs increases in the education sector, as joint working increases, more and more of those children will be identified and there will be a greater awareness among teachers of the fact that behavioural difficulties may stem from, for example, an undiagnosed autistic spectrum disorder. Once such conditions are diagnosed, therapy and mental health services will have a role to play that they are not playing in those children's lives at the moment.

**Jeremy Purvis:** We asked COSLA about the consultation that led to the drawing up of the financial memorandum. Martin Vallely said that there were two health sessions for the working group. Did the confederation take part in those?

**Hilary Robertson:** No, but members of the confederation—individual health organisations—were involved.

**Jeremy Purvis:** Can you talk about the quality of that consultation? We have heard that not all COSLA's views were taken on board by the Executive. Did you have a similar experience?

**Hilary Robertson:** I cannot answer in any detail, as it was not the confederation that was involved. However, the feedback that we have received from those of our members who were involved has not focused on the figures that have appeared in the financial memorandum, which I understand are higher than those in the initial drafts. That may reflect some acceptance of the

points that were raised. What has been raised with us is the question of the unmet need in the existing system and the potential for greater needs coming through. The concern has been not so much about the figures that are in the financial memorandum as about what may have been missed or excluded.

**Jeremy Purvis:** Do you know whether there was an equivalent trawl of the local authorities that Donald Thomas talked about in trying to gather data?

**Hilary Robertson:** I am not sure. I know that three specific organisations were involved, but I do not know whether there was a more general trawl. There may well have been one, but I cannot say for certain. I would be happy to check for you.

**Jeremy Purvis:** That would be helpful. When we have the Scottish Executive before us, that would help us with our questioning.

**Jim Mather:** Your submission talks about the burden of additional costs falling particularly on speech and language therapy, physiotherapy and occupational therapy provision. Is there any plan to assess and address the issue of nutrition as a potential mechanism for alleviating the problems of individual children?

**Hilary Robertson:** I am sure that that is one of the issues that is assessed. We have concentrated on those three therapies because they tend to be the main ones that are involved. Nevertheless, a whole host of other interventions will be considered when a child is assessed.

**Susan Aitken:** Yes. I am quite sure that dietetics will also have a role to play. Exactly the same issues that apply to speech and language therapy, physiotherapy and occupational therapy apply to dietetics, which is also a small profession with a limited capacity. There is a possibility that, as awareness grows of nutritional issues in relation to autistic spectrum disorders, dietetics will become another profession with additional work arising from the bill, and it will be stretched in its capacity to undertake that work.

**Jim Mather:** Are there no thoughts of doing anything generically and proactively with the schools to alleviate the end burden on the therapies, which would make for a virtuous circle regarding the overall burden?

**The Convener:** That is the point that I was trying to make about health improvement and where there is a trade-off between a focused, targeted approach and a generic approach that might hit a wider number of children. Both approaches are necessary; it is just a question of how the finances are managed between the two.

**Susan Aitken:** It is our view that specifically targeted work has to be carried out across the

therapy professions in a multi-agency way. Work-force planning and development structures have been put in place in NHS Scotland's new regional work-force groups. There is also NHS Education for Scotland, and other mechanisms are in place to consider the sizes of professions, their capacity and recruitment and retention. As we said in our evidence to the Education Committee, those mechanisms will have to focus quite urgently on the capacity and work-force planning of the therapy and allied health professions, taking into account the new responsibilities that will exist throughout health services as a whole.

**Mr Brocklebank:** You obviously disagree with the financial memorandum working group's view that the costs of what is suggested will be negligible. This is an observation rather than a question, but you might like to respond to it. Whenever there appears to be a way of saving money in bills, there are always a lot of good reasons—and I am sure that your reasons are as good as anybody else's reasons—why that will not be possible. I offer this as a thought on health in general. We continually read that, despite the money that we throw at health, it is not going in the right direction or being targeted in the right areas. Have you taken that into account in coming to your assessment of the requirement for various extra speech therapists, occupational therapists and others? Have you factored them into the equation without really knowing what the eventual equation is going to require?

**Hilary Robertson:** We would accept that as a fair comment. Specifically on the savings that the financial memorandum identifies, our concern is that, although the reason for the savings identified centres on the removal of the element of compulsion from medical assessments, which seems perfectly reasonable, in reality we know that it is quite often difficult to get that amount of money out to spend on something else because the people who would be doing the assessments will have other responsibilities that they will then spend more time on. It is not a simple case of a member of staff or two members of staff no longer being required and the money that would have paid for them being made available for something else.

We are not saying that the figure for savings is wrong; we are saying that it will be difficult to achieve for the reasons that I have given. We recognise that there could be some savings from the change in the status of the medical assessments. However, although the assessments will no longer be compulsory, parents will still be able to request them, and new children will be coming through. We therefore think that the total number will not reduce once we take into account existing unmet need and potential new groups coming through.

11:30

On potential new staff, we have simply reflected on the difficulty that existing staff have in fulfilling their duties under the current record of needs system, such as attending meetings to discuss cases. Since the introduction of mainstreaming, it has been even more challenging for existing staff to deliver the services that they previously delivered to the same children because they have to travel greater distances and develop relationships with a greater number of establishments and teachers.

We have simply considered the specific aspects of the memorandum, but I take your point about the wider scheme of things. Even where potential savings are identified, it can be difficult to realise them, and it is important not to lose sight of the bigger picture.

**The Convener:** I thank you all for coming along and giving evidence. We are taking evidence from the Executive in a fortnight's time, so we will have an opportunity to reflect on all that you have said to us and to prepare appropriate questions for Executive witnesses.

## **Budget Process 2004-05 (Scottish Commission for Public Audit Submission)**

11:31

**The Convener:** Agenda item 2 is consideration of the Scottish Commission for Public Audit's report on Audit Scotland's budget for 2004-05. Committee members have a note from the clerk and a copy of the commission's report. The reason why the report is before us is that the committee's budget report will refer to it. I have no doubt that committee members will want to raise issues from the commission's report—perhaps particularly the VAT issue that it raises—but I highlight that the commission is content with Audit Scotland's bid and that it is the responsible body on the matter.

**Jim Mather:** I seek some clarity on the nature of the VAT problem. I presume that Audit Scotland does not charge for its services and that the VAT liability is therefore incoming VAT that it cannot set off and reclaim, but it would be good to get absolute clarity on whether that is the case, because the fact that it is not the case with the Westminster equivalent organisation highlights an anomaly that makes the proposition unsustainable. Although I understand the need to make provision for the £1.175 million VAT liability, the committee should put down a marker that it would be reluctant for that money to be handed over to HM Customs and Excise.

**The Convener:** There is certainly an argument for clarity. I do not think that the situation is quite as simple as the Westminster body not having to pay VAT and Audit Scotland having to pay it; I think that there is some unevenness within the Westminster system. Greater clarity within the system is certainly needed. As the committee will see from paragraph 10 of the report, the commission suggests that it will

"write urgently to the Minister for Finance and Public Services to draw his attention to the potential implications of the view expressed by HM Customs and Excise"

and write also to the Chancellor of the Exchequer, so clarification is being sought on matters that are of concern not only to us but to the commission.

**Fergus Ewing:** I am astounded by what I have read in the report. What causes me to be astounded is the fact that the matter has been rumbling on for more than three years, or longer if one assumes that there was some contact before the Public Finance and Accountability (Scotland) Act 2000 was passed. Audit Scotland has sought special status under the Value Added Tax Act 1974 and has sought a response from HM Customs and Excise since early 2000, which is well over three years. I know from my days as an

insolvency practitioner that if someone did not pay their VAT bill, they were made bankrupt. In one case that I had, a couple in Fort William was made bankrupt for one week's delay, but it appears that what is sauce for the goose is not sauce for the gander as far as HM Customs and Excise is concerned.

I agree with Jim Mather that we need clarification, but it is obvious from the report that the commission and Audit Scotland are wholly dissatisfied with the lack of a response from HM Customs and Excise. Indeed, the report states that the commission agreed with the Auditor General's opinion that

"officer level exchanges ... have run their course",

which seems to me to be the euphemism of the year. We need clarity, but I do not believe for a moment that anyone on the committee could agree the additional amount that the VAT represents, given that, as Jim Mather has said, there is a strong case that the VAT should not be paid. If we agree it, we are slicing off £1.175 million from the Scottish budget. In addition to that, the report does not state the amount of VAT that has been paid since 2000, which is also money that we have lost from the Scottish block because HM Customs and Excise appears wholly incapable of dealing with the matter, even in more than three years.

As far as Audit Scotland's request for an additional £2.6 million is concerned, we should agree the part other than the £1.175 million and defer the request for that £1.175 million until we obtain clarification. It is not enough that the commission write urgently to people—that has been happening for three years. We need to call as a witness the person in charge of HM Customs and Excise to explain why there has been a world record-breaking delay. We might also need to call as a witness the Paymaster General of the United Kingdom to find out how she can have allowed HM Customs and Excise to get away with the breathtaking delay.

The situation is appalling, and I hope that the committee will agree to take evidence from the top person in HM Customs and Excise and the Paymaster General. If we do not do that, we are simply throwing away £1.175 million, and I am sure that, for any Finance Committee member of any party, that would be utterly unacceptable.

**Dr Murray:** If we go down that road, we must be clear about what the consequences will be, because, if we cut Audit Scotland's finances by £1.175 million, it might still be forced to pay that VAT bill, and we would only be reducing the budget that it has to do its work. I would not be particularly happy about going down that road

unless I could be sure that it would not impact negatively on Audit Scotland's work.

**Ms Alexander:** I will make three proposals. First, I propose that we endorse Jim Mather's suggestion that provision for the £1.175 million is made at this point—that is the only prudent thing to do. Secondly, we should go back to the Scottish Commission for Public Audit, which is the appropriate part of the constitutional architecture to deal with the matter, saying that we wholeheartedly endorse the action that it proposes to take in paragraph 10 of the report and that it might wish to come back to us at a subsequent stage if it thought that further scrutiny of the kind that Fergus Ewing suggested was appropriate. The commission is in the lead on the matter—I see that it is an all-party committee—but we can certainly offer our services under its direction. Thirdly, in our letter to the commission, we should indicate to it that there might be the opportunity for a subsequent public airing of the matter if it felt that that would be useful once the parties mentioned had been written to.

I will suggest a fourth thing that we should do when we write back. There is a terrible tendency in Scotland—I hope that the committee does not fall into it—for people to blame others for things that they have got wrong. Perhaps we should look at the speck in our own eyes. The speck in our eyes is found in paragraph 13, which is on corporate governance. We should be equally concerned that, apparently, a draft corporate plan for Audit Scotland has only just been produced and that

"As part of this process, the Commission recommends that Audit Scotland seek to develop quantifiable targets in its corporate plan against which performance can be measured."

I was truly astonished that Audit Scotland, the body charged with audit, did not have a corporate plan until this year and still does not have any quantifiable targets. Pots and kettles spring to mind. When we write back endorsing the actions in paragraph 10, we might note our sympathy for the action that the Scottish Commission for Public Audit has taken on corporate governance.

**The Convener:** There seemed to be a measure of support for what Wendy Alexander was putting forward, although Fergus Ewing expressed a different view.

**Ms Alexander:** I am putting my suggestions on the table. One is that I endorse Jim Mather's suggestion that provision be made for the £1.175 million, because that is prudent, and we should not block it. Secondly, we should write back to the commission and endorse the action that it suggests in paragraph 10. We should indicate to the commission that this is a matter to which we could return if it so wishes, given that it has the constitutional lead role. It appears to me that the

commission has taken seriously its statutory responsibilities. Finally, we should welcome in the letter the steps that the commission has taken on corporate governance more generally. They seem to be in keeping with the corporate governance procedures that we are trying to have public bodies in Scotland adopt.

**The Convener:** I take that as a formal proposal for debate. I will obviously hear alternative proposals.

**Ms Alexander:** I am genuinely trying to suggest something that will command consensus in the committee. I have not ruled out anything that other members have suggested; I simply suggested that we write back to the commission saying that it seems to us that it is taking the right steps and if it needs further assistance from us it should say so. We should try to develop mutual respect between different pieces of the constitutional architecture. That avoids the precipitate action of withholding the provision, which has been suggested, but which I think would be inappropriate at this stage. To some extent, that would be second-guessing the part of the constitutional architecture that has taken a view that provision should be made while the issue is pursued vigorously.

**The Convener:** I am taking that as a proposal. If there is consensus on it, that is fine, but if any member wishes to disagree, I am giving them the opportunity to do so.

**Fergus Ewing:** Paragraph 6 of the paper says:

“the Auditor General stated that he expected that a final decision on VAT would be reached by HM Customs and Excise shortly.”

That was a year ago. We have been waiting another year. I did not suggest, as Elaine Murray suggested, that we cut the budget this year. We are not facing the decision whether to make a cut. We are being asked to approve an increase. With great respect to Elaine Murray, I say that that is not what I suggested. Nor did I suggest that we withhold, as Wendy Alexander said, the £1.175 million. I suggested—and the *Official Report* will bear this out—that we defer consideration of this matter.

I am familiar with the arguments that I meet when I propose this sort of thing, because we have been here before—the arguments might have merit. The arguments are principally that if we do not approve the money now, somehow the workings of Audit Scotland will come grinding to a halt, the workers will not be able to turn up for work and they will not get their wage packets. There is only one problem with that argument: there is absolutely no indication from the Auditor General that that is the case. There is no indication either from him or from the commission

that failure to agree on the matter today will cause any prejudice.

I suggest that we defer the matter and invite the Auditor General to indicate whether it is essential that the matter be approved today. There is nothing to indicate that that is critical.

**The Convener:** I just want to clarify a technical issue. It is for the Parliament, rather than the Finance Committee, to approve. That is an important distinction.

11:45

**Fergus Ewing:** My point is simple. The argument against my proposal is that it would cause havoc and chaos, but there is nothing in the paper to suggest that that would happen if we deferred the matter today only quoad the £1.175 million—Audit Scotland can have the rest of the £2.6 million that it needs for this year. It seems to me that there is no foundation for arguing against my proposal on the basis that it would cause prejudice.

I turn to the main thrust of Wendy Alexander's proposal. She argued that my colleague Jim Mather suggested that the provision be made. We can all read the *Official Report* later and see what was said, but my understanding is that Jim Mather stated repeatedly that clarification was required. That would be obtained by deferring the matter quoad the £1.175 million.

I hope that members agree that it is fair that I should be able to respond to all the arguments that were made, as that seems to be a requirement of natural justice. There is an argument that if we do not go ahead with the precise provision today, somehow we would be in error. I do not accept that argument. I have no objection to the rest of Wendy Alexander's proposals—they are fair enough—but nearly four years' delay is long enough.

My suggestion is that we defer the matter and write to the Auditor General asking for specific clarification as to whether there is a time limit within which the £1.175 million is required or whether we can have more time to investigate the matter properly. We should also write to HM Customs and Excise to express our extreme displeasure at the delay; we should ask for an immediate explanation of that delay and an indication of when the decision will be taken. We should also ask it for a reply within seven days—the same amount of time that it gives people to pay their VAT bills—and we should reconvene to consider the matter next week.

Anything less than that seems tantamount to our throwing away £1.175 million. There is no suggestion in the paper that we cannot save that

money. It might be the case that, by the actions of the committee, we save £1.175 million. That may or may not be the case but, as long as the possibility exists, it would surely be irresponsible of us to approve the £1.175 million today. I hope that members agree that there is merit in my argument that we defer the matter until we have the facts that I have indicated are necessary.

**Kate Maclean (Dundee West) (Lab):** I seek clarification from the clerk of what we can do before we decide, because that is not clear from the note.

**Susan Duffy (Clerk):** The Scottish Commission for Public Audit is under a duty to report its findings to Parliament, which is what it has done with this report. Under the terms of the Public Finance and Accountability (Scotland) Act 2000, it must ask Parliament to approve Audit Scotland's bid. However, the committee has a role in scrutinising the report and the committee's views are reflected in the budget report, which will be submitted to Parliament. There is always a paragraph—or a few paragraphs in this case—on the committee's views on the commission's report.

**Kate Maclean:** Does that mean that we should make the recommendations that Wendy Alexander or Fergus Ewing suggested in the report, rather than take action ourselves?

**Susan Duffy:** The committee is at liberty to make whatever recommendations it wants in its report, but it is ultimately for Parliament to approve Audit Scotland's bid.

**Ms Alexander:** In deferring—as Fergus Ewing describes it—we would be asking to overturn the recommendations of the all-party Scottish Commission for Public Audit without even discussing the matter with it. If we defer, we are in effect opposing the recommendation that the £1.175 million provision be made. Fergus Ewing seems to be making a suggestion about what should happen if the liability does not arise, but that is clearly a matter for a subsequent day.

**Fergus Ewing:** In no dictionary that I have read does “defer” mean “oppose”.

**Ms Alexander:** You are rejecting the report of the all-party SCPA, which recommends that the provision be made.

**Fergus Ewing:** Do you mind if I reply, convener, or is everyone going to be allowed to jump in?

**The Convener:** You may respond, Fergus.

**Fergus Ewing:** To defer does not mean to oppose. To defer means to postpone consideration. It might be that, after we have considered the matter further, we accept and agree to the recommendations. Wendy Alexander's second point strengthens my case.

She says that we have not even discussed the matter with the SCPA. Let me add, therefore, another suggestion. Let us discuss the matter with the SCPA and explore the reasoning further. Once we have had that discussion, we can agree or disagree to the recommendations. We can hardly be faulted for expressing a view that we would like to have further information, especially when it is patently clear that we need it. Everybody accepts that. People are urging that the committee make a decision without having seen that information. That would be a mistake.

**The Convener:** I do not think that the committee is required to make a decision in quite the way that Fergus Ewing is describing. The issue is that the report comes from the SCPA. The Parliament makes the decision in that regard. Our interest is in the context of our scrutiny of the overall budget. What should emerge from our process are specific recommendations in our budget report.

Wendy Alexander's suggestion is entirely consistent with that approach. Fergus Ewing's suggestion implies that we have a decision-making role that, in practice, we do not have. However, as Wendy Alexander says, should the SCPA decide to ask further questions, we might have a role in that, if we are invited to have one.

We could have a lengthy procedural debate on the matter, but I suggest that the issues are relatively simple. Either we accept Wendy Alexander's proposal, relating to the recommendations that we contribute to the budget process and the SCPA, or we decide to engage in a process of scrutiny, which is what Fergus Ewing is suggesting that we do. However, I am not entirely sure of the locus of the committee in that regard. There is a clear separation of views. It might be appropriate simply to vote on Wendy Alexander's suggestion.

**Kate Maclean:** I do not agree with Fergus Ewing but his suggestion—that we take evidence before we produce a report that we can put before Parliament—is as competent as Wendy Alexander's.

**Jim Mather:** We are short on comparative data from previous years. We do not know whether there has been a VAT retention in previous years or whether there is a reservoir of VAT that could be clawed back. Similarly, we do not have the full details of a precedent at a UK level that would illuminate the matter.

**Mr Brocklebank:** Having listened to the clerk, I am not totally clear about the powers that we have in this regard. I share the view that the best thing to do might be to defer a decision on the matter until such time as we have enough information—which might come from a meeting with the

SCPA—to enable us to understand fully the implications of our decision.

I accept the wisdom of Wendy Alexander's recommendation, but it implies that a horse has gone through a gate and that we are talking about what will happen in years to come. I would like to be a bit clearer about what role we have at the moment and I think that that can come only through further discussion.

**Dr Murray:** My understanding, from the clerks' note, is that the report has already gone to Parliament and that, therefore, we cannot stop it going to Parliament or somehow allow it to go to Parliament. We can only make a recommendation in respect of how Parliament should deal with the report. What is the time scale?

**The Convener:** The time scale, in relation to the committee, is set by the requirement to produce our budget report. We probably have a couple of weeks before we reach the final stage of approving our budget submission.

**Kate Maclean:** In the note that is attached to the report, we are asked to note the observations and recommendations. Before we make a decision, could the clerks clarify what avenues are open to us?

**Susan Duffy:** Although the SCPA would be at liberty to lodge a motion asking that Parliament approve its report and Audit Scotland's bid, an informal mechanism has evolved whereby the Finance Committee can put recommendations in its report approving what the SCPA has put in front of Parliament.

When the Finance Committee submits its report to Parliament, the motion of the debate that is held asks the Parliament to agree to what is in the committee's report. If the committee still had concerns about Audit Scotland's bid, that could be reflected in the committee's motion. However, that would not prevent the SCPA from lodging a motion asking that Audit Scotland's bid be approved.

**Jeremy Purvis:** I agree with Wendy Alexander's proposition.

**Fergus Ewing:** I would prefer it if we deferred matters for a fortnight, as there are so many unanswered questions that I cannot imagine that anyone would want to hand back the £1.175 million. However, if we are to have a vote, the proposal to defer should, logically, come before a proposal to pay the £1.175 million. My proposal should come first; Wendy Alexander's should come second. If the proposal to pay the money now is agreed to, members—including Mr Brocklebank, who has expressed support for my broad position—will not have the option of deferring the question of whether the payment should be approved.

**Ms Alexander:** What are we deferring, Fergus? The payment of the £1.175 million, which is what you suggested at first, or the consideration of the report, which is what you now appear to be saying? I am happy to bow to you on the procedural matter of which proposal comes first, but I would like to know what we are deferring.

**Fergus Ewing:** There is no dubiety. The conclusion of the report asks us to

"recommend that Audit Scotland's bid for a budget of £7.105m for the year 2004/05 should be approved by the Parliament."

I am suggesting that we approve the sum equivalent to £2.6 million less £1.175 million and defer for a fortnight the approval of the payment of the £1.175 million until such time as all the issues that we have raised in this debate are clarified.

**Kate Maclean:** Is that competent? I was not aware that we had the power to defer any payment.

**The Convener:** I am not sure that the deferment of paying the money is competent.

**Jeremy Purvis:** My understanding is that we will put something in our budget report to Parliament and that an element of our report will be on Audit Scotland. Wendy Alexander is clearly suggesting, first, that we are concerned about the issue. However, the SCPA has scrutinised the matter and we have written to the commission about it.

The second aspect of Wendy Alexander's suggestion is eminently sensible. If the commission believes that the payment should go ahead, I do not think that it is competent for us to stop that payment. We may wish to put a comment in our budget report to the effect that it should be deferred. However, Fergus Ewing is not being clear as to whether we are deciding that today.

The third aspect of Wendy Alexander's suggestion—on the way in which Audit Scotland operates—will be the most important for us in the long term. We are talking about £1 million out of a total Scottish budget of £22,000 million.

12:00

**The Convener:** Fergus Ewing is suggesting that, procedurally, we should deal with his proposal for deferment first. I have no difficulty with that.

**Jeremy Purvis:** Again, I ask for clarification. Is the suggestion that we do not make a decision today about what we put in our budget report and that we come back in a fortnight after having contacted whomever Fergus Ewing wishes us to contact? Alternatively, is the suggestion that we recommend in our report that the payment of the £1.175 million be deferred?

**The Convener:** Fergus Ewing will have to clarify that.

**Fergus Ewing:** I have not addressed, so far, the issue of what should or should not be in our budget report, because we have not heard evidence to allow us to reach conclusions. I would have thought it self-evident that we need to take evidence before producing the report and I am amazed that Jeremy Purvis thinks that I am advocating that we should reach a conclusion on the report when he patently accepts that we do not have all the information necessary to reach such a conclusion. I am simply suggesting—and I repeat this for the umpteenth time—that we defer approval today of authorisation of the £1.175 million. Paragraph 14 of the SCPA's report specifically invites us to indicate that a payment be approved. I am suggesting that we do not do that.

**Dr Murray:** But—

**Fergus Ewing:** May I just finish? Because paragraph 14 invites us to approve something, by definition we must have the power not to do so, otherwise there would be no point whatever in this discussion.

Once again, I suggest that we defer approval of authorisation of the £1.175 million and that we revisit the matter in 14 days' time when we have all the facts in front of us. If we do not do that, members will, in my opinion, be voting to throw away £1.175 million.

**Dr Murray:** Convener, I do not often raise points of order but I think that this is a point of order. We are not being asked to approve the report. The report has gone to Parliament and it is for Parliament to approve it. All that we can do is make a comment in our budget report. This discussion is completely bogus. A report has been produced by five members of the Scottish Parliament. As Wendy Alexander says, those members come from across the parties. Not one of them is a poodle of the Executive or a poodle of the Exchequer. They are all perfectly capable of standing up for themselves. They are perfectly competent. They have put together a report to Parliament—not to us, but to Parliament. The onus of approving or not approving that report does not fall to us. It falls to us to make a comment in our budget report.

**The Convener:** I think that you are correct in saying that it is not our job to approve the SCPA's recommendation or not to approve it. It is Parliament's job to approve it. Fergus Ewing's proposal is that we defer the process. Wendy Alexander's proposal is that we make some recommendations to the commission and that we offer the commission our support. That is the difference between the two proposals.

We could carry on discussing how many angels can dance on the head of a pin, but I suggest that we vote on Fergus Ewing's proposal for a deferment. If that fails, we will vote on Wendy Alexander's proposal.

The proposal is, that we accept Fergus Ewing's suggestion of a deferment. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**FOR**

Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)  
Mather, Jim (Highlands and Islands) (SNP)

**AGAINST**

Alexander, Ms Wendy (Paisley North) (Lab)  
Maclean, Kate (Dundee West) (Lab)  
McNulty, Des (Clydebank and Milngavie) (Lab)  
Murray, Dr Elaine (Dumfries) (Lab)  
Purvis, Jeremy (Tw eeddale, Ettrick and Lauderdale) (LD)

**The Convener:** The result of the division is: For 3, Against 5, Abstentions 0. Fergus Ewing's proposal falls.

The next question is, that Wendy Alexander's proposal be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**FOR**

Alexander, Ms Wendy (Paisley North) (Lab)  
Maclean, Kate (Dundee West) (Lab)  
McNulty, Des (Clydebank and Milngavie) (Lab)  
Murray, Dr Elaine (Dumfries) (Lab)  
Purvis, Jeremy (Tw eeddale, Ettrick and Lauderdale) (LD)

**ABSTENTIONS**

Brocklebank, Mr Ted (Mid Scotland and Fife) (Con)  
Ewing, Fergus (Inverness East, Nairn and Lochaber) (SNP)

**The Convener:** The result of the division is: For 5, Against 0, Abstentions 2. The proposal is agreed to.

That was rather tortuous.



## Items in Private

12:05

**The Convener:** Item 3 is to seek agreement to consider the committee's draft budget report in private at our next meeting and at any subsequent meetings as required. Are we prepared to agree to that?

**Fergus Ewing:** Can someone remind me why we need to have all the discussion in private, given the recommendation—which this committee seems to have ignored—that far too much committee business is considered in private in the Parliament? Can anyone explain the reasons?

**The Convener:** First, our discussion on the approach that we should take is recorded in the *Official Report*.

Secondly, we have identified a number of complex issues, in relation not only to this year's budget, but to taking forward the budgetary process. It seems to me to be entirely appropriate that the discussion on procedural issues in particular should be taken in private to achieve the maximum cross-party consensus.

I propose that we consider the draft budget report in private at our next and subsequent meetings. Is that agreed?

**Members indicated agreement.**

**The Convener:** We move into private session to consider draft reports on the financial memoranda to two bills—the Nature Conservation (Scotland) Bill and the Criminal Procedure (Amendment) (Scotland) Bill.

12:06

*Meeting continued in private until 12:07.*



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