

Leverhulme/ESRC-funded monitoring programme

**Scotland Report**

**November 2000**

Nations and regions: The dynamics of devolution

**Quarterly report**

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## **Introduction**

The most significant event of this quarter was the death of Donald Dewar. The election of Henry McLeish as First Minister marks a transition in post-devolution Scotland. Dewar had been a major figure in both UK and Scottish politics. This had eased the process of establishing devolved government in Scotland. The new First Minister was hardly known in Scotland let alone in the UK. In many respects the real test of devolution only starts now with a First Minister whose career may have had a basis in the House of Commons but has had to establish himself in the new Scottish political context. A change in leadership at the top of the SNP during this quarter further moves politics on in Scotland. Alex Salmond had long stated that he would stand down after a decade though his announcement at the start of the Summer surprised most commentators leading to some wild speculation as to his reasons reminiscent of some of the commentary surrounding Harold Wilson's decision to retire as Prime Minister. John Swinney, Salmond's successor, was elected to the Commons in 1997 and the Scottish Parliament two years later but has a long involvement in SNP politics.

Much continues to be made in the Scottish media about 'New Politics' and consensus. However, what may be suggested by the McLeish/Swinney era is a period in which Scotland's two main parties seriously compete for power. Potentially, the main change in Scottish political culture which is emphasised is the transition from an oppositional to a governing culture within these parties. That will not mean the end of confrontational politics and an era of consensus - far from it. But it may mean an era in which politics is more rooted in what is possible than in what is desirable. This was occurring even before McLeish/Swinney but both men have been less battered and bruised by years of fighting in the wilderness and appreciate the main prize.

### **1. The Executive**

Scotland's First Minister Donald Dewar had returned to work on 14 August following successful heart surgery earlier in the year. Whilst some speculated that he had lost some of

his previous energy and mooted that he might step down sooner than previously thought, no-one was prepared for the shock of his death. On his return he faced a particularly heavy workload which was dominated by major issues such as the failure of the Scottish Qualifications Authority to deliver accurate and timely Higher Still results in August, and in early October, nationwide fuel protests. On 10 October, Dewar fell when leaving his official residence in Edinburgh to attend a meeting and was later taken to hospital. Although he continued with his engagements he felt unwell during the afternoon. He was pronounced dead next day and his funeral was held the following week in Glasgow Cathedral. Amongst the lines most frequently quoted was Dewar's typically downbeat reading of the first lines of the Scotland Bill when he first introduced it into the Westminster Parliament: "There shall be a Scottish Parliament". I like that'. The understatement of the phrase summed up much of what Dewar had believed in.

The Scottish Labour Party was left with very little time to mourn Dewar's passing. The Scotland Act, 1998 required a new First Minister to be appointed to the Scottish Parliament within 28 days of the position becoming vacant. This meant that it had to find a new leader, at least on an interim basis. The timeframe was too short for the Labour Party to complete its normal selection process for Labour leader in the Scottish Parliament, so instead a vote for the post of interim leader was taken on 21 October, three days after the funeral of Donald Dewar, and involved only MSPs and members of the Scottish Labour Party's Executive. Henry McLeish defeated Jack McConnell, his only rival for the post by 44 votes to 36.

McLeish found himself in hot water over his efforts to adopt a more "inclusive" style of leadership by listening to his backbenchers. It was assumed that most backbench MSPs had supported Jack McConnell's bid for the leadership and that many resented the suspected involvement of the Chancellor Gordon Brown in trying to stitch up the leadership in Scotland. McLeish changed the timing of the weekly cabinet meetings on a Tuesday so that they now take place after the lunchtime meeting of the Scottish Parliamentary Party, to allow backbenchers to have an input into the Cabinet discussion in the afternoon. McLeish then caused confusion and annoyance among the opposition by appearing to indicate that his civil servants would be put at the disposal of Labour backbenchers. He then had to

rework his statement to make it clear that he was not proposing to break civil service rules which ensure an apolitical civil service. McLeish quickly made clear that he wanted to stamp his own vision on the Executive and on 29 October announced his new Executive team. The complete list is as follows:

**First Minister** Henry McLeish

**Deputy First Minister and Minister for Justice** Jim Wallace

**Minister for Education, Europe and External Affairs** Jack McConnell

**Minister for Enterprise and Lifelong Learning** Wendy Alexander

**Minister for Environment** Sam Galbraith

**Minister for Finance and Local Government** Angus MacKay

**Minister for Health and Community Care** Susan Deacon

**Minister for Parliament** Tom McCabe

**Minister for Rural Development** Ross Finnie

**Minister for Social Justice** Jackie Baillie

**Minister for Transport** Sarah Boyack

**Deputy Minister for Justice** Iain Gray

**Deputy Minister for Education, Europe and External Affairs** Nicol Stephen

**Deputy Minister for Enterprise, Lifelong Learning and Gaelic** Alasdair Morrison

**Deputy Minister for Sport and Culture** Allan Wilson

**Deputy Minister for Finance and Local Government** Peter Peacock

**Deputy Minister for Health and Community Care** Malcolm Chisholm

**Deputy Minister for Rural Development** Rhona Brankin

**Deputy Minister for Parliament** Tavish Scott

**Deputy Minister for Social Justice** Margaret Curran.

The coalition members were unchanged aside from replacing the Lib Dem Whip but McLeish put a new gloss on the line-up. Of significance, McConnell took over Sam Galbraith's job at Education, whilst Galbraith was moved sideways to take up responsibility for the environment which was split from its previous link with transport. Sarah Boyack retains the slimmed down (but busy) transport brief. Angus MacKay was promoted from a

deputy ministerial post at Justice to take on Jack McConnell's old finance post, newly extended to include the local government remit. Left-winger Jackie Baillie was also promoted to the post of Minister for Social Justice, the new title given to Wendy Alexander's former post of Communities Minister. Wendy Alexander was given McLeish's former post of Minister for Enterprise and Lifelong Learning.

Four MSPs were promoted to join the Executive as Deputy Ministers. Malcolm Chisholm (Deputy Minister, Health and Community Care), Margaret Curran (Deputy Minister for Social Justice), Lib Dem Tavish Scott (Deputy Minister for Parliament) and Allan Wilson (Deputy Minister for Sport and Culture). The return of Malcolm Chisholm, who resigned from a ministerial position in the Scottish Office three years ago because he could not agree with the Government's stance on benefits for lone parents, was welcomed by left wingers as a sign of inclusiveness.

No ministers were dropped from the cabinet, but three junior ministers left office – John Home Robertson at fisheries, Frank McAveety at local government and Iain Smith, the Liberal Democrat Whip who lost the confidence of backbenchers in recent weeks. The Law Officers are unchanged, with Colin Boyd remaining as Lord Advocate and Neil Davidson as Solicitor General though Boyd is no longer a voting member of the cabinet but will attend meetings to offer legal advice.

The special advisers team also underwent significant and swift change. Both David Whitton and Brian Fitzpatrick left. Journalist Peter McMahon was McLeish's first appointment – as his official spokesperson to replace David Whitton. One month after assuming office, McLeish had not, however, filled the post of chief of staff. The new advisory team is expected to be larger than under Dewar, who did not feel comfortable with the concept.

In the early days of the new regime, Henry McLeish has let it be known that his cabinet will be examining the policies in their departments to decide their relevance in the new climate.

In an interview with BBC Radio Scotland

(<http://news6.thdo.bbc.co.uk/hi/english/uk/scotland/newsid%5F997000/997445.stm>) the First Minister said, 'Policies that might have been attractive two years ago might not be

attractive now. I want an administration that is sensitive to the people that elected it. It's not a matter of political correctness or anything else. I am concerned that we do have policies that are in tune with the Scottish people.' This was seen as a clear criticism of the previous regimes' dedication to policies such as the abolition of Section 28, which McLeish considered to be irrelevant to the needs of the people of Scotland.

It appeared that a significant step was taken in early November, when First Minister McLeish appeared to reverse a decision taken by the Executive last month in relation to the costs of personal care for the elderly. The Executive had responded previously to the recommendations of the Sutherland Inquiry on long-term care. The report had urged the Government to foot the bill for all nursing and personal care in residential homes. The Executive had originally agreed with UK Ministers that personal care costs should not be met by the Government. However, in an interview with the Sunday Times Scotland (5 November 2000), Henry McLeish said, "If you are rooted in public concern then you will know that [if] every organisation you talk to, every medical group, local authority, the Sutherland people themselves, the Parliamentary Labour Party, the opposition [are agreed] – then sometimes you just have to say to yourselves: "Well, look. There is a firm body of opinion. Is what we have as a policy the right thing to do?"

## The New Legislative Programme

The Scottish Executive's new legislative programme for the current year was announced in the Scottish Parliament on 14 September by Donald Dewar. The programme consists of nine bills:

- **Housing Bill** which will include a new single social tenancy, policies to deal with anti-social neighbours, measures to tackle homelessness, abolishing the quango status of Scottish Homes, new standards for all social housing and better local housing planning.
- **Education (Graduate Endowment) (Scotland) Bill** will implement part of the agreement reached earlier this year in response to the Cubie Committee of Inquiry into student funding
- **Regulation of Care Bill** will set up the Scottish Commission for the Regulation of Care to regulate services and the Scottish Social Services Council to regulate the workforce.
- **Salmon Conservation Bill** will allow new powers to regulate fishing, to conserve fish and sustain fisheries.
- **The Water Services Bill** is designed to ensure the high quality of Scotland's water and sewerage systems; protecting Scotland's industry from poor service and protect the public sector status of the water authorities. The Bill is necessary because of the 1998 Competition Act which has come into force.
- **Evidence (Sex Offences) Bill** will prevent an accused person in a trial for rape or another sexual offence from cross-examining a victim witness personally and tighten up the restrictions on questioning of the victim as to their previous sexual history and character.
- **ECHR Bill** will amend aspects of Scots law which may be incompatible with the European Convention on Human Rights. The issues involved are: a tribunal system for adult mandatory life prisoners; statutory tenure and appointments procedures for Parole Board members; and minor changes and extensions to the legal aid system.
- **International Criminal Court Bill** - the UK has pledged to ratify the statute setting up an International Criminal Court. This bill will give effect in Scotland to the UK's obligations under the statute, by allowing Scottish law enforcement authorities to co-operate, and give effect to fines etc ordered by the court.

- **Budget Bill**, which will outline the government's priorities.

The most contentious pieces of legislation are likely to be the Housing Bill and the Education (Graduate Endowment) (Scotland) Bill, which will bring forward the Executive compromise on student fees.

## **2. Parliament**

Parliament returned from its summer recess on 4 September. Events in the main were dominated by the consequences of the death of Donald Dewar.

### Chamber Events

The election of Scotland's second First Minister took place in the Scottish Parliament on Thursday 26 October. Aside from Henry McLeish there were three other nominees for the post: independent Falkirk West MSP, Dennis Canavan; Scottish Conservative leader, David McLetchie and SNP leader John Swinney. McLeish proclaimed his wish for Scotland to go further, faster and better. He said, "We are a small nation in population terms, but a small nation with big ambitions. To realise those ambitions, we must unlock the true potential of devolution." He won 68 votes, John Swinney got 33, David McLetchie 19 and Dennis Canavan 3. McLeish was formally appointed First Minister by the Queen on 27 October, and was sworn in during a legal ceremony in the Court of Session on the same day.

Since September there has been a significant amount of Parliamentary business focused around health issues: member's debates on prostate cancer, palliative care, dementia, fibromyalgia syndrome and on multiple sclerosis (MS) and the prescribing of beta interferon. The MS debate on 5 October followed a motion tabled by Tricia Marwick, SNP MSP for Mid Scotland and Fife. On the day of the debate the MS Society organised a mass lobby of Parliament which was the best organised of the Parliament. The debate also drew out once again the thorny issue of so-called "post-code prescribing" and Health Minister Susan Deacon indicated a willingness to bring post-code prescribing to an end, hinting though that an economic argument would need to be made. The underlying message was

that the work of the Health Technology Board would provide the basic argument for the benefits, or otherwise, of a particular drug.

Another member's debate on Health issues was led by a motion from Mary Scanlon on the issue of when the Executive would respond to the Sutherland Inquiry into long-term care of the elderly. The debate prompted the trailing of a subsequent ministerial statement on October 5 in which Susan Deacon said that the Executive would be investing a £100 million package to support the care of the elderly. The most controversial decision was the rejection of Sutherland's recommendation that 'personal care' should be provided free of charge. This drew the sharpest criticism from charities and voluntary organisations, whilst the rest of the package was broadly welcomed. The position has subsequently become unclear with reports of an apparent u-turn by the First Minister, but a failure to confirm that personal care costs will be funded by the Executive in Scotland.

The Scottish Executive's responded to the Arbutnott proposals on resource allocation for the health sector. This was immediately followed by an executive debate on the Chief Medical Officer's annual report on "Health in Scotland". On Thursday 9 November, Susan Deacon signaled a cut in the number of members of health boards and trusts to cut out the last vestiges of the internal market introduced by the last government. Instead, non-executive board members could in future be given joint membership of trusts in order to encourage collaboration.

During the nationwide fuel protests, Dewar made a statement to the Parliament demonstrating the seriousness of the issue and the steps which were being taken to tackle the problem. The SNP tabled a debate on fuel prices and argued that the benefits of North Sea Oil revenues were being lost to Scotland. The motion was soundly defeated, but not until after an acrimonious debate, which included criticism of the Executive for fielding a deputy minister to respond. Finally, the Executive responded to a motion about the Highland Clearances by making a statement expressing deepest regret for the highland clearances.

## Committee Structure

There were two significant waves of changes to Committees since the summer. The first reflected changes resulting from John Swinney's reshuffle and also more general moves between committees. A further change occurred in early November as a result of the reshuffle following Henry McLeish's appointment as First Minister. In addition, in late October there was also significant tension as a result of agreement between SNP and Labour members of the Parliamentary Business Bureau. The effect of this would have been to cut the size of the parliament's committees from 11 members to 7 and merge the standards and procedures committees. News of this provoked a furious reaction from the other political parties and contributed to Iain Smith, then Lib Dem Deputy Minister for Parliament, losing his post (he was moved out in the McLeish reshuffle). Political opponents believe that the plans resulted from both major party's keenness to reduce MSP workloads so that they could be better utilised in campaign work ahead of the Westminster general election. Many MSPs were also known to be complaining about their heavy workload. However, the plans were abandoned although it is likely that pressure will remain for some streamlining of work.

The First Minister reshuffled his cabinet on Sunday 29 October (see Executive section for details). The appointments have had an impact on the membership of the Scottish Parliament Committees, and although some membership changes have now been made, some positions are still unclear: Malcolm Chisholm (now Deputy Minister for Health and Community Care) had been the Deputy Convener of the Health and Community Care Committee; Margaret Curran (now Deputy Minister for Social Justice) had been Convener of the Social Inclusion, Housing and Voluntary Sector Committee; Tavish Scott (now Deputy Minister for Parliament) was a member of the Europe Committee and Allan Wilson had been a member of the Enterprise and Lifelong Learning Committee.

The changes of membership which have been announced are listed below, but changes in convenerships and deputy convenerships have not yet been finalised.

<b>Committee</b>	<b>MSP</b>
Audit	Lloyd Quinan (SNP, West of Scotland)
Education, Culture and Sport	Irene McGugan (SNP, North East Scotland)
Enterprise and Lifelong Learning	John Home Robertson (Lab, East Lothian)
Equal Opportunities	Linda Fabiani (SNP, Central Scotland) Kay Ullrich (SNP, West of Scotland)
European	Richard Lochhead (SNP, North East Scotland) Lloyd Quinan (SNP, West of Scotland)
Finance	Alex Neil (SNP, Central Scotland)
Health and Community Care	Shona Robison (SNP, North East Scotland) Nicola Sturgeon (SNP, Glasgow) Frank McAveety (Lab, Glasgow Shettleston)
Procedures	Kay Ullrich (SNP, West of Scotland)
Public Petitions	Winnie Ewing (SNP, Highlands and Islands)
Rural Affairs	Fergus Ewing (SNP, Inverness East, Nairn and Lochaber) Duncan Hamilton (SNP, Highlands and Islands)
Social Inclusion, Housing and Voluntary Sector	Brian Adam (SNP, North East Scotland) Sandra White (SNP, Glasgow) Johann Lamont (Lab, Glasgow Pollok)
Subordinate Legislation	Dorothy-Grace Elder (SNP, Glasgow)
Transport and the Environment	Bruce Crawford (SNP, Mid Scotland and Fife) Fiona McLeod (SNP, West of Scotland)

### The Work of the Committees

The committees have continued to scrutinise policy. The Education, Culture and Sport Committee and the Enterprise and Lifelong Learning Committee are both enquiring into the Scottish Qualifications Authority (SQA). The former is focusing on the role of the Scottish Qualifications Authority and reviewing the impact of the difficulties on school pupils and their future prospects. The latter is focusing on the issue of “governance” in terms of the

relationship between the SQA and the responsibilities of the Minister for Enterprise and Lifelong Learning. The committees have been gathering both written and oral evidence. This has included calling ministers to give evidence, as well as officials from the SQA. The Inquiry itself caused further controversy when it became clear that advice from officials to ministers had been made available to what was described as an “internal” investigation by Deloitte and Touche, but was not to be made available to the committee. The degree of concern expressed about this issue – which went to the heart of the disclosure provisions in the Scotland Act (section 23), resulted in an executive debate in the Chamber on 1 November. The Executive argued that advice to ministers from the civil service was confidential, although McLeish did hold out the prospect of concessions. A motion was passed stating that where Committees find it necessary to scrutinise exchanges between officials and Ministers on policy issues, arrangements should be made to ensure that the confidentiality of these exchanges is respected. This held out the prospect for a degree of consensus on this matter. It had been expected that the Inquiry would have finished by the end of October/early November, but it now seems likely that this will slip, not least because of the controversy over the disclosure of information.

In terms of committees taking a greater role in the streamlining of parliamentary business, the Procedures Committee launched a consultation inviting submission of the Parliament’s private bill process. At the launch of the consultation Committee Convener Murray Tosh (South of Scotland, Con) referred to the common practice of private bills being promoted by organisations such as Railtrack or local authorities, seeking the authority of Parliament to carry out major projects such as cross-city rail links and new tram networks. The committee expressed their wish for a more thorough process whereby those affected would be consulted.

The Justice and Home Affairs Committee, now under convener Alasdair Morgan (SNP, Galloway and Upper Nithsdale), has had a heavy legislative workload, considering the Protection of Wild Mammals Bill, the Leasehold Casualties Bill, and the Poindings and Warrant Sales Bill. The Committee has now appointed an expert adviser for its forthcoming Legal Aid Inquiry, and is presently involved in drafting the remit.

The work of the Standards Committee in its efforts to create a “sleaze free” Parliament, moved forward with the launch of two key pieces of work. In late September they published a report recommending the appointment of an independent Standards Commissioner to investigate cases of complaints against MSPs. The report marked the completion of a seven month inquiry and also recommended that the Parliament should adopt a four stage investigative model when examining complaints. The next stage in the process will be for the Parliament to debate the proposals, but with the Autumn recess and the dislocation of Parliamentary business following the death of Donald Dewar, no time has yet been allocated to this.

At the end of October, the Standards Committee also published a consultation document called “Lobbying in the Scottish Parliament”. The paper invited views from a wide range of organisations on their experience of lobbying the Parliament, how accessible they find it and whether they wish to see regulation of lobbying introduced. The parliament is expected to take a reasonably firm line on this issue following the furore early in the Parliament’s life over the so-called “lobbygate” affair.

Amongst other publications launched by committees during the Autumn period, was the Flu Vaccination Report, published by the Health and Community Care Committee. The report made uncomfortable reading for the Executive as it warned of a repeat of last winter’s health crisis. The Health and Community Committee is expected to publish its report into its inquiry into community care later in November.

### **3. The media**

It is widely recognised that Scotland has the UK’s most competitive newspaper market. Not only does it have its own indigenous press but papers from south of the border also circulate there, most with increasingly Scottish editions. Into this crowded market-place has come a further new launch, although of a specialist kind. On 20 September, *Business a.m.* was first published. It is a pink tabloid in form, aimed at the business, financial and political classes, mainly the former two. Financed by the major Swedish media conglomerate, the Bonnier Group, the paper is edited out of Edinburgh by John Penman, formerly political

correspondent of the *Scotsman* and assistant editor of the *Daily Record*. Bonnier have been engaged in launching papers of this kind in the Baltic and Scandinavia in recent years and obviously believe they understand the Scottish market-place. They are reported as backing *Business a.m.* to the tune of £15m for the next five years and aiming at eventual sales of 15,000 (Doward, 2000). Bonnier's judgement is that *The Scotsman* and *The Herald* are both stuck in their respective east and west coast fastnesses and that there is space for a newspaper that has a specific kind of pan-Scottish appeal.

The paper is aiming more at a subscription readership than at news-stand sales. At the time of writing it appears to be selling (or otherwise circulating) some 8,000 copies. Apart from competition with Scottish titles, it also has to face the impressive standing of the *Financial Times*, which sells 10,000 copies in Scotland. The Bonnier project has predictably aroused scepticism among Scottish journalists. The real fire against *Business a.m.* has come from the *Scotsman*, and in particular its editor-in-chief, Andrew Neil. Neil decried the new launch and decided to launch his own pink business section on 1 September in what was widely seen as a 'spoiler' (*The Drum*, 2000: 3). The *Scotsman* has had a volatile period. It is widely depicted as an unhappy ship, attracting considerable hostile reporting from other papers. Some commentators regard *Business a.m.* as a '*Scotsman* in exile', given the significant recruitment of journalists from the Edinburgh broadsheet. Under Neil, the paper (together with its sister publication, *Scotland on Sunday*) remains a strident critic of the Scottish Executive and of the Parliament's performance.

Individuals such as Neil do make a difference as to how editorial power functions. In February 2000, the *Sunday Herald* published a 'power map' of the relationships between politicians and journalists (Fraser, 2000a: 5). Neil was one editor who stood outside the web of inter-relations centred, above all, on the late First Minister, Donald Dewar. The lines of connection demonstrated how much the Scottish Labour Party is at the heart of Scotland's political establishment.

Another figure outside the establishment network in the *Sunday Herald's* mapping exercise was Martin Clarke, former *Scotsman* editor under Neil and subsequently (from April 1998) editor of the *Record*, Scotland's largest selling paper, a traditionally Labour-supporting

vehicle. Under Clarke, the *Record* had become a harsh critic of the Dewar-led Executive, and a thorn in its flesh, most notably over the repeal of Section 28. On 31 August, news came that Clarke had been summarily sacked by Trinity Media, the *Record's* owners (Hill, 2000: 12). This was widely seen as a successful fight-back by Tony Blair's spin-doctor, Alastair Campbell, who was keen to secure the *Record's* loyalty once more, and who was obviously thinking ahead to the UK general election, much touted as taking place in May 2001. With the appointment of Peter Cox, the *Record* did an immediate 360 degree turn in its attitude towards Labour (Nutt, 2000: 12).

The intimate relations between politics and journalism came into the frame once again after the untimely death of Donald Dewar. Controversy about the new First Minister's media connections arose almost the moment that Henry McLeish was installed as Dewar's successor. His intention to 'dump the crap' in Dewar's legislative programme, and make changes in ministers' portfolios, was first revealed not to Parliament by McLeish but rather to the public at large by Tom Brown of the *Daily Record*, in pages of the *New Statesman*, on 27 October. Brown, it transpired, would be McLeish's speech-writer, while also remaining at the *Record* (Fraser, 2000b), a dual role that has raised a few eyebrows. McLeish also sacked Donald Dewar's spin doctor, David Whitton, and replaced him with Peter McMahan. McMahan is close to Alastair Campbell and before his appointment was political editor of the *Daily Mirror* in London and a former political editor of *The Scotsman*. McLeish was reported to be 'appalled' at the lack of direction in Dewar's private office, and is known to be especially keen himself on managing the media - an approach to spinning the news which Dewar was famously noted for disdaining (Ritchie and Dinwoodie, 2000). While most of the recent focus on the politics-media nexus has concerned the Labour Party, the SNP also came into the frame when David Kerr, the editor of the BBC's *Newsnight Scotland*, resigned to stand as a candidate for Westminster.

This provoked public discussion about the political affiliations and personal relationships of key media players. Press reports identified Labour MSPs Alasdair Morrison and Ken Macintosh as former BBC Scotland employees. John Boothman, producer of *Holyrood*, the television magazine on the Scottish Parliament, was noted as being the partner of Health Minister Susan Deacon, and had been accused of bias during the Section 28 controversy by

the Keep the Clause campaign, although the BBC rejected these allegations. Lorraine Davidson, readers were reminded, had been a BBC Westminster correspondent before becoming the Scottish Labour Party's spin doctor, and then moving on to be political editor of the Scottish Mirror (Luckhurst, 2000).

Scotland's position as a dependent part of the wider UK media environment was underlined by decisions taken in London about the scheduling of network news. On 3 October, the BBC decided to move its flagship Nine O'clock News into the 10pm slot vacated by its rivals ITN. The Ten O'clock News was rapidly launched on 16 October, putting ITN onto the defensive, as - under intense political and regulatory pressure - the ITV network had decided to partially restore News at Ten in 2001. The new Ten O'clock News as been followed by a six-and-a-half minute Scottish news bulletin, replacing the old Reporting Scotland late edition. BBC Scotland presented this move as more than doubling late news output. The SNP's broadcasting spokesman, Mike Russell, commented that the 'rescheduling of news bulletins ... fails to address the problem of a lack of Scottish News in the evening'. John McCormick, Controller of BBC Scotland, indicated that Glasgow was still pursuing the project of a daily Scottish current affairs programme as a possible alternative to Newsnight Scotland (*The Times*, 2000). It is widely accepted that some rethinking of the BBC's journalism north of the border is needed as the new UK schedule competes with BBC Scotland's nightly half-hour digital news programme on BBC Choice at 10pm and back ends into Newsnight (Williams, 2000). The debate about broadcast news in Scotland is set to continue.

#### **4. Public Attitudes and Identity**

##### Attitudes towards Scotland's constitutional status

Just one poll, conducted by ICM for *The Scotsman* prior to the SNP conference in September, provided fresh evidence during this quarter on public attitudes towards devolution and Scotland's constitutional status. There were two main findings. First, the Scottish parliament continues to get a lukewarm reception so far as what it has achieved is concerned. But second, there is still no evidence so far as public opinion is concerned that

devolution is proving to be the 'slippery slope' towards independence. Just over one in ten Scots now feel that their parliament has achieved 'a lot', almost double the proportion who felt that way when the question was last asked in February. But the vast majority, 56%, still say that it has only achieved 'a little', while the proportion that says it has achieved 'nothing at all', at 29% is actually slightly up on February. Turning devolution from a constitutional scheme into a substantive reality is proving to be a slow process. Nonetheless, the polling evidence continues to indicate that there is no significant appetite for turning the devolution clock back. Support for going back to the status quo ante remains at no more than a fifth.

But equally, at around a quarter, support for independence also continues to show no signs of increasing. Indeed over the last two years support for independence has proved to be consistently lower than previously. Prior to the 1997 election support for independence was consistently above a third. During the first year of the current Labour government support was mostly in the high twenties and never fell below a quarter. But over the last two years as the Scottish parliament has become a reality, support for independence has only once been above a quarter.

Indeed the latest poll revealed that even amongst those who would vote for the SNP on the second vote in a Scottish parliament election, more prefer devolution to independence. While it might be the case that these SNP supporters would prefer a stronger form of devolution than currently in place, the finding underlines the continued difficulty that the SNP has in selling its flagship policy.

Previous opinion poll evidence (see November-February report), has suggested that one of the problems facing the SNP in persuading people to back independence is that they have not been convinced that it would bring any significant economic benefit. Further evidence of this is apparent this quarter. Despite the SNP's support for a reduction in fuel duty, noting that Scotland experienced high petrol prices despite being a major oil producer, less than one in three Scots are convinced that independence would result in cheaper petrol prices. Even amongst SNP supporters that figure does not rise above a half. On the other hand, it should be noted that only 15% thought that independence would result in higher

fuel prices. Independence may not be considered economically attractive but neither is it necessarily considered a potential disaster.

	Sep.00	Feb.00	Jan. 00	Feb. 99	Jan. 99	May 98	Feb. 98
Independence	24	27	23	24	26	33	28
Devolution	55	46	54	54	53	48	48
No parliament	18	22	19	18	18	17	21

Scotsman/ICM poll.

	Scottish Parliament 2 <sup>nd</sup> vote			
	Con	Lab	LD	SNP
Independence	10	17	16	42
Devolution	52	67	64	50
No parliament	37	14	20	7

The detailed wording of this question is as follows:-

Thinking about the running of Scotland as a whole, which one of the following would you like to see?

Scotland being independent of England and Wales, but part of the EU

Scotland remaining part of the UK but with its own devolved Parliament with some taxation and spending powers

Scotland remaining part of the UK but with no devolved parliament.

Scotsman/ICM poll.

If Scotland were an independent country do you think petrol at the pumps would be

		Westminster Vote			
	All	Con	Lab	LD	SNP
Cheaper	30	16	22	28	49
About the same	40	45	43	44	34
More expensive	15	30	17	17	4

Has the Scottish Parliament achieved.....

	Sep. 00	change since Feb. 00
A lot	11	+6
A little	56	-8
Nothing at all	29	+2

#### Attitudes towards other issues

This quarter proved to be a torrid one for the Scottish Executive even before the death of its First Minister, Donald Dewar in mid-October. First, in August a considerable number of Scottish schoolchildren either received incorrect public examination results or else did not receive them at all. Then in September it had, like the rest of the United Kingdom, to try to deal with the consequences of a blockade of oil refineries by road hauliers and others protesting at the high and rising price of petrol. The exams crisis clearly undermined public confidence in Scotland's system of public examinations, a system that is separate from that in the rest of the UK. Despite claims by the Scottish Qualifications Authority, the body responsible for the conduct of the examinations, that the difficulties were the product of errors in data processing rather than in the quality of the setting and marking of the exams, over two in three Scots say that the results of the exams could not be trusted to be accurate and reliable.

Most of the political flak from the crisis was taken by the education minister, Sam Galbraith, who refused to resign his post despite widespread demands for him to do so. He

failed however to convince a majority of the Scottish public that he was right to stay in post in order to sort the problem out. Mr Galbraith was eventually moved sideways out of the education portfolio in Henry McLeish's reshuffle. The reaction of Scots appears to have been similar to that of the public in the rest of Britain - sympathy for the actions of the protestors and unconvinced by the arguments of the government. Over four in five Scots, including two in three Labour supporters, believed that the government should reduce fuel duties even if that might be considered to be giving in to direct action. Not long after the crisis ended nearly three in four expressed support for further direct action if the government did not eventually cut fuel duties.

Trust exam results are accurate and reliable

Trust	20
Do not trust	68
DK	11

System Three/The Herald: Aug. 00

Fieldwork: 24-29 Aug. 2000

Should Sam Galbraith have resigned or was he right to stay?

	Scottish Parliament 1st Vote				
	All	Con	Lab	LD	SNP
Resigned	53	59	36	56	58
Stayed	43	38	58	44	40

MORI/Scotsman: Sept. 2000

Should Gordon Brown...

	Westminster Vote				
	All	Con	Lab	LD	SNP
Cut petrol tax because current rate is unfair	83	83	66	80	91
Keep as is because govt cannot afford to					
Give in to fuel blockades	13	9	29	16	7

MORI/Scotsman: Sept. 2000

Support further direct action if government does not cut fuel prices

		Scottish Parliament 1 <sup>st</sup> Vote			
	All	Con	Lab	LD	SNP
Support	73	82	62	70	80
Oppose	19				
DK	7				

System Three/Herald: Sept. 2000

Fieldwork: 21-26 Sept. 2000

### Political parties and elections

This has been a roller coaster of a quarter in Scottish electoral politics. Both the two major parties changed their leaders. Meanwhile the executive was faced first of all with the exams crisis and then the fuel crisis. Of these events it appears to have been the fuel crisis that had the most immediate impact on Scottish public opinion. Support for Labour, the dominant party in the executive coalition, fell a little in August in Scottish voting intentions but perhaps more significantly, the party's Westminster voting intentions were little affected, suggesting that any difficulties that Labour faced within the Scottish executive would not necessarily affect the public's willingness to re-elect the party at Westminster. However even the fall in Labour's support in Scottish voting intentions still left the party higher in the *System Three* poll than it had been only as recently as June.

However, the fuel crisis certainly had an impact, just as it did in the rest of Great Britain. Moreover although it was a problem made in Westminster it clearly affected Labour in Scotland. Labour's Westminster support fell to levels not seen since Michael Foot led the party to disaster in 1983. At the same time, the party's Holyrood support fell to an all-time low (and it suffered its biggest drops since May 1999 in local by-elections too). It was a clear warning to Labour that should it eventually have to fight a Scottish general election against the backcloth of an unpopular Labour administration at Westminster, it may struggle to retain power. This might be particularly so if the party continues to be less

popular at Holyrood than at Westminster as it continued to be in September despite the record low level of its Westminster support.

The polls provided rather contradictory evidence however about who was the major beneficiary from Labour's woes in Scotland. According to the *System Three* poll the crisis clearly benefited the SNP whose support rose by six points on both the Holyrood votes and by five points at Westminster. Even so in this poll Liberal Democrat support rose by more than did that of the SNP in Westminster voting intentions, in line with evidence in British polls that the Liberal Democrats were advancing in the wake of the fuel crisis as well as the Conservatives. Meanwhile an *ICM/Scotsman* poll conducted in September suggested that so far as Westminster vote intentions were concerned, it was the Conservatives and the Liberal Democrats who profited from the fuel crisis. A *Scottish Opinion/Sunday Mail* also appeared to relay the same message. Meanwhile so far as Holyrood voting intentions were concerned, the SNP appeared to be having to share the spoils with the other opposition parties.

In any event the *System Three* poll recorded a Labour recovery by the end of October, by which time the mantle of leadership had passed from Donald Dewar to Henry McLeish. Labour was ahead of the SNP once more in Holyrood voting intentions. Moreover in contrast to the message of the British polls the party appeared to have made a full recovery from the effects of the fuel crisis, though it should be noted that prior to the fuel crisis the party had been not performing so highly in Westminster voting intentions in Scotland as it had in most British polls.

Rather presciently, the September *ICM/Scotsman* poll undertaken before Mr Dewar's death had asked people their views not only about Mr Dewar's performance in office, but also who they thought should replace him when he retired. Evaluations of Mr Dewar's performance proved to be less favourable than any time since ICM started tracking people's perceptions during the early stages of the Scottish election campaign. Even so, it was still the case that 10% more people thought that he was doing a good job than thought he was doing a bad one.

### Holyrood Vote Intentions

Vote	Con		Lab		LD		SNP		Others	
	1	2	1	2	1	2	1	2	1	2
August	13	13	34	29	9	12	36	32	8	13
September	10	11	28	25	14	15	42	38	6	10
October	10	10	39	30	11	17	35	31	5	11

### System 3/Herald poll

	1 <sup>st</sup> vote		2 <sup>nd</sup> vote	
	%	change	%	change
Con	16	+2	16	+1
Lab	31	-5	32	+2
LDem	12	+3	13	-1
SNP	38	+2	36	+3
Oth	2	-3	3	-4

### MORI/Scotsman Poll: Sept. 2000

Change figures are change since ICM/Media House poll conducted in June 2000.

Fieldwork: 18-20 Sept.

### Westminster Vote Intentions

	Con	Lab	LD	SNP	Others
August	15	45	9	28	3
September	15	33	17	33	2
October	13	48	10	27	2

### System 3/Herald Poll

	%	change since June
Con	22	+3
Lab	36	-6
LDem	13	+3
SNP	27	+1

MORI/Scotsman Poll: Sept. 2000

Change figures are change since ICM/Media House poll conducted in June 2000.

Fieldwork: 18-20 Sept.

	%
Con	22
Lab	34
LDem	16
SNP	24
Others	4

Scottish Opinion Ltd./Sunday Mail Poll: Sept. 2000

Fieldwork: 22-23 September 2000

Is Donald Dewar doing good/bad job for the people of Scotland?

	Sep. 00	Jan 00	June99	May 99	Apr. 99	Feb. 99
Good Job	46	51	63	50	57	58
Bad Job	36	21	17	24	17	21

ICM/Scotsman: Sept. 2000

## **5. Relations with Westminster and Whitehall**

### UK ministers and the Scottish Parliament

The status of the Secretary of State for Scotland and his ministerial colleagues at the Scotland Office is relatively clear-cut. As UK ministers they are accountable to the Parliament at Westminster and if invited to do so, they would appear before its Scottish committees. The rationale behind this according to a spokesman at the Scotland Office is that if the Secretary of State chose to give evidence to the committees of the Scottish Parliament this would result in duplication, as he might have to give the same evidence to the Westminster Parliament. The same applies to the Ministers of the Scottish Executive in so far as they are not expected to be called to give evidence to the committees of the House of Commons. However, the Secretary of State attracted criticism by refusing to appear before committees of the Scottish parliament. According to the *Herald*, after he declined to attend the Finance Committee, he discussed the matter with the Presiding Officer Sir David Steel. He also wrote to Tom McCabe, the Minister for Parliament, explaining that, ‘There are political interests who might seek to misuse these mechanisms’ and that as far as UK ministers were concerned they need not necessarily appear before a Scottish Parliament committee but if they did it would be ‘exceptional for them to do so’ (*Herald* 06/10/00).

This is by no means the only occasion when this issue has arisen. In its 6<sup>th</sup> report on the EU structural funds, the Parliament’s European Committee noted that both the Secretary of State and the Chancellor declined to give evidence before it. Consequently, the question remains what sort of exceptional issue would warrant a UK minister appearing before one of the Parliament’s committees – and who decides the criteria of what is exceptional – a UK minister or the Scottish Parliament?

The Scotland Act 1998 appears to suggest that the Secretary of State could be compelled to appear before the committee. Section 23 (1) of the Act explains: ‘The Parliament may require any person – to attend its proceedings for the purpose of giving evidence’ but this is qualified in three respects. First, this does not apply to a Minister of the Crown (ie a UK Minister), unless the issue relates to areas of competence that fall within the Executive’s

remit. Secondly, there is the issue of who exactly has the authority in the Parliament to compel a person to attend its proceedings. Subsection (8) states that, ‘Such a requirement may be imposed by a committee or sub-committee of the Parliament only if the committee or sub-committee is expressly authorised to do so (whether by standing orders or otherwise).’ Third, that leaves the issue of whether the Parliament might ‘resolve’ to compel a UK minister to attend its proceedings.

### The British-Irish Inter-Parliamentary Body

The British-Irish Inter-Parliamentary Body (BIIPB) met in Galway during October 2000. The BIIPB’s roots go back to 1983 when Mr Temple Morris MP and Mr Jim Tunney TD of the Dail envisaged that there should be a closer relationship between the Westminster and Dublin parliaments but it was not until 1990 that it was formally constituted. Plenary conferences are held twice a year and its reports are submitted to the UK and Irish Governments (website [www.cipbae.org/biipb/](http://www.cipbae.org/biipb/)). At present the BIIPB’s membership consists of 25 UK and 25 Irish Parliamentarians (those MSPs who did go to Galway were simply observers – except for Dennis Canavan who is a member of the BIIPB by virtue of his Westminster seat).

When Mr Ahern the Taoiseach addressed its members in October, he commented, ‘We have entered a new phase in relations on these islands. Devolution and the Good Friday Agreement have altered the political landscape. The traditional Dublin-London axis which characterised relations for many years has given way to a more multilateral approach encompassing the recently established political institutions.’ (The Herald 10/10/00). Ahern’s comments are especially significant because they affirm that devolution has potentially far-reaching consequences for the relationship between Ireland and the UK. Since 1999 Ireland has had the opportunity to conduct bilateral relations with both Scotland and Wales. It was partly for this reason that Irish consulates were opened in Edinburgh and Cardiff recently. There is a proposal for parliamentarians from the devolved legislatures to become members of the BIIPB suggesting that MSPs intend to involve themselves directly in Scottish-Irish relations rather than leave it in the hands of the Scottish Executive.

## **6. Relations with the EU**

The issue of which minister in the Scottish Executive was responsible for Scotland's relations with the EU was in ambiguous until recently. Previously as European matters straddled the portfolios of several ministers, responsibility was shared out accordingly. In addition, relations with the EU are 'reserved' to Westminster. From this perspective it was inappropriate to have created a Scottish Minister for Europe as this would have indicated a measure of political leadership in an area of responsibility where the Scottish Parliament did not possess competence. In practice, however, the then Finance Minister Jack McConnell played the most active role in part because of his involvement with EU funds and also because he became increasingly engaged in promoting Scotland's wider interests in Brussels.

McConnell had been engaged in developing links with international bodies such as the Congress of Local and Regional Authorities (CLRA), where he sits on one of its working groups. The CLRA is a subsidiary body of the Council of Europe (<http://www.coe.int>) and although it may lack executive influence it does enable politicians from territorial legislatures to meet and discuss matters of common interest (there is also a local government committee which Cosla belongs to). Donald Dewar had been due to attend a conference of 'the Presidents of Regions with Legislative Powers' organised by the CLRA to be held at Barcelona during November 2000. That such a senior figure was scheduled to attend such an event, demonstrates that senior Scottish politicians cannot avoid an engagement with international affairs regardless of its status as a reserved power.

McConnell's formal new title is 'Minister for Education, Europe and External affairs' following Henry McLeish's recent reshuffle. Although EU affairs is linked with Scottish education in all sorts of ways this falls well short of the situation in his previous office as Finance Minister. This may reflect McConnell's perception that European affairs is a significant portfolio for a Scottish minister (and perhaps for him politically) though, according to the Scottish Executive's web site, he is relegated to 'supporting' the First

Minister and Deputy First Minister ‘in external relations, especially development and implementation of links with Europe.’ ([www.scotland.gov.uk](http://www.scotland.gov.uk))

## **7. Relations with local government**

In the fourth quarterly report we highlighted the announcement made by Wendy Alexander to provide a statutory basis for Community Planning and the Executive’s legislative proposals for Best Value (<http://www.scotland.gov.uk/bestvalue/>). The importance of the link between Best Value and Community Planning was highlighted in the Executive’s legislative proposals for Best Value. In particular, unlike in England and Wales, Best Value will be applied across the public sector in Scotland including the Scottish Executive itself. COSLA’s response to the Best Value legislative proposals in September also makes the point that Best Value will not be achieved from the sum total of public resources devoted to an area unless the same ethos and philosophy drives all public agencies. The importance of the link between Best Value and Community Planning will be developed further when the Executive publishes its legislative proposals for Community Planning. The clarity of this link will also be greatly assisted by the fact that Best Value across the public sector (including local government) and Community Planning are now the responsibility of one Minister, Angus MacKay, the recently appointed Minister for Finance and Local Government.

At the meeting of Ministers and COSLA on 11 September the recommendations of the Strategic Issues Working Group were presented (the establishment of this group was referred to in the third quarterly report). The working group made the following recommendations for the reform of local government finance.

- That 3 year revenue settlements providing each council with firm grant allocations for each of the 3 years until 2003-04 should be introduced from net year 2001-02.
- That consideration should be given to using a simplified formula to calculate the distribution for Years 2 and 3 of the 3 year settlement period.
- That further work is done following the introduction of the 3 year settlement to look at ways of simplifying the distribution formula for subsequent settlement rounds.

- To replace the current approach of expressing joint priorities with a more theme based approach based on the commitments made in “Programme for Government” and other national policy documents, recognising the important role played by local government in delivering these commitments, the unique nature of individual councils and the need for flexibility at a local level.
- To put in place pilot local outcome agreements in order to examine the effectiveness of switching from specific grants and hypothecated funding to a more outcome-based approach which might reduce the number of plans and strategies local government is required by central government to produce.
- To consider further options for replacing the present expenditure based guideline system with a more flexible council tax based approach and possible linked to improvements in consultation with local taxpayers about local tax and spending decisions.
- To introduce 3 year capital allocations for each council.
- To consider further the possibility of amending the present capital expenditure controls.

The final agreement on these issues may come at the next Ministerial meeting later in November. Whilst these recommendations have been broadly welcomed by COSLA, they fall well short of a more fundamental review of local government finance recommended by the McIntosh Commission. Local government’s view is that the present system skews the financial relationships both between central government and local government and between local government and its communities in that it undermines local accountability and autonomy. They are both unhealthy, and unless they are acted upon the present arrangements will undermine better relationships between local government and the Executive. It is hoped that, however, that these issues will be addressed in the inquiry into local government finance by the Parliament’s Local Government Committee. The terms of reference for the inquiry have now been announced ([http://www.scottishparliament.uk/whats\\_happening/news-00/clg00-031.htm](http://www.scottishparliament.uk/whats_happening/news-00/clg00-031.htm)). The broad terms of reference will be:

- to examine the current system of local government finance, including systems of local taxation;
- to identify strengths and weaknesses of the current system; and

- to make recommendations on improving the system.

Written evidence to the Committee has been requested by 18 December 2000, setting out views on the following issues:

- the balance between central and local funding
- the Council Tax
- the Non-Domestic Rate, in particular whether or not it should be returned to council control
- alternatives to the Council tax
- issues relating to the grant system including hypothecation and challenge funding
- local authorities non-housing revenue finance
- capital finance
- the role and cost of the Private Public Partnership
- the definition of the Public Sector Borrowing Requirement
- the impact of the review of the Special Islands Needs Allowance.

In October COSLA published its Protocol governing relations between MSPs and Councils. The Protocol recognised the need of everyone involved – constituents, elected members, MSPs, MPs and MEPs – in addressing satisfactorily issues raised by or on behalf of constituents. MSPs have already addressed the issue from their own perspective and guidance from the Presiding Officer on their relationships with each other when handling constituency issues can be found at <http://www.scottish.parliament.uk/msps/coc/coc-an5> on the Parliament's web-site.

An analysis of the present situation reveals that 61% of correspondence emanates from MSPs and 39% from MPs. MEP correspondence is less than 0.1% of the total. The MSP correspondence breaks down by volume to 82% constituency, 17% list and 1% from outwith the list area. Where statistics are available, it would appear that the total volume of MSP/MP correspondence may have increased by as much as 40% since July 1999. Effective co-operation between those involved will have to acknowledge that constituents may be unlikely to differentiate between the respective responsibilities of elected members,

constituency MSPs, list MSPs and MPs. Councils can avoid any duplication of effort in responding to questions raised with them by adopting the Protocol governing their relations with MSPs and other elected representatives. The protocol covers the following points:-

- Approaches to dealing with correspondence.
- Confidentiality of information disclosed to MSPs, etc.
- “Silent” copies of correspondence should be avoided.
- Timescales for dealing with straightforward and complex correspondence.
- Arrangements for meetings with MSPs etc.

## **8. Finance**

Recent developments relating to financial issues in the Scottish Parliament have been wide-ranging. These include:

- changes in ministerial responsibilities brought about as a result of Donald Dewar's untimely death;
- the publication of an "Economic Framework for Scotland" by the Executive;
- investigations by the Finance Committee into (1) European funding in Scotland and (2) the budgetary process in the Parliament.

This article deals with these issues in turn as well as giving some consideration to the now established budgetary process that allocates the block grant to the various functions of the devolved parliament.

### Changes in Personnel and Responsibilities

Angus MacKay, former deputy justice minister and a campaign manager in Mr McLeish's leadership bid, is the new finance minister, replacing Jack McConnell. This appointment may suggest a dilution of the role of finance minister because Mr Mackay has been given the additional responsibility for local government - where he faces the difficulty of the possible introduction of proportional representation in council elections, a move opposed by much of Scottish Labour. This consequently leaves less time to deal with finance. Alternatively, it suggests that MacKay is set to be a key figure in the Executive having wide-ranging powers. It clearly implies that Henry McLeish envisages a different role for

the Department of Finance than that which the Treasury plays in London. It would be unthinkable to have a minister whose responsibilities were spread across both the Treasury and a spending department, especially a spending department linked to another level of government. However, it may suggest that MacKay's position within McLeish's Executive is approaching that of Gordon Brown in Blair's cabinet.

### The Economic Framework

One of the most important recent developments has been the publication of the economic framework (<http://www.scotland.gov.uk/library3/economics/feds-00.asp>). The framework argues the case for economic development as a means to raising the quality of life of the Scottish people through increasing economic opportunities for all, on a socially and environmentally sustainable basis. The four aims designed to deliver this objective are:

- securing economic growth through international competitiveness;
- all regions of Scotland contribute and benefit;
- all in society contribute and benefit;
- development is sustainable so that future generations are considered.

It emphasises the importance of productivity growth, rather than the maintenance of existing industrial structure. It is up to the government to provide appropriate economic conditions in which productivity can increase. Economic policy should seek to "stimulate high levels of growth and sustainable increases in the rate of productivity growth, rather than look to retain or create a specific economic structure."

The role of the private sector is seen as paramount: "Private enterprises will be the key driver of the new economy, increasingly focussed on the generation and application of knowledge and on innovation. Other intermediate objectives are highlighted:

- a stable macroeconomic environment;
- a highly developed and effective transport and communications infrastructure;
- excellent management and workforce knowledge and skills;
- the dynamic competitiveness of enterprises themselves - the continuous efforts to secure a competitive edge in existing and new products;

- the embedding of a culture of enterprise in Scottish life;
- the effective use of resources, particularly in the light of waste, water and energy issues.

While it does not specify individual policies, its importance is that it will drive detailed thinking in priority areas.

The Framework is important in both an economic and a political sense. The Scottish Parliament has no control over monetary policy (Bank of England) or fiscal policy (The Treasury). Given these constraints, the most obvious way Parliament can significantly affect economic welfare is through supply side policies. This is certainly in line with recent theories of endogenous growth. The Parliament can significantly affect supply conditions, particularly in areas such as physical infrastructure and human capital and hence have a significant impact on economic development. This document is an attempt to lay out a general approach to this issue.

The political interest in this document firstly lies in the fact that Henry McLeish sponsored it. It will now be taken forward by Wendy Alexander. It will be interesting to see their level of commitment to the Framework now that their duties have changed. Its emphasis on the role of economic development and the private sector may mean that it is not universally accepted within the Labour Party.

### The Finance Committee

The Finance Committee and the Scottish Parliament Corporate Body (SPCB) have come to an understanding on the timetable of the annual budgeting process. This sets out specific dates by which spending plans are to be delivered to the Committee, which will facilitate the timetabling of its discussions of these plans.

([http://www.scottish.parliament.uk/official\\_report/cttee/finance-00/fi-bpa-02.htm](http://www.scottish.parliament.uk/official_report/cttee/finance-00/fi-bpa-02.htm))

The Finance Committee has also reached agreement with the Scottish Commission for Public Audit which sets out how the Committee might put its own expenditure proposals before the Parliament:

Normally the Scottish Ministers will present detailed expenditure proposals for the next financial year by 20 September or the first day thereafter on which the Parliament sits. The Finance Committee will then produce a report in consultation with other committees of the Parliament. This will comment on the Scottish Ministers' proposals and may include an alternative set of proposals. The total spend proposed by the Finance Committee will not exceed the total proposed by the Scottish Ministers. A plenary debate will follow in which Committees and individual members may seek to table amendments to the Executive's expenditure proposals, within the total proposed.

[http://www.scottish.parliament.uk/official\\_report/cttee/finance-00/fi-bpa-04.htm](http://www.scottish.parliament.uk/official_report/cttee/finance-00/fi-bpa-04.htm)

These arrangements therefore put in place a mechanism whereby the Finance Committee has a pivotal role in assembling an "alternative budget" in conjunction with the other Parliamentary Committees. This is an experiment in open government that will be watched with considerable interest.

### European Funding

Some months ago, the Finance Committee decided to look into the issue of European Structural Funds in Scotland precipitated in part by events in Wales. A new Programming Round to confer Objective 1 status on West Wales and the Valleys in which more than half of the Welsh population live had created two problems:

1. Given that EU payments are filtered through the Barnett-determined budget, would there be sufficient funds in the budget to pay for the projects already agreed with the EU, without drastically cutting back on other expenditures?
2. Given that most match funding ultimately comes through the Barnett Formula, would there be sufficient funds available to meet these requirements?

Alarmed that such a problem might arise in Scotland, both the Finance Committee and the European Committee decided to look into this issue. They tried to co-ordinate their approach by having the European Committee consider European issues, while the Finance Committee was to look at funding problems within the UK. Some overlap was inevitable and there was some confusion over the respective remits. The outcomes of the two enquiries have been interesting. The Finance Committee investigation has been suspended

because of difficulties in getting UK ministers to respond to requests for information. Specifically, the Secretary of State for Scotland has decided not to attend the Committee's proceedings, though invited to do so. This has turned into an issue for the whole Parliament. The convenor's liaison group under George Reid is looking into establishing protocols for UK ministers to appear before committees of the Scottish Parliament. Presumably the European Structural Funds investigation by the Finance Committee will be held over until there is some resolution of this issue. See ([http://www.scottish.parliament.uk/official\\_report/cttee/finance-00/fi00-2302.htm#Col787](http://www.scottish.parliament.uk/official_report/cttee/finance-00/fi00-2302.htm#Col787))

The European Committee submitted a report to Parliament on 6<sup>th</sup> November. Not surprisingly, it concluded that the situation in Scotland was less problematic than that in Wales. Firstly, the level of EU support in Scotland is now smaller, reflecting its relative prosperity compared with Wales. Hence the requirement to find large sums from the allocated grant to fund EU projects is less onerous. Secondly, the Barnett Formula is perhaps more generous to Scotland than Wales and consequently it is easier to fund projects from within the resources allocated to the Scottish Parliament than it is for a comparable level of EU structural fund activity in Wales.

However, the European Committee also met resistance from UK government ministers to appear before the Committee. To quote: "Although requests were made to UK Government Ministers to attend the Committee's Inquiry meetings, they declined. The Committee feels that the subsequent written information provided was not sufficient to verify the net impact of EU funding on economic development spending in Scotland. This is a matter of regret." The practical issue may have been that ministers did not wish to discuss the Barnett Formula with any committee of the Scottish Parliament. However, as mentioned above, this is now seen as an issue of principal for the whole Parliament.

[http://www.scottish.parliament.uk/official\\_report/cttee/europe-00/eur00-06-01.htm](http://www.scottish.parliament.uk/official_report/cttee/europe-00/eur00-06-01.htm)

### Budget Issues

This summer's Comprehensive Spending Review did not signal any significant change to funding arrangements for Scotland. However, it is clear that the Barnett Formula is being

rigorously adhered to. The result of this, as several commentators have suggested, is "the Barnett Squeeze": most aspects of government spending in Scotland will grow less fast than in the rest of the UK. The impact is now quite discernible. In the recent CSR, the most rapid increase in public spending for some years was announced. The Barnett squeeze has its greatest effect when public spending increases rapidly. Thus, we would expect that these plans would significantly narrow the gap between levels of provision in Scotland and England. This is the case is illustrated in Table 1 which gives the planned Department Expenditure Limits (DEL) for the Scottish Parliament proposed in the recent CSR.

**Table 1: The Barnett Squeeze in the Future**

<b>Year</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
(1) Planned Department Expenditure Limits (£bn)	£15.00	£16.20	£17.40	£18.40
(2) DEL computed by applying UK growth rates to Scotland (£bn)	£15.35	£16.68	£18.03	£19.32
(3) Difference (£bn)	-£0.35	-£0.48	-£0.63	-£0.92

The first row of Table 1 shows proposed DELs for Scotland. The next row shows what the Scottish DELs would have been had the rates of growth of public spending in Scotland been the same as those announced for the UK as a whole. The final row shows the difference between these sets of figures. These show that the combined effect of the CSR and the operation of the Barnett formula is to trim back higher levels of spending on public services quite sharply. Because public spending in Scotland is not planned to grow as fast as in the rest of the UK, the CSR means that public services in Scotland will receive almost £1bn less by 2003-04 than they would have done if the growth rate had been the same. Thus, according to current government plans, the Barnett formula will significantly erode extra per head expenditure in Scotland during the next four years. This creates a serious problem for the whole devolution venture. The Scottish public will not expect to see a relative decline in their public services compared with England in the years just after they have been given a new Parliament. But unless the Parliament succeeds in significantly increasing the efficiency of public services in Scotland, this may be the outcome, which clearly may have a knock-on effect in the political arena.



## **9. Devolution Disputes And Litigation**

### Differences between UK and Scotland on policy

The only event of potential significance is the issue about the Executive's response to the personal care recommendations in the Sutherland Inquiry.

### ECHR question over planning appeals

*The Scotsman* on 15 August published a story about the Scottish Executive's decision to appeal against a decision relating to planning applications which could mean that every new development in Scotland could be called into question under the European Convention of Human Rights. A Court of Session judge has ruled that County Properties, of Edinburgh, could go ahead with plans to demolish a listed building in Glasgow, where the architect Alexander "Greek" Thomson had worked, and replace it with a modern office block despite the Scottish Executive calling in the application. The judge, Lord McFadyen, found that under article 6 of the European Convention, the appeals procedure could be seen as not being either independent or impartial, because the Executive appoints and pays the reporters who oversee such cases.

This ruling could potentially disrupt the whole Scottish planning process, because the Scottish Executive receives around 1300 such appeals every year. The Scottish Executive confirmed that it has lodged an intention to appeal the decision. Murray Tosh, MSP, the Conservatives' transport and environment spokesman, tabled parliamentary questions to try to clarify the situation.

## **10. Political Parties**

In May the issue of leadership of the Scottish parties had been raised and it was noted that it had become topical during the early part of 2000. The main events since the last report in the political parties were the election of new leaders in the SNP and Labour Party. This marks a major change in Scottish politics. Both new leaders are Members of the Scottish

Parliament and the House of Commons but neither is as socialised into the ways of the Commons as was his predecessor. This has potential implications for the style of leadership now offered to Scotland's two main parties though early confrontations between the new leaders in the Parliament suggest that much remains the same as ever. Sections of the press seeking a gentler, more 'consensual' style of politics welcomed the arrival of two politician who had had good personal relations opposite each other when each held the Enterprise and Life Long Learning portfolio for his party. However, confrontational styles seem a function of the intense electoral competition between Labour and SNP.

### SNP Leadership contest

Alex Salmond's decision to stand down as SNP leader began a long campaign for the leadership between Alex Neil and John Swinney. Short of some unforeseen catastrophe there was never any doubt that Swinney would win. All that was in doubt was his margin of victory and how many of the other key posts would be won by his supporters. Leadership elections are rare inside the SNP despite the extreme ease with which any ordinary party member can trigger a contest. Despite constant criticisms of his leadership, Alex Salmond never faced a challenger since his own election in 1990. Indeed, the last time an incumbent SNP leader faced a contest was in 1969 and even then the incumbent, Arthur Donaldson had initially indicated his intention to stand down.

Salmond's victory ten years ago had been remarkable in that he had started out as the underdog with Margaret Ewing seen as the favourite. In the event, Salmond won a commanding victory by 486 to 186. On that occasion, Salmond supporters won all but one of the elected offices at the party's conference but a sizeable minority of his opponents were elected to the national executive committee. The main division was then, as it had been throughout the history of the SNP, between fundamentalists suspicious of devolution and gradualists/pragmatists who welcomed devolution as a step towards independence. An added factor was the deteriorating relationship between Salmond and former ally Jim Sillars. Sillars had abandoned his previous gradualist position and adopted a hardline position – taking up this position with his customary convert's zealoury. Suspicion existed that Ewing was merely a proxy for Sillars. Salmond's leadership was dogged by internal

divisions and efforts by supporters of Sillars to undermine his strategy. Salmond's standing amongst the public remained high and a poll conducted just before he handed over to his successor found that 76% of Scots thought he had been either good or quite good as a leader.

How good a leader for the SNP has Alex Salmond been?

Very good	20
Quite Good	56
Quite Bad	6
Very Bad	4
DK	14

MORI/Scotsman Poll: Sept. 2000

After Sillars' departure from front-line politics in 1992 when he lost his Govan constituency, Alex Neil adopted the role of leader of the hardliners. Neil had followed Sillars out of the Labour Party into the short-lived Scottish Labour Party in 1975 and then into the SNP. Once more the suspicion existed that the hardline candidate was a proxy for Sillars. This was not dispelled when Neil announced that the party should be less enthusiastic about Europe and rethink its policy on the Euro. As he had only recently moved the successful policy supporting the Euro this indeed seemed strange. Neither candidate was well known to the Scottish public but the preference amongst the voters generally and SNP voters specifically was for Swinney:

Swinney's emphatic victory was less than Salmond's ten years before in terms of share of the vote. Swinney won 67 % compared with Salmond's 72%. However, in other respects Swinney's position appears more secure. Swinney supporters won each of the contested offices and in some cases by considerable margins. Additionally, elections to the national executive consolidated his position. Even Kenny MacAskill, who had been defeated for the deputy leader position outpolled Alex Neil in NEC elections. Indeed, Alex Neil looks like a very lonely figure sitting on the new national executive committee. Margo MacDonald, maverick MSP and wife of Sillars, decided not to risk the probability of defeat by

withdrawing her name as a candidate for the NEC after the announcement of results for the main offices. Neil’s supporters were evidently surprised by the scale of the defeat. As had been the case a decade before with Salmond’s supporters, Swinney supporters seemed to have consistently had a better grasp of how well their can candidate was doing.

Preference for New SNP Leader

	All	Scots Parliament 1 <sup>st</sup> vote			
		Con	Lab	LD	SNP
Swinney	20	21	16	19	30
Neil	14	9	12	13	21
Don't Know	67	70	72	68	49

MORI/Scotsman Poll: Sept. 2000

The contest for the deputy leadership (Senior Vice Convener) was also a two horse race between Roseanna Cunningham and Kenny MacAskill though a third, fringe candidate – Peter Kearney - emerged. MacAskill had been associated with the Sillars faction in the past but in recent times had moved towards Salmond earning the wrath of his erstwhile hardline supporters. Cunningham had always been seen as fairly independent. Both indicated their support for Swinney leaving Kearney backing Neil. Kearney’s candidacy, more than any other, illustrates the ease with which almost anyone in the SNP can contest senior office. Kearney’s vote does, however, tell us something about the state of opinion in the SNP. This offers a good measure of the strength of the core hardliners amongst the party’s activists and suggests that they are weaker in today’s SNP than probably at any time in the party’s history. Kearney’s vote also demonstrates the distance that had opened up between MacAskill and the Sillars faction. The preferential system adopted for internal SNP elections requires candidates to win 50% +1 to win. The publication of the vote at each stage of the process allows us to see how votes transferred. While Cunningham could not be described as close to Sillars, it was obvious that Sillars supporters had decided to back Cunningham *en masse* with their second preferences. Only eleven of Kearney’s 108 votes transferred to MacAskill while sixty-six transferred to Cunningham.

Other than the leadership contest, the contest that created most controversy was for the office of Treasurer. Rarely has this office been associated with controversy in the past. Past Treasurers have generally had a low political profile and assumed a more managerial approach to the job. However, the incumbent Ian Blackford – a wealthy banker - had been a long-time ally of Sillars. He lost the confidence of the national executive and was voted out of office having missed a number of meetings. Blackford charged Salmond with spending too freely during the elections for the Scottish Parliament and suggested that a ‘senior party member’ – assumed by all to be Salmond – had misused party funds to pay for a trip for himself and his wife to Brussels. His decision to clear his name by recontesting the office against Jim Mather, a strong ally of Salmond’s meant that this was a particularly heated contest. In the event, Blackford suffered one of the most humiliating defeats for an incumbent, albeit one who had been stripped of office, in the history of the party and Mather scored the most spectacular victory of any candidate for national office.

#### RESULTS OF SNP INTERNAL ELECTIONS SEPTEMBER 2000

##### **Convener (Leader)**

Alex Neil	268 (33%)
<u>John Swinney</u>	<u>547 (67%)</u>

##### **Senior Vice Convener (Deputy Leader)**

	1 <sup>st</sup> Count	2 <sup>nd</sup> Count
<u>Roseanna Cunningham</u>	<u>391</u>	<u>457</u>
Peter Kearney	108	
Kenny MacAskill	312	323

## **National Treasurer**

Ian Blackford	143
<u>Jim Mather</u>	<u>632</u>
Jim Wright	26

Swinney went on to reshuffle the SNP team. Some SNP convenerships changed and Roseanna Cunningham gave up her role at the helm of the Justice and Home Affairs Committee to Alasdair Morgan (Galloway and Upper Nithsdale), who is also leader of the SNP's group of MPS in the Commons. The move was, however, in line with Swinney's dislike of party spokespeople also holding the convenership of the relevant subject committee. The most obvious promotion was of South of Scotland MSP Christine Grahame who moved to Alex Neil's former post as Social Security spokesperson.

## Scottish Labour leadership contest

Under the provisions of the Scotland Act, 1998, an election has to be called if the Parliament is unable to choose a First Minister within 28 days. This provision was inserted to ensure that coalition-formation, always likely given the electoral system, did not drag on indefinitely. However, in framing the legislation, no account had been taken of the possibility of a First Minister dying or demitting office during a Parliament. The assumption had been that the political parties would choose a leader prior to an election being called or change its leader only when in opposition. This became clear following Dewar's death when Labour's own internal procedures for choosing a leader collided with the provisions for the appointment of a First Minister.

Dewar had become Scottish Labour leader without a contest so this had been the first election to elect a Scottish Labour leader in history. It differed from the SNP contest in a number of respects. The constituency for electing the leader was much more restricted and stricter qualifications governed who could stand for the office. The timetable for the contest was telescoped in time and though the favourite to win came through as victor it was by a less convincing margin than most commentators had expected. Henry McLeish's position inside the Scottish Labour Party looks initially to be weaker than John Swinney's.

On the other hand, the ease with which an SNP leader – even a successful and popular one - can be the subject of a contest are such as to ensure that Swinney’s position inside the SNP may prove less secure than McLeish’s inside Scottish Labour.

By virtue of being First Minister, rather than Opposition leader, McLeish is in a stronger position within his party. Challenges to an incumbent First Minister are less likely if only because it would seriously damage the Executive. Any serious challenge would have to come from within the Scottish Parliament and, most likely, a member or former member of the Executive. The most likely scenario for a challenge to McLeish’s leadership would come after a Labour election defeat.

It might be argued, however, that far from creating a problem, this predicament spared Labour the embarrassment of a long-drawn out, bitter leadership campaign in the run-up to a UK general election. As in the London mayoral and the Welsh leadership contests, accusations that London interfered in the process were heard with Gordon Brown in particular being mentioned as backing Henry McLeish. This was much less an issue in Scotland largely because Jack McConnell, the only other candidate contesting the post, refused to become too embroiled in London bashing and accepted the truncated process adopted.

When Donald Dewar retires, who do you think would make the best leader?

	Scottish Parliament						Age	
	1st Vote						< 45	45+
	All	Con	Lab	LD	SNP	Oth/DK		
McLeish	24	34	29	28	22	18	15	34
Deacon	10	6	11	11	13	8	13	7
McConnell	7	6	15	9	7	2	6	8
Alexander	7	4	5	10	7	8	7	8
Other	8	12	9	5	9	2	11	6

ICM/Scotsman: Sept. 2000

In the event, an electoral college consisting of all MSPs plus members of Labour's Executive met on 21 October and McLeish won by 44 votes to 36 - a much narrower margin than many commentators had expected. The breakdown of the vote – between MSPs and others – was not disclosed but there was speculation that despite failing to win support from amongst Executive Members, McConnell had picked up considerable support amongst his Parliamentary colleagues. McConnell's knowledge of the party based on his years as Scottish general secretary may have proved important in his active pursuit of support in the very short period available to him. Though defeated, McConnell emerged with a strong body of support which will serve him well in any future leadership contest for two main reasons. First, he has positioned himself as a party loyalist. He avoided criticising publicly the procedures which placed him at a disadvantage. He also accepted the result and was not tempted to use his solid vote as a mandate for challenging McLeish in December. Labour did not experience a potentially log-running and bruising contest close to a general election. Second, he performed well and better than most commentators expected.

#### Local Government Elections – August to November 2000

The seven local government by-elections that have taken place since the last report have not been hugely informative in terms of illustrating trends. Of the evidence that does exist, Labour has much to be gloomy about with their vote down in comparison to the all-out council elections in 1999, losing some three seats. Two of these have had major implications in the running of the local authority. The Liberal Democrats won a seat from Labour on Inverclyde Council but is performing less well in the Highlands, a traditional area of strength. The Scottish Socialist Party contested four of the seven by-election, only one less than the Liberal Democrats. The Conservatives have secured increases in support where they have presented candidates although this has not been of the scale that would deliver them seats. The SNP appears to be benefiting from Labour's discomfort, picking up two seats.

Change in % vote since May 1999

	Con	Lab	LD	SNP
Badenoch W./Highland: 31/8	-17.8	*	-43.5	I
Logie/Dundee: 31/8	-9.6	+3.1	W	+9.0
Finderne/Moray: 21/9	+1.4	*	*	-12.8
Ward 13/Inerclyde: 21/9	*	-26.1	+14.1	-0.7
South Parks etc/Fife: 19/10	I	-13.7	I	+6.2
Cathedral/Moray: 26/10	*	-30.5	I	+3.4
Murtle/Aberdeen: 2/11	+7.4	-8.1	+3.4	-2.7

I Party fought by-election but did not fight seat in May 1999  
W Part fought seat in May 1999 but did not fight by-election  
Source: Calculated from [www.alba.org.uk](http://www.alba.org.uk)

Logie Ward, City of Dundee Council

Labour was disappointed to lose the Logie Ward of Dundee Council on 31<sup>st</sup> August after the resignation on employment grounds of the sitting Labour councillor. In a tightly fought contest, the SNP managed to take the seat from Labour. Already effectively a minority Labour administration, the party now holds Dundee even more precariously.

<b>SNP</b>	351	38.0%	+9.0%
<b>Labour</b>	332	36.0%	+3.1%
<b>Conservative</b>	135	14.6%	-9.6%
<b>Scottish Socialist Party</b>	73	7.9%	+7.9%
<b>Anti-homosexual pro Clause 28</b>	32	3.5%	+3.5%
<b>Majority</b>	19	<b>Turnout</b>	26.8%

### Badenoch West Ward, Highland Council

This by-election was another blow to the Lib Dems in an area where they lost another seat earlier in the year. The seat is also in the marginal seat of Inverness East, Nairn and Lochaber which makes it somewhat surprising that Labour chose not to present a candidate although the party is well-organised in this area. Of the 80 serving councillors, some 50 are declared independents and so such a result is not that unusual where a strong local character receives support. The poll was held on 31 August.

<b>Independent</b>	334	<i>36.9%</i>	<i>+36.9%</i>
<b>Lib Dem</b>	309	<i>34.1%</i>	<i>-43.7%</i>
<b>SNP</b>	184	<i>20.3%</i>	<i>+20.3%</i>
<b>Conservative</b>	40	<i>4.4%</i>	<i>-17.8%</i>
<b>Independent</b>	39	<i>4.3%</i>	<i>+4.3%</i>
<b>Majority</b>	25	<b>Turnout</b>	<i>52%</i>

### Finderne Ward, Moray Council

This by-election, held on 21 September, was caused by the untimely death of the sitting Independent member. On a turnout of just 27% the result tells us very little. It is not a surprising result and it does not change the complexion of Moray Council.

<b>Independent</b>	344	<i>51.6%</i>	
<b>Conservative</b>	176	<i>26.4%</i>	
<b>SNP</b>	95	<i>14.3%</i>	
<b>Scottish Independent</b>	51	<i>7.6%</i>	
<b>Majority</b>	168	<b>Turnout</b>	<i>27.0%</i>

### Ward 13, Inverclyde Council

The Lib Dems were particularly pleased to take this seat of Labour on 21 September in the Inverclyde Council area, effectively turning the council into no overall control. The Labour vote dropped very significantly. The seat resides within the Greenock and Inverclyde parliamentary constituency in which the Lib Dems are hoping to put in a healthy showing at the next General Election. Despite this, however, the likelihood of dislodging Labour is a distant one.

<b>Lib Dem</b>	323	32.5%	+13%
Labour	278	28.0%	-27.0%
<b>SNP</b>	238	23.9%	-1.6%
<b>Scottish Socialist Party</b>	122	12.3%	+12.3%
<b>Majority</b>	45	<b>Turnout</b>	33.0%

### South Parks & Macedonia Ward, Fife Council

This perennially marginal ward was always going to cause trouble for Labour, having been held by the SNP in the past. After the sitting Labour councillor resigned due to ill health, the resulting contest on 19 October, the day after Donald Dewar's funeral saw the SNP take the seat. The most acute embarrassment to Labour was the fact that the seat is within the new First Minister's constituency of Central Fife. The loss of the seat by Labour does not affect its domination of Fife Council itself.

<b>SNP</b>	418	47.4%	+6.2%
<b>Labour</b>	321	36.4%	-13.7%
<b>Conservative</b>	65	7.4%	+7.4%
<b>Scottish Socialist Party</b>	40	4.5%	+4.5%
<b>Lib Dem</b>	37	4.2%	-4.5%
<b>Majority</b>	97	<b>Turnout</b>	23.9%

### Elgin Cathedral Ward, Moray Council

This by-election was caused by the disqualification through sequestration of sitting Labour councillor, Ali Farquharson, who had been the incumbent since 1984. He was also the Labour candidate in the Scottish parliamentary elections in 1999. The poll took place on 26 October and saw a poor turnout and a collapse in the Labour vote. Fortunately for the party, the seat was their safest in the Moray Council area and they went on to take it. The 1999 results were also coloured by the fact that there were only two candidates, Labour and the SNP.

<b>Labour</b>	242	<i>41.2%</i>	<i>-30.5%</i>
<b>SNP</b>	186	<i>31.7%</i>	<i>+3.4%</i>
<b>Scottish Socialist Party</b>	69	<i>11.8%</i>	<i>+11.8%</i>
<b>Independent</b>	39	<i>6.6%</i>	<i>+6.6%</i>
<b>Lib Dem</b>	37	<i>6.3%</i>	<i>+6.3%</i>
<b>Independent</b>	14	<i>2.4%</i>	<i>+2.4%</i>
<b>Majority</b>	36	<b>Turnout</b>	<i>25.0%</i>

### Murtle Ward, City of Aberdeen Council

The by-election in the City of Aberdeen was held on 2 November following the death of the sitting Lib Dem councillor. The 22 year old Lib Dem victor this time is the youngest councillor on the council. This seat has always been a straight fight between the Lib Dems and the Tories, despite the fact that Labour holds the Westminster parliamentary seat. The local Conservative party had high hopes of retaking the seat in advance of the General Election and did advance their vote. However, it was not enough and still cannot give us much indication of any likely outcome to what will be yet another close run contest in the Aberdeen South constituency next year.

<b>Lib Dem</b>	735	50.2%	+3.4%
<b>Conservative</b>	623	42.6%	+7.4%
<b>SNP</b>	62	4.2%	-2.7%
<b>Labour</b>	43	2.9%	-8.1%
<b>Majority</b>	112	<b>Turnout</b>	35.0%

## 11. Public Policies

### Education

Education has continued to feature prominently in discussions within the Scottish Parliament although it is fair to say that not a great deal has been achieved in terms of policy development. The last quarter has been dominated by the continuing exams fiasco culminating in the resignation of the entire board of the Scottish Qualifications Authority (SQA) on 3 November, although eight of them have been retained under the chairmanship of John Ward. Both Ministers responsible for education have also changed, and the high profile bill to effectively abolish tuition fees stalled at its first Parliamentary hurdle.

In terms of actual legislation, the only live education policy within the parliamentary process is the Education (Graduate Endowment and Student Support) (Scotland) Bill. In due course this will eliminate tuition fees for Scottish domiciled students, despite there being a strong element of claw-back through a form of graduate tax at a later stage. This was introduced in mid-October but 'drafting errors' were identified during a Stage 1 debate in the Parliament, showing a need for substantial amendment. On 1 November it was announced that the Executive was to re-draft the Bill. McLeish denied that it had been withdrawn. The revelation was made at a meeting of the Enterprise and Lifelong Learning Committee to whom a letter had been sent by the former Deputy Enterprise and Lifelong Learning Minister Nicol Stephen. The committee, which was in the process of scrutinising the legislative proposals as part of their stage one consideration of the Bill, were undecided on whether it would still be a good use of their time to continue this until the amendments

had been made. The risk now is that the bill will not be on the statute books in order to ensure students would get bursaries by the start of the next academic year.

Beyond this Bill, the biggest political story of the summer recess is the continuing saga surrounding the SQA's mishandling of the summer round of examination results. The matter has now taken a more serious twist following publication of a consultant's report that has listed a catalogue of management failures by the Authority over the exams crisis. Deloitte and Touche reported there had been a number of weaknesses and difficulties. This triggered the unprecedented resignation of SQA chairman David Miller and the entire 24-strong supervisory board, although eight have had their resignations rejected by Jack McConnell. The report highlighted a number of issues including:

- Management failed to develop appropriate plans for the functioning of the organisation
- They did not deploy resources properly
- Not enough exam markers were recruited
- Staff were not properly trained
- The problems were not reported to the SQA board and the Scottish Executive, including former Education Minister Sam Galbraith.

Jack McConnell is now in a position where he must be seen to act decisively lest he become politically damaged by a situation that was not of his making, as his predecessor was. McConnell has at least got an ally in interim chief executive Bill Morton, brought in after the resignation of Ron Tuck in August. He is keen to restructure the authority and had promised that the errors would not be repeated. But even he was forced into another embarrassing apology on 1 November when it emerged the SQA had missed its self-imposed deadline for dealing with non-urgent Higher appeals, albeit by a hundred or so cases out of tens of thousands. It also emerged that staff had not informed him that the target would be missed. The opposition welcomed McConnell's stance and the Scottish National Party's education spokesman, Michael Russell was claiming much of the credit for McConnell's decision to accept the SQA Board's resignation, having recommended such action in a letter to the new Minister within hours of his appointment.

One final issue which may yet see further policy activity is the fall-out from the long-awaited McCrone Report into teachers pay and conditions. A long-term solution to teacher discontent has been needed for many months and, in October, EIS general secretary Ronnie Smith gave the clearest signal yet that agreement could be reached following publication of the McCrone report. Speaking at an EIS conference, he said the report left many questions unanswered, not least who would foot the bill, but he did say it was a 'start'. Smith said: "The long cherished EIS ambition of securing harmonisation of pay levels, structures and terms and conditions of employment among all sectors is at last within reach." It is likely that Jack McConnell will accept the bulk of the Report's recommendations within the next few months.

## Health

Significant events during the summer included the publication of the NHS National Plan and the Cancer Plan for England and Wales, accompanied by the inevitable speculation about the contents of the equivalent Scottish Health Plan, due to be published in mid-December. The challenge for the Scottish Health Minister is whether she can match the English and Welsh plans. In recent days, various leaks from the Scottish Executive about what might be in the Scottish Health Plan have annoyed opposition politicians, in particular new SNP health spokesperson Nicola Sturgeon, who has criticised the Health Minister Susan Deacon for the delay in publication of the Plan (it had been scheduled for St Andrews Day on 30 November), and the news seeping out about its contents. She said, "If the Health Minister is able to leak the Scottish Health Plan to the press then she should publish it on schedule, so that it can be subject to public and parliamentary scrutiny."

According to a report in the *Sunday Times Scotland* (Sunday, 29 October), which had seen a draft copy of the plan, there is to be a detailed programme of reforms aimed at encouraging healthier lifestyles and improving the hospital experience for patients. A new Physical Activity Task Force will encourage Scots to exercise, and pre-school children will be given free fruit at nursery to encourage healthy eating habits. Inspection teams will be sent into hospitals to monitor their cleanliness and the quality of their food. Housekeepers will be

appointed to ensure patients get the food they want 24 hours a day. Support teams will be on hand to help struggling trusts faced with financial or clinical problems. Trusts that fall below acceptable standards will face hefty fines.

According to the report, the Health Minister wants to rid Scotland of the “sick man of Europe” tag with promises of a PE task force, a “world-leading” quit smoking campaign and at least one public health nurse for each health board area. The work in preparation for the plan has involved consultation with hundreds of patients, and working groups were set up involving trust chief executives, public health experts and local authority officials. Targets are to be set for under-fives, young people, adults and older people. It aims to ensure hospitals provide the same service all year round rather than facing delays during the critical winter period when there is greater pressure on resources. It is expected that patients will be guaranteed an appointment with a GP within 48 hours, as well as prescriptions online, and there will be new targets for cancer diagnosis.

The emerging picture of the Scottish Health Plan is that it will focus on achieving a more patient-centred NHS and a more effective and responsive NHS. It is also expected to build some distance from the Milburn Plan for England and Wales, stressing Scotland’s different priorities. Where the English plan has focused on the acute sector, Scotland’s is likely to target inequalities and child health. The Scottish Health Plan is likely to focus heavily on tackling waiting times, and will try to involve the public more in finding the best way to deliver health services, with the suggestion that each trust could have a community involvement officer to ‘actively engage with the local community.’ It is also understood that the Plan will criticise the inflexibility of the NHS, and will propose breaking down the demarcations between doctors and nurses for example, and making more use of other health professionals such as pharmacists. In another connected announcement Deacon said on 3 November that she would extend the role of nurses in prescribing medicines. The plans aim to give patients quicker and more convenient access to medicines and to enable more nurses to issue prescriptions, in line with the UK Government's Review of Prescribing, Supply and Administration of Medicines.

During a debate on the health service in the Scottish Parliament on 9 November, Deacon indicated that reform of the structures within health boards and trusts was on the cards. Speculation before the debate had suggested that a reduction in the number of health boards and trusts was a possibility, but the Health Minister stopped short of such a radical step. She said, 'Redrawing the map of the NHS in Scotland is not the priority—rewiring the system is. A change in culture, rather than a change in structure, must be our immediate priority.' (column 1501, Official Report, 9 November, 2000). The Health Minister is advocating a streamlining of the existing decision making structures, to reduce complexity and improve accountability.

The Health Technology Board for Scotland has not yet announced the outcome of its appraisal of beta interferon, a drug used in the treatment of multiple sclerosis. An appeals panel set up to consider the original decision by the National Institute for Clinical Excellence (NICE) that beta interferon should not be made widely available to MS patients on prescription, decided on 8 November that NICE should reconsider its decision. The panel ruled that NICE had not explained its reasons for concluding that the drug was not cost-effective, and questioned whether the original appraisal committee had "fully considered" the long-term benefits of beta interferon for MS sufferers. It is now expected that NICE will take until early January to reconsider its decision, suggesting that it will be at least then before the Health Technology Board for Scotland makes its decision.

The Scottish Executive Department of Health was restructured in August, after the departure of Chief Executive, Geoff Scaiffe, who had held the position for eight years. The new Head of Department and Chief Executive of the NHS in Scotland, Trevor Jones, took up his position on 1 November. Questions were asked at the time about the wisdom of restructuring the Department, in the absence of a head of department who, once appointed, might be unhappy with the structure and wish to make further changes. Trevor Jones took over from Scottish Chief Medical Officer, Sir David Carter, who had been acting head of department, and retired at the end of October. The new Chief Medical Officer is Dr Mac Armstrong, a GP from near Connell and former Secretary of the BMA. This is regarded as a positive appointment, since it will strengthen the Executive's links with the BMA, and also

with GPs. It is the first time that a GP has been chosen to be Chief Medical Officer in Scotland.

The Scottish Executive has responded to the revised Arbuthnott Report on the distribution of NHS funding, softening the reallocation of budgets with a major boost to health expenditure. The Arbuthnott Report had been considered in an inquiry by the Health and Community Care Committee last year, which resulted in the report having to be revised by Sir John Arbuthnott and his committee. Although partly fortuitous, the Health Committee's investigation of the conclusions of the Sutherland report into elderly care certainly applied a spotlight to the Executive's position when it failed to uphold Sutherland's conclusions on personal care.

Another emerging issue is in relation to the health effects of water fluoridation. The Scottish Executive, as part of its Programme for Government, is committed to a consultation on whether drinking water in Scotland should have fluoride added to it to help fight tooth decay. A report published on 6 October by researchers at York University showed that water fluoridation does reduce tooth decay, but not without side effects. The Conservatives and Robin Harper for the Green Party are squaring up for a battle on this one, and have been asking a large number of parliamentary questions on the subject, and made their concerns about mass medication without consent clear during a debate on primary dental services on 25 October.

### Transport

The Transport (Scotland) Bill is currently undergoing Stage 2 of the legislative process within the Parliament, where the Transport and Environment Committee are undertaking line by line consideration of the bill and amendments. It passed Stage 1 with a vote in the Parliament Chamber on its general principles without any particular difficulties. The Transport and Environment Committee had produced a Stage 1 report that was generally consensual. The only two departures from this were statements from Conservative Transport Spokesman Murray Tosh and Green MSP Robin Harper. The former issued a statement objecting to the proposals for road user charging and the workplace parking levy

and the latter urged a statutory requirement for transport partnerships rather than a voluntary one. The process is currently producing little controversy and few difficulties for the Executive. Executive recommendations on amendments are being passed without problems.

The one item that is coming alive, as expected, is the proposal for a workplace parking levy which the Executive are now going to drop completely. This is being seen as part of Henry McLeish's drive to "re-focus" Executive policy and remove those unpopular policy elements from the legislative programme. However, the measure had received very little support during the legislative process. Even Labour and Lib Dem MSPs pledged only conditional support and Glasgow City Council was the only authority who indicated that they would ever implement such a power. The re-focussing of policy has also led to a softening of the attitude to road building with the M74 Northern Extension again being looked at seriously by the Executive. The dropping of the levy proposal will also be seen as another blow to Transport Minister Sarah Boyack who had personally backed the scheme fully. The focus is now likely to turn to opposition to the road user charging element of the Bill.

The Transport and Environment Minister, Sarah Boyack, gave a detailed spending statement on transport on 28 September as a result of the Executive Spending Strategy statement by Jack McConnell, Finance Minister, the previous week. The biggest headline of the day went to the proposal for free local bus services for pensioners and disabled people by late 2002. Understandably, this found widespread support amongst both politicians and commentators alike. Spending is due to increase by 45 per cent over the next three years. The three-year programme announced by the Minister includes:

- Freight Facilities Grants to receive extra funding of £36 million up to March 2004. The target for removing lorry miles increases to 18 million March 2002. The grant scheme will also be extended to include short sea coastal shipping as an alternative to road use.
- free off-peak bus travel for pensioners and disabled people
- £70 million to repair local roads
- a £150 million public transport investment fund
- a new £75 million fund to support major integrated transport projects
- £68m additional funding for motorways and trunk roads

- increased funding for rural transport

The other major announcement of this quarter was that of the Executive accepting the strategic need to complete the M74 extension. Whilst not agreeing to fund the proposal outright, Boyack did state that the Executive would consider proposals in studies being carried out to meet the transport needs for west central Scotland. Boyack also made the firm pledge that the Executive, directly and with partners, will implement the decisions flowing from the studies into the needs of the A8, A80 and now M74 corridors and the decisions following the study of the Kincardine Bridge. The new £75 million Integrated Transport Fund will be used to support initiatives on the following criteria:

- are founded in well-prepared and widely accepted local or regional transport strategies;
- clearly contribute to a modern, safe, reliable and integrated transport system;
- lever in private investment; and
- pave the way for the introduction of congestion charging or work-place parking levies

The proposals have been generally welcomed although the opposition did criticise levels of investment in road infrastructure. The SNP in particular are still pushing the idea of a national transport strategy akin to the Westminster 10-year plan.

### Progress of Bills

The following legislative progress was made:

**The Sea Fisheries (Shellfish) Amendment (Scotland) Bill** was passed, and received Royal Assent on 2 November. A number of other Bills remain at various stages and these are set out below.

#### **Abolition of Poindings and Warrant Sales Bill**

Stage 2 completed 19 September

Education (Graduate Endowment and Student Support) (Scotland) Bill

Introduced 5 October

### **Family Homes and Homelessness (Scotland) Bill**

Stage 1 (evidence, Social Inclusion, Housing and  
Voluntary Sector Committee) 1 November

### **Leasehold Casualties (Scotland) Bill**

**Stage 1 (Justice and Home Affairs Committee) 8 November**

### **Mortgage Rights (Scotland) Bill**

Stage 1 (evidence Social Inclusion, Housing and  
Voluntary Sector Committee) 1 November

### **Protection of Wild Mammals (Scotland) Bill**

Stage 1 (evidence, Rural Affairs Committee) 14 November

### **Salmon Conservation (Scotland) Bill**

Stage 1 (evidence, Rural Affairs Committee) 7 November

### **Transport (Scotland) Bill**

Stage 2 (Day 3, Transport and the Environment Committee) 8 November

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