

# **ENTERPRISE AND CULTURE COMMITTEE**

#### **AGENDA**

25th Meeting, 2006 (Session 2)

#### **Tuesday 31 October 2006**

The Committee will meet at 2.00 pm in Committee Room 5.

**1. Budget process 2007-08 (Stage 2):** The Committee will take evidence on the enterprise budget from—

Nicol Stephen MSP, Deputy First Minister and Minister for Enterprise and Lifelong Learning, Philip Rycroft, Head, and Graeme Dickson, Group Head (Enterprise and Industrial Affairs), Enterprise, Transport and Lifelong Learning Department, and Chris McCrone, Team Leader (Enterprise, Transport and Lifelong Learning), Finance and Central Services Department, Scottish Executive;

and then on the lifelong learning budget from-

Nicol Stephen MSP, Deputy First Minister and Minister for Enterprise and Lifelong Learning, Philip Rycroft, Head, and Mark Batho, Group Head (Lifelong Learning) Enterprise, Transport and Lifelong Learning Department, and Chris McCrone, Team Leader (Enterprise, Transport and Lifelong Learning), Finance and Central Services Department, Scottish Executive.

2. Petition PE783: The Committee will consider a petition by James Reynolds on behalf of the *Scotsman* newspaper, calling for the Parliament to support the establishment of the golden eagle as the national bird of Scotland, and take evidence from—

James Reynolds, Media Officer, RSPB Scotland, and David Lee, Assistant Editor, the *Scotsman* newspaper.

Stephen Imrie Clerk to the Committee Tel. 0131 348 5207

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The following meeting papers are enclosed:

#### Agenda Item 1

Draft Budget 2007–08: Enterprise and Lifelong Learning EC/S2/06/25/1

Outturn statement for Enterprise and Lifelong Learning Department EC/S2/06/25/2

SPICe briefing paper: Draft Budget 2007-08 - Enterprise and Culture EC/S2/06/23/2 Committee (previously issued for the meeting of 3 & 24 October 2006)

#### Agenda Item 2

EC/S2/06/25/3 Petition PE783: Background and options paper

#### Papers circulated for information only

Clerk's Bulletin, No 25 (2006)

# Draft Budget 2007 - 08

# **Enterprise and Lifelong Learning**

To increase prosperity for all the people of Scotland by supporting business, encouraging enterprise, building on the excellence of our universities and colleges, and improving skills and employability

#### **Objectives and Targets**

Objective 1		Raise the long-term sustainable growth rate of the Scottish economy.
Target	1	Increase business investment in research and development compared to OECD competitors.
Target	2	Improve productivity levels in Scottish industry compared to OECD competitors.
Target	3	Increase entrepreneurial activity in Scotland over time.
<i>Objective</i> 2		Influence Scotland's industry towards more sustainable patterns of development.
Target	4	Work towards our 2020 target for 40% of Scottish electricity generation to be from renewable sources by achieving 18% by 2010.
Target	5	Improve public sector energy efficiency and continue to encourage greater resource efficiency in the private sector.
Objective 3		Improve the skill base of Scotland to be better prepared to meet the demands of the knowledge economy.
Target	6	Increase the number of people in employment undertaking training.
Objective 4		Closing the opportunity gap in employment and learning.
Target	7	Close the gap in unemployment rates between the worst 10% of areas and the Scottish average by 2008.
Target	8	Reduce the proportion of 16-19 year olds not in education, training and employment by 2008.
Objective 5		Maintain and improve the competitive position of the Scottish higher and further education system in Scotland in order to ensure continued access, high quality teaching and effective research.
Target	9	<ul> <li>(i): Higher education in higher education institutions (HEIs) - Make better use of publicly funded undergraduate capacity in Scottish HEIs.</li> <li>(ii): Higher education in further education colleges (FECs) - Maintain and build on the high percentage of all higher education student enrolments at further education colleges who complete their programme of study.</li> <li>(iii): Further education in FECs - Maintain and build on the high percentage of all further education student enrolments at further education colleges who complete their programme of study.</li> </ul>
Target	10	Maintain and build on the existing high quality research undertaken by higher education institutions in Scotland by ensuring Scotland's relative performance in Research

Assessment Exercise (RAE) 2008 is maintained.

#### Spending plans 2002-08

**Table 5.01 Categories of spending (Level 2)** 

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans
Student Awards Agency for Scotland	346,246	360,340	370,336	368,639	362,639	364,639
Scottish Further Education Funding Council	419,272	428,442	474,270	534,708	-	-
Scottish Higher Education Funding Council	699,348	737,521	787,399	852,993	-	-
Scottish Further and Higher Education Funding Council <sup>1</sup>	-	-	-	-	1,560,201	1,647,201
Scottish Enterprise	428,678	461,201	448,902	441,103	456,163	466,163
Highlands & Islands Enterprise	87,995	91,549	92,502	99,471	94,971	102,971
<b>Regional Selective Assistance</b>	69,709	43,209	40,209	48,209	45,209	43,209
European Structural Funds <sup>2</sup>						
Support to Local Authorities	51,604	51,604	64,404	57,204	0	0
Central Government	146,872	121,891	82,145	104,095	0	0
Other Enterprise and Lifelong Learning	65,628	90,493	119,484	153,077	143,187	145,017
Student Loans	-	-	-	-	181,346	181,346
Total	2,315,352	2,386,250	2,479,651	2,659,499	2,843,716	2,950,546
Student Loans net new lending and Student Loans subsidy to banks (outside TME) <sup>3</sup>	204,251	166,823	184,786	181,346	-	-

#### **Notes:**

<sup>1.</sup> The Scottish Further Education Funding Council and the Scottish Higher Education Funding Council were merged on 3rd October 2005 and became The Scottish Further and Higher Education Funding Council. The budgets for each Council have been shown separately until the merger. Post merger the 2006-07 and 2007-08 budgets for colleges and HEIs continue to be shown separately in Table 5.04.

<sup>2.</sup> HMT has reclassified EC income as Negative DEL. The result of this reclassification is that we now report the expenditure net of expected EC income, which gives a net expenditure of zero. The level 3 budgets at tables 5.08 to 5.11, the "Support to Local Authorities" and "Central Government" budget lines are not reported for 2006-07 and 2007-08. Instead the European Regional Development Fund Programmes and the European Social Fund Programmes are reported.

<sup>3.</sup> Student Loans have been reclassified by HMT as AME from 2006-07 onwards.

Table 5.02 Categories of spending (Level 2 real terms) at 2006-07 prices

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans
Student Awards Agency for Scotland	383,150	387,235	387,422	377,645	362,639	355,198
Scottish Further Education Funding Council	773,886	792,567	823,728	873,832	-	-
Scottish Higher Education Funding Council	463,959	460,420	496,152	547,771	-	-
Scottish Further and Higher Education Funding Council <sup>1</sup>	-	-	-	-	1,560,201	1,604,551
Scottish Enterprise	474,368	495,624	469,613	451,879	456,163	454,093
Highlands & Islands Enterprise	97,374	98,382	96,770	101,901	94,971	100,305
<b>Regional Selective Assistance</b>	77,139	46,434	42,064	49,387	45,209	42,090
European Structural Funds <sup>2</sup>						
<b>Support to Local Authorities</b>	57,104	55,456	67,375	58,601	0	0
Central Government	162,526	130,989	85,935	106,638	0	0
Other Enterprise and Lifelong Learning	72,623	97,247	124,997	156,817	143,187	141,262
Student Loans	-	-	-	-	181,346	176,651
Total	2,562,128	2,564,353	2,594,056	2,724,471	2,843,716	2,874,149
Student Loans net new lending and Student Loans subsidy to banks (outside TME) <sup>3</sup>	226,021	179,274	193,312	185,776	-	-

#### What the budget does

The work of the Enterprise and Lifelong Learning (ELL) portfolio is focused on helping to grow Scotland's economy. The largest part of the expenditure is on growing the long term capacity of our population through Further and Higher education and training. We provide significant amounts of direct assistance to those who want to start or grow a business. We develop policy and work with business to remove the barriers that exist to its growth. ELL's focus is not primarily spending resources, but acting to create a more business-friendly environment to enable business and the economy to grow.

Our objectives are also supported by the European Structural Funds programmes.

In everything that we do we are committed to ensuring that we work to promote equality, closing the opportunity gap, and to ensuring that our activities are sustainable.

Over the current Spending Review period (to 2008) we will focus our resources on making a significant investment in Further and Higher education, particularly in meeting the sector's capital requirements. We will maintain resources allocated to the Enterprise Networks. The other

important work we do will be maintained with smaller budgets largely held flat, supporting increases in lifelong learning.

#### Statement of priorities

In 2007-08 we will focus our resources on:

- supporting growth and improving productivity throughout the economy;
- supporting an aspiring, ambitious and enterprising business and learning culture;
- making Scotland an attractive place in which to live, learn, work and do business;
- connecting Scotland at home and abroad;
- closing the opportunity gap; and
- delivering efficient and effective public services.

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#### **Growing the Economy**

We will grow the economy by:

• The Executive's economic development strategy Framework for Economic Development in Scotland" recognises that sustained productivity increases are an essential determinant of long term sustainable economic growth. ELL supports a number of initiatives that influence key drivers of productivity, including skills, investment, innovation and enterprise.

#### **Skills**

- Increasing the skills and education of the workforce can have a significant impact on the economy's productivity and growth. Continued investment in higher and further education and the provision and support of training initiatives ensures that individuals have the opportunity to gain appropriate skills making sure that the workforce is equipped with the necessary skills to be as productive as possible. This necessitates action in several areas, reflecting the needs of different sections of the labour force; and
- Accordingly, ELL has several targets in this area, and funds a number of policies and initiatives designed to increase the number of people in employment undertaking training; to reduce the proportion of 16-19 year olds not in education, employment or training; to improve the number of students enrolled in higher education completing the programme of study; and to close the gap in unemployment rates across Scotland. These initiatives include support for Modern Apprenticeships; paying the tuition fees for eligible Scottish domiciled students at Scottish institutions; continued support for the Graduate Endowment to help fund future student support and the reintroduction of Individual Learning Accounts. The Executive also administers the Education Maintenance Allowances, which receives funding from HM Treasury through the Annually Managed Expenditure budget;

#### Investment

• The Regional Selective Assistance (RSA) grant scheme helps raise the long term sustainable growth rate of the Scottish economy through encouraging investment projects, both by indigenous and overseas owned investors, which support and improve

competitiveness and employment in the relatively underperforming parts of Scotland. The RSA scheme is a principal means by which the Executive can intervene to encourage

employment creation and safeguard jobs. The key scheme target is to provide RSA offers linked to the planned creation and safeguarding of 6,000 jobs annually. In the 4 financial years to 31 March 2006, businesses in Scotland accepted 656 offers of RSA totalling £232m. These offers relate to projects with planned investment of £952m with the aim of creating or safeguarding some 32,500 jobs.

#### **Enterprise**

- Encouraging entrepreneurship and new business formation is an important aspect of the ELL portfolio, as higher levels of both increase productivity and the competitiveness of the economy. Accordingly, one of the department's key targets is to increase entrepreneurial activity in Scotland. ELL and the Enterprise Networks currently support a number of initiatives in this area, including the Business Start-up Grant, the £45m Scottish Co-investment Fund, Business Gateway and the Executive's enterprise in education strategy, "Determined to Succeed", that places enterprise and entrepreneurship at the heart of education in Scotland;
- The Executive's broadband strategy recognises that in remote rural areas the market is unlikely to meet the anticipated demand for high capacity bandwidth under current procurement practices. Therefore, the Executive has committed a total of £90m (commencing August 2004 and currently available for a period of up to 9 years from that date), to fund the Pathfinder project which aims, through aggregated public sector procurement, to encourage suppliers to invest in necessary infrastructure to provide scalable bandwidth to serve the needs of schools and local government in Highlands & Islands and the Borders.
- The Executive is committed to a secure, affordable, low carbon energy future for Scotland as well as supporting the growth of energy industries in Scotland in a way that is balanced with the need to protect Scotland's environment. Delivering that energy future for Scotland will require significant new investment by energy supply companies across a range of sectors including electrical generation; and the oil, gas and coal sectors. The Energy Study has helped inform the Executive's thinking on energy policy in a number of areas. The Executive expects to commission further research that would follow on from this work and is also examining potential pilot projects that would support the above objectives.

#### Innovation

• ELL also provides support for innovation and for the science base, both of which have an important role to play on the economy's rate of growth by introducing new products, processes and ideas into the market. The portfolio has targeted increased expenditure on Research and Development by business in Scotland. With the Enterprise Networks, ELL has provided funding for a number of policies in place in this area, including £21.5m over the past 3 years for SMART and SPUR, SEEKIT (Scottish Executive Expertise, Knowledge and Innovation Transfer) and SCORE (SME Collaborative Research) and over £40m over 6 years since 1999 for the Proof of Concept programme. Scottish Enterprise is investing £450m over 10 years for the three Intermediary Technology Institutes (ITIs); and

• The Executive is committed to sustainable development, and has developed and is implementing a Green Jobs strategy to help Scotland benefit from the opportunities emerging in environmental industries. ELL is also committed to increasing the percentage of Scottish energy generated from renewable sources, and improving public and private sector energy efficiency. Accordingly, the Executive introduced the Scottish Community and Household Renewables Initiative in 2002-03 now worth over £16m over 5 years; is assisting in the development of the marine energy sector principally through the establishment of the European Marine Energy Centre in Orkney (£6m); and is committed to producing an Energy Efficiency Strategy for Scotland, which may result in new measures and initiatives being developed.

#### **Closing the Opportunity Gap/Promoting Equality**

#### Closing the Opportunity Gap

We will close the opportunity gap by:

- ensuring that the mainstream work of the ELL portfolio contributes to closing the
  opportunity gap both by promoting enterprise (through the Enterprise Networks) which
  brings employment opportunities and the acquisitions of skills through lifelong learning,
  which increases employability;
- ensuring that specific targeted action includes tackling financial barriers to learning through paying university fees, Individual Learning Accounts and Education Maintenance Allowances;
- ensuring delivery of a high quality provision by funding Further and Higher Education and Modern Apprenticeships. The aim for Modern Apprenticeships will be to sustain the numbers in training above 30,000, while building on recent success in improving completion rates;
- targeting information, advice and guidance deficits by funding learndirect Scotland, Careers Scotland and the Scottish Credit and Qualifications Framework;
- funding targeted support for disadvantaged or vulnerable groups through the
  implementation of Workforce Plus An Employability Framework for Scotland and More
  Choices, More Chances, a strategy to reduce the proportion of young people not in
  education, employment or training ( NEET), The aim is to stem the flow of young people
  who become NEET and to reduce levels of worklessness by supporting local partnerships
  to achieve higher levels of performance and create a coherent employability service; and
- targeting support to disadvantaged areas by using Regional Selective Assistance to help increase economic activity and to help close the gap in unemployment rates between these areas and the Scottish average. Also use of Local Regeneration Projects and European Structural Funds.

#### **Promoting Equality**

We will promote equality by:

- continuing our policy to support Modern Apprenticeships having already achieved the target of having 30,000 in employment and training by 2006, targeting under-represented groups;
- continuing to require all organisations receiving European Structural Funds to demonstrate a clear commitment to equal opportunities in their projects. In addition, applications for £1.2 million of European funding has been received this year for activity to promote gender equality in 2007 under the current European Social Fund Programme; providing additional funding to Scottish Enterprise so they may work with business to help them recognise and act on the benefits for business success of addressing equality and diversity in employment and in their markets.

  making available around £2.25m to continue providing the disabled students' allowance for the provision of specialist equipment, a non-medical personal helper or additional assistance to students, if required as a result of their disability, in order for them to attend or undertake a full or part-time higher education course; and
- working with SEn on implementation of the strategy on women's enterprise Sharpening the Focus. The strategy identifies the issues and constraints faced by women and provides a clear focus for the Enterprise Networks in encouraging more women to start-up in business.

#### **Sustainable Development**

We will enhance sustainable development by the following inputs:

- The Forum for Renewable Energy Development in Scotland, a high level Forum to promote renewable energy in Scotland, which brings together representatives from the renewables industry, the established energy industry, academia and other stakeholders. The group focuses on how to support the emerging renewable energy technologies;
- Working to encourage participation in renewable energy projects by communities and local authorities;
- The Executive's commitment to generate 40% of Scottish electricity from renewables by 2020 has been the driver behind successful developments such as the manufacturing facilities at Campbeltown and Lewis and the European Marine Energy Test Centre in Orkney;
- Going for green growth: a green jobs strategy for Scotland was published in June 2005 and sets out a robust framework within which we can deliver strong growth and associated employment while reducing our impact on the environment around us; and
- New linkages between RSA and sustainable development have been introduced, building on the direct support that RSA offers to eligible green projects and these linkages will be extended. All applicants for grants of £1m and over are now required

to engage constructively with the Department or its agents on resource efficiency issues. In addition we also offer all companies applying for an RSA grant a free energy audit.

# Student Awards Agency for Scotland (SAAS)

#### **Spending Plans 2002-08**

Table 5.03 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans
<b>Tuition fees</b>	131,356	136,142	136,130	136,130	136,130	136,130
Grants and Bursaries	96,810	108,310	113,055	110,330	125,150	125,350
Student Loan subsidy net (RAB) 1	99,239	96,978	101,978	102,978	81,578	83,378
Capital charges ( SAAS administrative RAB)	1,300	1,175	1,175	1,175	1,175	1,175
Unwinding of Debt sale subsidy provision	7,000	7,000	7,000	7,000	7,000	7,000
SAAS running costs	5,307	5,557	5,820	5,848	6,428	6,428
Student Loans Company administration cost	5,234	5,178	5,178	5,178	5,178	5,178
Total	346,246	360,340	370,336	368,639	362,639	364,639
Student Loans net new lending	191,031	153,603	171,566	168,126	168,126	168,126
Loans subsidy to banks	13,220	13,220	13,220	13,220	13,220	13,220
Total net new lending and loans subsidy (outside TME) <sup>2</sup>	204,251	166,823	184,786	181,346	181,346	181,346

#### Notes:

<sup>1.</sup> This includes Graduate Endowment income budget of £23.972m for 2007/08 which has been used to fund student support of £23.972m in accordance with the Graduate Endowment Act. The net effect on the budget is zero.

<sup>2.</sup> Student Loans have been reclassified by HMT as AME from 2006-07 onwards.

#### What the budget does

#### This budget:

- provides financial support and advice to Scottish domiciled students undertaking courses of higher education in the UK and abroad;
- administers schemes covering undergraduate and postgraduate students and, on behalf of the NHS Management Executive, runs a bursary scheme for nursing and midwifery students; and
- administers the Graduate Endowment Scheme.

Levels of spending are demand-led, but capped by the overall control maintained on the numbers of students for which the Scottish Funding Council funds institutions.

#### SAAS also:

- distributes Hardship Funds and the Childcare Fund to higher education institutions and monitors payments; and
- processes applications for student loans and pays the Scottish share of spending by the Student Loans Company Limited (including the Company's running costs).

# **Scottish Further and Higher Education Funding Council**

#### **Spending Plans 2002-08**

Table 5.04 More detailed categories of spending (Level 3)

£000s	2002- 03 Budget	2003- 04 Budget	2004- 05 Budget	2005- 06 Budget	2006-07 Budget	2007-08 Plans
Colleges (formerly funded through SFEFC)	394,588	403,758	431,836	464,124	509,624	526,624
Indirect Capital for Colleges (previously funded through SFEFC)	20,920	20,920	37,920	65,920	87,920	87,920
Higher education institutions (formerly funded through SHEFC)	668,430	705,562	772,902	810,346	898,346	938,346
Indirect capital for HEIs (previously	27,171	28,212	10,000	38,000	55,000	85,000

funded through SHEFC)						
SFHEFC administration costs (previously spilt 50%/50% between SFEFC and SHEFC)	6,490	6,490	7,990	8,290	8,290	8,290
Non-cash budget (formerly SFEFC)	519	519	519	519	519	519
Non-cash budget (formerly SHEFC)	502	502	502	502	502	502
Total SFEFC	419,272	428,442	474,270	534,708	-	_
Total SHEFC	699,348	737,521	787,399	852,993	-	-
Total SFHEFC	-	-	-	-	1,560,201	1,647,201

#### What the budget does

The Scottish Further Education Funding Council and the Scottish Higher Education Funding Council were merged on 3rd October 2005 and become The Scottish Further and Higher Education Funding Council. These budgets were shown separately until this time. Post merger the 2006-2007 and 2007-2008 budgets for Colleges and HEIs will continue to be shown separately.

The Scottish Further and Higher Education Funding Council will fund Scotland's Colleges and Higher education institutions (HEIs). This budget line supports the further and higher education teaching and learning, research and wider knowledge transfer activities of 20 HEIs and Scotland's 43 Colleges. This includes the activities in Scotland of the Open University.

In 2007-08, public investment in Colleges and HEIs will:

- support continued provision of high quality, effective and relevant teaching and learning which is flexible and responsive to current demand and the future needs of Scotland;
- support initiatives to widen access to traditionally under-represented groups, foster equal opportunities and improve retention;
- develop the links between Colleges and HEIs colleges so that it is easier for students to move between different types of institution; and
- support the embedding of high quality management and leadership throughout HEIs.

This public investment in Scotland's Colleges will fund:

- continued provision of high quality, effective and relevant further and higher education to record numbers of students - participation in FE now stands at around one enrolment for every ten Scots;
- improvements to the sector's flexibility and responsiveness so that the range of learning opportunities on offer best matches current demand and the future skills needs of Scotland;
- increased and enhanced partnership activity between schools and colleges;
- a strategic approach to the development of the sector's estate and an increasing programme of modernisation of the colleges' fabric and facilities;
- increasing participation and retention of traditionally under-represented groups and students with special needs;
- continued quality improvement of provision and of College governance and management;
- support to ensure that the situation of Colleges in poor financial health is turned around;
- student support for living, study, childcare etc, targeted at those in greatest need, to make further education more accessible; and

• begin a sustained programme of significant new investment in Colleges teaching estate, to enhance the Colleges' modernisation programme to provide a modern, efficient and flexible infrastructure appropriate for supporting 21 st century teaching.

#### Funding for HEIs will:

- provide robust funding for research so that Scotland remains competitive with the rest of
  the UK and internationally, including on charity funded research; support the development
  of new or emerging areas of research activity; encourage collaboration between
  institutions, in particular on research pooling, with the aim of boosting quality in certain
  subject areas, and support increased knowledge transfer from higher education into the
  wider economy and society;
- support the sector on international educational and student exchanges and overseas recruitment. This work will support the delivery of the Executive's International Strategy; provide continued investment in information and communications technology (ICT); and
- begin a sustained programme of significant new investment in HEI's teaching estate, to provide a modern, efficient and flexible infrastructure appropriate for supporting 21 st Century teaching. Following a £28m allocation to the sector in 2005-06 through the HE Learning & Teaching Infrastructure Fund, a further £45m was allocated in 2006-07 with an additional £75m to follow in 2007-08.

#### **Scottish Enterprise**

#### **Spending Plans 2002-08**

Table 5.05 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 <sup>1</sup> Plans
<b>Growing Business</b> <sup>2</sup>	110,636	102,063	109,386	101,386	116,386	110,100
Skills and Learning	132,556	157,079	155,929	155,779	155,839	150,060
<b>Global Connections</b>	77,594	100,000	82,000	82,000	82,000	94,000
Management and Administration	75,000	92,000	91,528	91,879	91,879	91,944
Careers Scotland <sup>3</sup>	20,993	-	-	-	-	-
Voted Loans (Net)	2,277	437	437	437	437	437
Non-cash budget <sup>2</sup>	9,622	9,622	9,622	9,622	9,622	19,622

Total	428,678	461,201	448,902	441,103	456,163	466,163
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#### **Notes:**

1. The budget for 2007-08 is provisional until the Scottish Executive has agreed Scottish Enterprise's Operating Plan. Budgets have been changed under each theme in 2007/08 to reflect SEn's spending on each area.

2. The non-cash element of the budget has been increased by transferring £10m from Growing Business. This will allow SEn to release up to an equivalent amount from reserves.

3. From 2003-04, the full estimated operating costs for Careers Scotland (including operational and support staff costs, project costs, ICT, cost of premises, etc) are included in Skills and Learning. These are £55.5m (2003-04), £51.3m (2004-05), £56.4m (2005-06), £55.9m (2006-07) and £54m (2007-08).

#### What the budget does

A Smart, Successful Scotland (SSS) which provides the Executive's strategic direction to the Enterprise Networks (Scottish Enterprise and Highlands and Islands Enterprise),

(<a href="http://www.scotland.gov.uk/library3/enterprise/sss-00.asp">http://www.scotland.gov.uk/library3/enterprise/sss-00.asp</a>) was 'refreshed' in November 2004. The purpose of the refresh was to reflect progress made since SSS was first published in 2001; to ensure challenges facing the economy which it addresses remain relevant; to reflect the Executive's commitment to sustainable development; and to make clearer the linkages between SSS and other cross-cutting policy areas (e.g. closing the opportunity gap).

A measurement framework has been established for *A Smart Successful Scotland* that sets medium to long-term outcome measures for the Scottish economy. Scottish Enterprise (and Highlands and Islands Enterprise) agree Corporate Plans with the Executive which set out the actions they will undertake to contribute to the desired outcomes.

The current Scottish Enterprise Operating Plan spans the three year period 2006-09, with detailed emphasis on 2006-07. Activity and budgets are set out against the SSS themes of Growing Businesses, Global Connections and Skills and Learning. Over the period of the Plan, Scottish Enterprise will spend between £60-£70m annually on Growing Businesses including on business start-ups (including survival and growth), developing high potential companies and the Coinvestment Fund, which provides risk capital for early stage ambitious Scottish businesses. Under Skills and Learning, annual investments for Modern Apprenticeships for young people will be £38m, with £14m for Skillseekers and £19m for Get Ready for Work. The Global Connections theme includes the Competitive Place Strategic Investment Plan and, within this, Scottish Enterprise's contribution to the River Clyde regeneration projects (including Pacific Quay, Clydebank rebuilt and Glasgow Harbour), which will receive annual funding of between £85 to £95m.

#### **Highlands & Islands Enterprise**

**Spending Plans 2002-08** 

Table 5.06 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 <sup>1</sup> Plans
<b>Growing Business</b>	13,000	16,000	16,083	23,083	18,583	21,000 1
Skills and Learning	19,000	19,557	20,082	20,107	20,107	20,000
<b>Global Connections</b>	22,000	22,000	22,000	22,000	22,000	22,500

<b>Strengthening Communities</b>	5,000	5,000	5,000	5,000	5,000	10,500
Management and Administration	12,899	15,000	15,345	15,289	15,289	14,979
Careers Scotland <sup>2</sup>	2,104	-	-	-	-	-
Non-cash budget	13,992	13,992	13,992	13,992	13,992	13,992
Total	87,995	91,549	92,502	99,471	94,971	102,971

#### **Notes:**

1. The budget for 2007-08 is provisional until the Scottish Executive has agreed Highlands and Islands Enterprise's Operating Plan. Budgets have been changed under each theme in 2007/08 to reflect HIE's spending on each area. 2. From 2003-04, the full estimated operating costs for Careers Scotland (including operational and support staff costs, ICT, cost of premises, etc) are included in Skills and Learning. These are 3.9m (2003-04), £4.8m (2004-05), £5.6m (2005-06), £5.7m (2006-07) and £5.8m (2007-08).

What the budget does Highlands and Islands Enterprise (HIE) will continue to pursue the strategic direction set out in the refresh of *A Smart, Successful Scotland*. In addition to the themes of Growing

Businesses, Global Connections and Skills and Learning, HIE has an additional remit to Strengthen Communities. HIE have applied these themes to the specific conditions of the Highlands and Islands, taking into account the distinct challenges facing the region, in *A Smart*, *Successful Highlands and Islands*. This document considers HIE's wider social remit and seeks to link the organisation's day-to-day operations to the strategic goals of SSS.

Over the period of their current Operating Plan, 2006-09, HIE will spend £14.5m (£6.6m in 2006-07) on the new Centre for Health Science at Raigmore Hospital in Inverness. A £3m contribution will be made towards providing Broadband services to the most remote and rural communities. The HIE Community Energy Company will receive £4.3m over 3 years to provide support for community-developed and owned renewable energy projects. Business starts and encouraging business growth will be funded at £12.5m annually. Modern Apprenticeships, Skillseekers and Get Ready for Work will collectively have an annual budget averaging £9m.

## **Regional Selective Assistance**

#### **Spending Plans 2002-08**

Table 5.07 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 <sup>1</sup> Budget	2007-08 <sup>1</sup> Plans
RSA	69,709	43,209	40,209	48,209	45,209	43,209
Total	69,709	43,209	40,209	48,209	45,209	43,209

#### Note:

1. Funding for 2006/07 and 2007/08 will cover both the present scheme and the new scheme which starts on the 31 st January 2007.

#### What the budget does

The Regional Selective Assistance (RSA) scheme contributes directly to the Executive's aim of raising the long-term sustainable growth rate of the Scottish economy through encouraging investment projects which improve productivity, increase competitiveness and support employment in the assisted areas. In 2007-08 it is planned that accepted RSA offers will lead to the creation and safeguarding of 6,000 jobs in relatively underperforming parts of Scotland helping to improve business performance and close the opportunity gap in employment in these areas.

#### **European Structural Funds**

#### **Spending Plans 2002-08**

Tables 5.08 and 5.09 below provide budget information on 2000-06 programmes. Table 5.10 and 5.11 below provide budget information on 2007-13 programmes. Notes applicable to these tables can be found after table 5.11.

#### **European Social Fund**<sup>1</sup>(2000-06 Programmes)

Table 5.08 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans
Expenditure						
Grants to Local Authorities 2	7,939	22,604	18,604	16,604	16,604	14,565 3
Central Government spend 4	57,558	41,925	33,779	43,479	50,479	38,886 3
Total Expenditure	65,497	64,529	52,383	60,083	67,083	53,451
EC Income						
Grants to Local Authorities 2	(7,939)	(22,604)	(18,604)	(16,604)	(16,604)	(14,565) 3
Central Government spend 4	(57,558)	(41,925)	(33,779)	(43,479)	(50,479)	(38,886) 3
Total EC Income	(65,497)	(64,529)	(52,383)	(60,083)	(67,083)	(53,451)
<b>Total Net Expenditure</b>	-	-	-	-	-	-

#### **European Regional Development Fund**<sup>1</sup>(2000-2006 Programmes)

Table 5.09 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans
Expenditure						
Grants to Local Authorities <sup>2</sup>	43,665	29,000	45,800	40,600	40,600	37,623 <sup>3</sup>
Central Government spend <sup>4</sup>	89,314	79,966	48,366	60,616	62,616	47,551 <sup>3</sup>
Total Expenditure	132,979	108,966	94,166	101,216	103,216	85,174
EC Income						
<b>Grants to Local Authorities</b> <sup>2</sup>	(43,665)	(29,000)	(45,800)	(40,600)	(40,600)	$(37,623)^3$
Central Government spend <sup>4</sup>	(89,314)	(79,966)	(48,366)	(60,616)	(62,616)	(47,551) <sup>3</sup>
Total EC Income	(132,979)	(108,966)	(94,166)	(101,216)	(103,216)	(85,174)
<b>Total Net Expenditure</b>	-	-	-	-	-	-

#### European Social Fund (2007-13 Programmes)<sup>1,5</sup>

Table 5.10 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans
Expenditure						
<b>Grants to Local Authorities</b> <sup>2</sup>	-	-	-	-	1,677 6	6,709
Central Government spend <sup>4</sup>	-	-	-	-	4,478 $^6$	17,913
Total Expenditure	-	-	-	-	6,155 6	24,622
<b>EC Income</b>						
<b>Grants to Local Authorities</b> <sup>2</sup>	-	-	-	-	$(1,677)^{6}$	(6,709)
Central Government spend <sup>4</sup>	-	-	-	-	$(4,478)^{6}$	(17,913)
Total EC Income	-	-	-	-	(6,155) <sup>6</sup>	(24,622)
<b>Total Net Expenditure</b>	-	-	-	-	0	0

# **European Regional Development Fund (2007-13 Programmes)**<sup>1, 5</sup>

Table 5.11 More detailed categories of spending (Level 3)

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans				
Expenditure										
<b>Grants to Local Authorities</b> <sup>2</sup>	-	-	-	-	4,333 <sup>6</sup>	17,331				
Central Government spend <sup>4</sup>	-	-	-	-	6,476 <sup>6</sup>	25,904				
Total Expenditure	_	_	-	-	10,809 6	43,235				
EC Income										
Grants to Local Authorities <sup>2</sup>	-	-	-	-	(4,333) 6	(17,331)				
Central Government spend <sup>4</sup>	-	-	-	-	(6,476) 6	(25,904)				
Total EC Income	_	-	-	-	(10,809) 6	(43,235)				
Total Net Expenditure	-	-	-	-	0	0				

#### Notes:

- 1. HMT has reclassified this income as Negative DEL. The result is that we now report the expenditure net of EU grants.
- 2. This represents direct European Structural funding to Local Authorities.
- 3. The reduction in the 2007-08 budgets is a result of bringing forward part of the budget to that of earlier years in order to meet demand. The 2000-06 Scheme will end on 31 st December 2008 as a result of n+2 target funding.
- 4. This represents funding to all other bodies including the voluntary sector excluding direct funding to Local Authorities.
- 5. The actual level of the European Structural Funds budgets has not yet been determined. The figures shown are therefore indicative of the true budget and have been used at this stage to meet the requirements of the Public Finance and Accountability (Scotland) Act, 2000 for approving parliamentary expenditure. The re-classification of Structural

Funds income as Negative DEL has no budgetary effect.

6. As the 2007-13 Programmes are due to commence on 1 January 2007, these figures represent the estimated budget for only 3 months of the financial year. EU Funding of the 2007-13 Programmes is expected to be approximately 45% of the funding secured for the 2000-06 Programmes.

#### What the budget does

European Structural Funds support job creation and training across a wide range of sectors, especially in declining geographical areas.

We have devolved responsibility for implementing European Structural Funds programmes in Scotland. This includes spending on the European Social Fund and the European Regional Development Fund which are issued to recipients from both the public and voluntary sectors for projects that have been approved by Scottish Ministers, following consideration by the partnership-based appraisal structures, under the supervision of the Programme Monitoring Committees, to make sure that they meet the criteria of the programmes.

## Other Enterprise and Lifelong Learning

**Spending Plans 2002-08** 

Table 5.12 More detailed categories of spending (Level 3)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
£000s	Budget	Budget	Budget		Budget	Plans
<b>Education Maintenance Allowance</b>	4,000	5,000	16,600	28,400	38,250	44,580
Learn Direct Scotland	8,400	8,400	8,250	8,500	9,500	9,500
<b>Energy Efficiency</b>	6,100	6,100	10,000	10,000	12,500	10,000
Renewable Energy	1,000	1,000	3,946	4,000	3,920	3,920
Green Jobs; Marine Energy	-	-	-	8,000	8,000	6,000
$Scottish\ Renewables\ Obligation\ (\ SRO)$	16,900	18,900	12,000	12,000	-	-
Innovation Support	7,425	7,425	13,748	14,099	14,099	14,099
New Initiatives	-	4,500	-	-	-	-
Research	851	1,310	1,310	1,310	1,310	1,310
Royal Society of Edinburgh	886	1,100	1,200	1,300	1,300	1,300
Scottish Qualification Authority <sup>2</sup> , Vocational Qualification and Skills	1,450	1,500	1,480	1,530	1,530	1,530
Scottish Credit & Qualifications Framework	-	500	570	570	570	570
<b>Determined to Succeed</b>	-	7,000	13,000	22,000	21,950	21,950
<b>Beattie Inclusiveness</b>	6,800	1,475	1,675	1,875	1,815	1,815
All Age Guidance	3,004	-	-	-	-	-
Adult literacy and numeracy	1,100	2,350	-	-	-	-

Scottish Union Learning Fund	400	800	800	800	800	800
Skills for Business Network <sup>3</sup>	550	650	650	650	650	650
<b>Business Gateway International Trade</b>	723	723	723	723	723	723
<b>HQ</b> and Training Grants	436	436	636	636	671	671
ILA Scotland	-	15,400	18,800	19,300	19,300	19,300
Science Centres	-	-	-	-	3,700	3,700
Reserve	2,889	3,597	2,069	842	1,131	1,131
Miscellaneous	2,714	2,327	12,027	16,542	1,468	1,468
Total	65,628	90,493	119,484	153,077	143,187	145,017

#### **Notes:**

- 1. *Learndirect Scotland* became an NDPB on 1 st April 2005 therefore from this date their budget is broken down to show Grant in Aid and a non-cash resource adjustment.
- 2. Scottish Qualification Authority, Vocational Qualification and Skills was formerly entitled Scottish Qualifications Authority Accreditation Unit.
- 3. Skills for Business Network was formerly entitled "Sector Skills Councils".

#### What the budget does

The proposed expenditure for 2007-08 will deliver:

- 1. **Education Maintenance Allowances** (EMAs) contribute to closing the opportunity gap by encouraging more young people aged 16-19 from low income households to remain in full-time education, at school or FE college. From 2004-05, the provision is supporting the staged introduction of the programme across Scotland. The scheme will be fully rolled out by 2007-08. (<a href="http://www.emascotland.com/">http://www.emascotland.com/</a>);
- **learndirect Scotland** (Scottish University for Industry) funding is to help individuals and small businesses across Scotland realise their potential through learning at a time, place, pace and style that suits their needs. SUfI does this by the promotion of lifelong learning, the provision of information and advice on learning opportunities via a helpline and websites for learners, businesses and partner organisations, supporting a network of learning centres, and fostering the use of new technologies to assist in developing learning (http://www.learndirectscotland.com/) (http://www.scottishufi.co.uk/);
- The Executive's commitment to **Renewable Energy** and **Energy Efficiency** is driven both by environmental imperatives and by the potential for new economic development. An increase in renewable electricity generation as a means of reducing carbon emissions forms an important part of Scotland's efforts to tackle climate change. More renewables can also provide greater diversity in our energy mix which will be vital to ensuring security and continuity of supply as fossils fuels continue to deplete. The following programmes take forward the Executive's commitment to improve **Energy Efficiency** and encourage the greater use of Renewable Energy:
  - The Carbon Trust and Energy Saving Trust in Scotland are directly funded by the Executive's Energy Efficiency budget to promote and support energy efficiency, and therefore carbon savings, across the domestic, business and public sectors;
  - o An Energy Efficiency Strategy for Scotland is currently being developed by the Executive which will outline existing and consider future measures across the

- domestic, business and public sectors that will help deliver our commitment in the Scottish Climate Change Programme to reduce carbon emissions. As well as looking at energy efficiency, the strategy will consider the contribution that microgeneration can make to help cut energy-related emissions arising from the heating and lighting of buildings.
- o The promotion of renewable energy, through the **Renewables Obligation Scotland** and by funding renewable energy projects in Scotland. Renewable energy sources currently account for around 13% of Scotland electricity generation. The Scottish Executive targets are for 18% of Scotland's electricity to be generated from renewables sources by 2010, rising to 40% by 2020. The Renewables Obligation (Scotland) Order obliges suppliers to produce increasing amounts of their electricity from renewable sources. The higher costs are borne by the privatised industry without financial assistance from the public sector, and are passed to consumers.
- The **Scottish Renewables Obligation** (**SRO**), although now superseded by the **Renewables Obligation Scotland**, will remain in place until 2018. It involves raising a levy on electricity consumers to offset the additional costs to the two main Scottish electricity suppliers of purchasing renewable electricity produced by the SRO

renewable energy projects generating in Scotland. Currently, 46 such projects are in operation, and we expect that more will be developed during the next 3 - 5 years;

- The **Green Jobs, Marine Energy and Renewable Energy** budgets will be used to support the delivery of a diverse range of renewable energy technologies in Scotland, with a particular focus on marine, biomass, hydrogen and micro-generation. It is anticipated that these actions will lead to the creation of new employment, particularly in the remoter areas;
- **Innovation Support** is delivered through a number of support mechanisms: these include;
  - o the SMART/ SPUR grant scheme, which helps small and medium-sized businesses (SMEs) to improve their competitiveness by supporting early stage research and development of innovative products/processes. The remainder of the budget assists with a variety of other innovation initiatives with a national dimension;
  - o the SCORE (SME Collaborative Research) grants to support R&D projects, jointly undertaken between SMEs and public sector research bodies;
  - o the SEEKIT (Scottish Executive Expertise, Knowledge and Innovation Transfer) programme, for projects that improve the ability of Scotland's science base to work with business.additional support for DTI run, UK level schemes such as Knowledge Transfer Partnerships (KTP); and
  - the Intellectual Assets Centre.
- **Research** provision is used to support the development and evaluation of ELL portfolio policy and to assess the effectiveness of the delivery of relevant services;

- Grant aid for the **Royal Society of Edinburgh** enables that body to support the development of the Scottish science base by a range of measures. The Royal Society also enables Scotland to benefit from international links by supporting exchanges, visits and the exchange of information;
- "Scottish Qualification Authority, Vocational Qualifications and Skills" funding relates to
  grant-in-aid for the running costs of the Scottish Qualification Authority Accreditation
  Unit, including costs for annual audits of all SVQ awarding bodies (<a href="www.sqa.org.uk">www.sqa.org.uk</a>) as
  well as providing grant funding for a range of associated vocational qualification and sector
  skills initiatives;
- The Scottish Credit and Qualifications Framework (SCQF) is Scotland's unified qualifications framework encompassing both vocational and academic qualifications. It underpins and supports many of the goals in the Scottish Executive's Lifelong Learning Strategy and receives widespread support from stakeholders in all sectors of education and training in Scotland. The grant funds the SCQF partnership and sectoral posts in health, social services and community learning, as well as promoting the SCQF more broadly;
- The **Determined to Succeed** (DtS **formerly titled Enterprise in Education**) budget of £22m per year in 2007/08 is provided to drive forward a key strategy through which young people at school will increasingly enjoy an enterprising education. DtS allows us to place enterprise at the heart of education in Scotland,

encouraging young people to be innovative, creative and entrepreneurial, and so better prepare them for the world of work;

- From 2003-04, the **All Age Guidance** budget was transferred to the Skills and Learning budget lines of Scottish Enterprise and Highlands and Islands Enterprise. The budget is essentially for staff and is therefore best made available to the Enterprise networks through their respective Grant-in-Aid allocations;
- **Beattie Inclusiveness** funding is used to improve post-school transitions to further education, training and employment for young people with additional support needs, in particular the Not in Education, Employment or Training (NEET) group (16-19 years). It is also funding the development of Post School Psychological Services;
- The Adult Literacy and Numeracy budget covered a number of smaller budgets that aimed to provide national support towards raising the literacy and numeracy levels of 150,000 adults by 2006. This budget was transferred to Communities Scotland from 2004-05;
- The **Scottish Union Learning Fund** distributes grant funding to support effective and sustainable activity by trade unions and their partners to encourage workplace learning; This funding enables the **Skills for Business Network** of Sector Skills Councils to carry out demand-side projects and collaborative activity with their partners aimed at meeting Scotland's distinctive learning and skills needs;
- **Business Gateway International** (*formerly titled Export Partnerships*) is a Scottish wide network of business counsellors experienced in exporting, who deliver Scottish

Development International (trade) services locally to clients within the Scottish Enterprise network and Highlands and Islands Enterprise Local Enterprise Company areas, and coordinate the exporting efforts of the Local Authorities and Chambers of Commerce;

- HQ and training grants support national voluntary sector adult education providers; The first phase of the ILA Scotland scheme was launched in December 2004. This provides targeted funding (up to £200 per annum) to adults in Scotland who earn less than £15,000 per annum, which they can use towards the fee costs of a wide range of courses offered by approved learning providers. The second phase of ILA Scotland was launched on 1 August 2005. This extends funding (up to £100 per annum) to all adults in Scotland, to be used towards the fee costs of Information and Communications technologies (ICT) courses at basic skills level, offered by approved providers and which lead to qualifications or recognised certification;
- The **Science Centres** budget is aimed at improving science engagement and fostering a pro-science and innovation culture in Scotland. The budget encourages each of the four Centres (in Aberdeen, Dundee, Edinburgh and Glasgow) to work collaboratively with each other, and other science initiatives, to an agreed joint strategy for improving their business operations and contribution to science education, aimed at people of all ages. In 2005-06, Scottish Executive funding levered an additional £2.2m to Scotland in ReDiscover IV funding from the Millennium Commission, Wolfson Foundation and Wellcome Trust, to support unique and ambitious capital projects that will enhance further the educational experience currently available at the Centres. Funding for future years will build on and expand upon this; and
- The **miscellaneous** budget comprises a total of 23 minor projects, each one of which is worth less than £500,000.

# Other Enterprise and Lifelong Learning Related Local Authority Funding Spending Plans 2002-08

Table 5.13 Local Authority Grant Aided Expenditure (GAE) Provision for Core Services

£000s	2002-03 Budget	2003-04 Budget	2004-05 Budget	2005-06 Budget	2006-07 Budget	2007-08 Plans
<b>Consumer Protection</b>	14,810	15,612	17,084	17,695	17,783	17,924
Adult Literacy	5,400	10,479	11,604	12,323	12,385	12,482
Other	14,612	14,774	15,192	16,015	16,070	16,159
Total	34,822	40,865	43,880	46,033	46,238	46,565

The Enterprise and Lifelong Learning Grant Aided Expenditure (GAE) figures relate to the level of local authority net revenue expenditure on these services that the Executive is supporting through grant. GAEs are not budgets, but rather a basis for the distribution of grant through AEF. Local authorities are, however, free to allocate their available resources to each service, including Enterprise and Lifelong Learning-related services, on the basis of local needs and priorities. The figures in this table are included in the GAE summary table (table 7.04) contained within the Finance and Public Service Reform chapter of this document.

# **OUTTURN STATEMENT – ENTERPRISE AND LIFELONG LEARNING**

#### Enterprise & Lifelong Learning Portfolio Outturn Statement for the Year Ended 31 March 2006

2004-05 Outturn £000s	PROGRAMME	Gross Expenditure £000s	Income Applied £000s	Outturn £000s	Budget £000s	Variance £000s	% Variance
	Departmental Expenditure Limit (DEL)						
338,712	Student Awards Agency for Scotland	363,191	(36,049)	335,087	345,428	(10,341)	-3%
826,029	Scottish Higher Education Funding Council	866,452	0	866,452	866,765	(313)	0%
483,153	Scottish Further Education Funding Council	523,472	0	523,472	524,069	(597)	0%
416,905	Scottish Enterprise	429,089	0	429,089	444,089	(15,000)	-3%
90,248	Highlands & Islands Enterprise	85,020	0	85,020	85,020	0	0%
42,748	Regional Selective Assistance	43,819	(700)	43,119	44,209	(1,090)	-2%
76,736	Other Enterprise & Lifelong Learning	87,928	(381)	92,969	100,764	(7,795)	-8%
132,420	European Structural Funds – Central Gov't	118,051	0	118,051	112,765	5,286	5%
44,119	European Structural Funds – LAs	46,262	0	46,262	57,204	(10,942)	-19%
2,451,070	Total DEL	2,563,284	(37,130)	2,526,154	2,580,313	(54,159)	-2%
	Annually Managed Expenditure (AME)						
9,652	Education Maintenance Allowances	29,265	0	29,265	28,400	865	3%
	Other Expenditure						
0	Student Loans Interest Subsidy to banks	0	0	0	13,220	(13,220)	-100%
0	<b>Total Other Expenditure</b>	0	0	0	13,220	(13,220)	-100%
2,460,722	TOTAL	2,592,549	(37,130)	2,555,419	2,621,933	(66,514)	-3%

# DRAFT BUDGET 2007-08 – ENTERPRISE AND CULTURE COMMITTEE

Ross Burnside

This briefing has been prepared to assist the Scottish Parliament's Enterprise and Culture Committee in looking at the Draft Budget 2007-08. It presents trends in the budget, outlines the Objectives and Targets in the Enterprise and Culture related portfolios and considers the latest developments in the Scottish Executive's Efficient Government Initiative.

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# **SPICe** briefing

27 September 2006

06/66



# EC/S2/06/23/2

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#### **KEY POINTS OF THIS BRIEFING**

- This year's Draft Budget makes only minor changes to last year's spending plans
- Next year's Draft Budget will incorporate the outcome of the 2007 spending review and provide Executive spending plans to 2011
- Scottish Executive Total Managed Expenditure is set to increase in real terms by £725m in 2007-08 on 2006-07, an increase of 2.4%
- The Enterprise and Lifelong Learning (ELL) portfolio is set to increase in real terms by 1.1% in 2007-08 on the previous year. In cash terms, it is set to increase over the period by 3.8% (an increase of £106.8m)
- ELL spending has increased at a slower rate than the budget overall in the course of this Parliament (2003-07), namely 10.1% in real terms compared with real terms growth in the budget overall of 17.1%, despite "growing the economy" being the top priority of the Executive
- ELL spending in 2007-08 makes up 9.4% of the total Scottish budget in 2007-08, down from 10.8% in 2002-03
- The Scottish Further and Higher Education Funding Council accounts for the largest proportion of Executive ELL spending, at 55.8% of the portfolio in 2007-08
- The Tourism, Culture and Sport (TCS) portfolio will see its budget increase in real terms by 4.2% in 2007-08 on the previous year
- During the course of this Parliament, TCS spend will have increased in real terms by 31.3% compared with the Scottish budget overall, which will increase by 17.1%
- VisitScotland (-10.3%), National Institutions (-12.9%), Scottish Arts Council (-9.7%) and sportscotland (-0.9%) will all see their budgets fall in real terms in 2007-08 on 2006-07
- Only "Other arts and culture" (which will increase by 99.9% in real terms, or £30.6m) and Historic Scotland (+4.6%) will have increasing real terms budgets in 2007-08 compared with 2006-07
- There has been problems in measuring the claimed efficiency savings of the Scottish Executive due to a lack of adequate output data for government expenditure
- The ELL portfolio has achieved greater efficiency savings than originally targeted
- The TCS portfolio has achieved greater efficiency savings than originally targeted

#### INTRODUCTION

Spending Review 2004 (Scottish Executive 2004) set out the Executive's spending plans for the three financial years to 2007-08. 'Draft Budget 2007-08' (Scottish Executive 2006a) published on 8 September 2006, updates the Executive's spending plans for 2007-08, based largely on the new money coming to Scotland as a result of the <a href="UK Budget of 22 March 2006">UK Budget of 22 March 2006</a> (HM Treasury 2006).

The figures in 'Draft Budget 2007-08' "are largely the same as those published in 'Draft Budget 2006-07', with explanations given for any significant changes" (Scottish Executive 2006a, p7). Total Managed Expenditure (TME) in 2007-08 is set to increase on 2006-07 in real terms by £725m, or 2.4%. The big winner in the budget is the Health portfolio which increases in real terms by £483m or 5.1%, representing two-thirds of the growth monies. Education and Young People increases above trend, with its budget going up by 7.8% in real terms. The only other budget line to increase above the overall rate of budget growth (2.4%) is Tourism, Culture and Sport (TCS), which will increase by 4.2% in real terms. The Environment and Rural (+2.0%); Communities (+0.8%); ELL (+1.1%); Transport (+1.2%); Finance and Public Service Reform (+0.8%) and Justice (+2.1%) portfolios are all set to increase by less than the overall budget growth rate of 2.4% in real terms. The Administration (-2.5%) and Crown Office and Procurator Fiscal Service (COPFS) (-1.1%) portfolios are set to see their budgets shrink in real terms over the next financial year.

As members will be aware, the UK Chancellor has postponed the next UK Spending Review until 2007. As a result, this year's Draft Budget makes only minor changes to last year's spending plans. Next year's Draft Budget will incorporate the outcome of the spending review and roll forward spending plans to March 2011.

The Executive's Efficient Government Plan 'Building a Better Scotland – Efficient Government – Securing Efficiency, Effectiveness and Productivity' (Scottish Executive 2004b) was launched in November 2004. Planned and actual efficiency savings relating to the Enterprise and Culture Committee's budget portfolios are presented.

#### TRENDS IN THE BUDGET

The Enterprise and Culture Committee's remit covers the budgets for ELL and TCS.

#### **ENTERPRISE AND LIFELONG LEARNING**

The 'Draft Budget 2007-08' plans TME for ELL to be £2,950.5m in 2007-08 an increase of £106.8m on the 2006-07 allocation of £2,843.7m, representing a cash increase of 3.8% and a real terms increase of 1.1%. Table 1 presents the Draft Budget for ELL 'at Level 2', in cash terms, between 2002 and 2008. Table 2 reproduces the same figures in real terms (at 2006-07 prices).

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<sup>&</sup>lt;sup>1</sup> It's important to point out that the Education and Young People budget line is relatively small and made up of specific grants. The vast majority of education spend comes out of the Lifelong Learning and Local Government Budget lines.

Table 1: Enterprise and Lifelong Learning Level 2 Spending, Cash Terms (2002-2008)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
£000s	Budget	Budget	Budget	Budget	Budget	Plans
Student Awards Agency for Scotland	346,246	360,340	370,336	368,639	362,639	364,639
Scottish Further Education Funding Council	419,272	428,442	474,270	534,708	-	-
Scottish Higher Education Funding Council	699,348	737,521	787,399	852,993	•	1
Scottish Further and Higher Education Funding Council	-	-	-	-	1,560,201	1,647,201
Scottish Enterprise	428,678	461,201	448,902	441,103	456,163	466,163
Highlands & Islands Enterprise	87,995	91,549	92,502	99,471	94,971	102,971
Regional Selective Assistance	69,709	43,209	40,209	48,209	45,209	43,209
European Structural Funds						
Support to Local Authorities	51,604	51,604	64,404	57,204	0	0
Central Government	146,872	121,891	82,145	104,095	0	0
Other Enterprise and Lifelong Learning	65,628	90,493	119,484	153,077	143,187	145,017
Student Loans	-	-	-	-	181,346	181,346
Total	2,315,352	2,386,250	2,479,651	2,659,499	2,843,716	2,950,546
Student Loans net new lending and Student Loans subsidy to banks (outside		100.05				
TME)	204,251	166,823	184,786	181,346	-	-

Table 2: Enterprise and Lifelong Learning: Level 2 Spending, Real Terms (at 2006-07 prices) (2002-2008)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
£000s	Budget	Budget	Budget	Budget	Budget	Plans
Student Awards Agency for Scotland	383,150	387,235	387,422	377,645	362,639	355,198
Scottish Further Education Funding Council	773,886	792,567	823,728	873,832	-	1
Scottish Higher Education Funding Council	463,959	460,420	496,152	547,771	-	1

Scottish Further and Higher Education Funding Council	-	-	-	-	1,560,201	1,604,551
Scottish Enterprise	474,368	495,624	469,613	451,879	456,163	454,093
Highlands & Islands Enterprise	97,374	98,382	96,770	101,901	94,971	100,305
Regional Selective Assistance	77,139	46,434	42,064	49,387	45,209	42,090
European Structural Funds						
Support to Local Authorities	57,104	55,456	67,375	58,601	0	0
Central Government	162,526	130,989	85,935	106,638	0	0
Other Enterprise and Lifelong Learning	72,623	97,247	124,997	156,817	143,187	141,262
Student Loans	-	-	-	ı	181,346	176,651
Total	2,562,128	2,564,353	2,594,056	2,724,471	2,843,716	2,874,149
Student Loans net new lending and Student Loans subsidy to banks (outside TME)	226,021	179,274	193,312	185,776	-	-

- The ELL Budget will increase in real terms by £30.4m or 1.1% between the current financial year and 2007-08
- Between 2002 and 2008, the ELL budget will increase in real terms by £312.0m, or 12.2%, compared with a real terms growth in the budget as a whole of 28.2%
- During the course of this Parliament (2003-2007), spending on ELL will increase in real terms by £279.4m or 10.1%, compared with the overall Scottish budget increase of 17.1%
- Between 2003-04 and 2007-08 TME for ELL will increase by 12.1%, in real terms, or an average of 2.4% per annum since 2003-04
- ELL's share of total Scottish Executive expenditure will decline, in real terms, from 9.6% in 2006-07 to 9.4% in 2007-08
- In 2002-03 ELL accounted for 10.8% of Scottish expenditure and for 10.1% in 2003-04
- The Scottish Further and Higher Education Funding Council (which is a merger of the former Scottish Further Education and Scottish Higher Education Funding Councils) accounts for 55.8% of ELL spend. The proposed budget of the funding council is to increase by 2.8% in real terms in 2007-08 compared to the 2006-07 allocation
- Scottish Enterprise's budget will account for 15.8% of ELL spend in 2007-08. The budget
  of Scottish Enterprise is planned to decline, in real terms, by 0.5% in 2007-08 compared
  to the 2006-07 allocation to the agency
- The Student Awards Agency for Scotland (SAAS) budget is forecast to decline in real terms by 2.1% in 2007-08, compared to 2006-07
- The budget for Highlands and Islands Enterprise is forecast to increase by 5.6% in 2007-08, in real terms, compared to 2006-07

Members will note that the ELL budget has declined as a share of the total Scottish budget in recent years despite "growing the economy" being the stated top priority of the Executive.

#### TOURISM, CULTURE AND SPORT BUDGET

TME for the TCS shows a cash increase of £20.2m or 6.9% from £290.7m in 2006-07 to 310.9m in 2007-08. In real terms the Draft Budget TME for TCS provides an increase of £12.2m or 4.2% from £290.7m in 2006-07 to 302.8m in 2007-08. Between 2003 and 2008, TME for TCS increased by £81.4m in real terms or 36.8%. This represents an average annual real terms increase of 7.4% between 2003-04 and 2007-08.

Table 3 presents the Draft Budget for TCS 'at Level 3', in cash terms, between 2002-03 to 2007-08. Table 4 reproduces the same figures in real terms (at 2006-07 prices).

Table 3: Tourism, Culture and Sport Level 3 Spending Plans, 2002-08 (level 3)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
£000s	Budget	Budget	Budget	Budget	Budget	Plans
VisitScotland	28,474	31,765	33,765	42,265	47,515	43,765
National Institutions	57,361	58,861	59,752	62,526	73,926	66,126
Scottish Arts Council	35,410	36,419	47,469	54,344	60,469	56,069
Other arts and culture	21,545	26,336	23,240	27,651	30,651	62,901
sportscotland	13,687	15,387	29,005	25,878	33,705	34,305
Historic Scotland	36,787	37,287	39,644	42,575	44,415	47,715
Total	193,264	206,055	232,875	255,239	290,681	310,881

Table 4: Tourism, Culture and Sport Spending Plans, 2002-08 in Real Terms (at 2006-07)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
£000s	Budget	Budget	Budget	Budget	Budget	Plans
VisitScotland	31,509	34,136	35,323	43,298	47,515	42,632
National Institutions	63,475	63,254	62,509	64,054	73,926	64,414
Scottish Arts Council	39,184	39,137	49,659	55,672	60,469	54,617
Other arts and culture	23,841	28,302	24,312	28,327	30,651	61,272
sportscotland	15,146	16,535	30,343	26,510	33,705	33,417
Historic Scotland	40,708	40,070	41,473	43,615	44,415	46,480
Total	213,863	221,434	243,619	261,474	290,681	302,832

- The TCS portfolio will increase in real terms by £12.2m, or 4.2% between 2006-07 and 2007-08
- Between 2002 and 2008, spending in TCS will have increased by 41.6% in real terms, compared with the budget overall which will have increased by 28.2%
- During the course of this Parliament (2003-07), spending in TCS will increase in real terms by 31.3%, compared with an increase in the overall budget of 17.1%
- In 2002-03, spending in TCS was 0.9% of the total budget, and in 2007-08 is projected to be 1.0%
- VisitScotland (-10.3%), National Institutions (-12.9%), Scottish Arts Council (-9.7%) and Sportscotland (-0.9%) will all see their budgets fall in real terms in 2007-08 on 2006-07
- Only "Other arts and culture" (which will increase by 99.9% in real terms, or £30.6m) and Historic Scotland (+4.6%) will have increasing real terms budgets in 2007-08 compared with 2006-07

NB. Most of the increases in "other arts and culture" can be accounted for by £20m being allocated in 2007-08 to a budget line entitled "Cultural Review". This was announced as part of the Scottish Executive's response to the Cultural Review (Scottish Executive 2006d). Another big increase in the "other arts and culture" budget line goes to the Royal Commission on the Ancient and Historical Monuments of Scotland (RCAHMS), which will increase from £5.9m in 2006-07 to £14.0m in 2007-08. The Draft Budget (Scottish Executive 2006, p59) states that

"In 2007-08, we shall provide capital funding to all RCAHMS to develop urgently needed additional accommodation for its archive collection."

#### **OBJECTIVES AND TARGETS**

The objectives and targets presented for the **Enterprise and Lifelong Learning** portfolio are presented below. They are identical to the objectives and targets presented in last year's *Draft Budget*. Members may wish to consider whether, particularly with next year's Spending Review in mind, they are satisfied with these objectives and targets for Enterprise and Lifelong Learning.

Objective 1	Raise the long-term sustainable growth rate of the Scottish economy.
Target 1	Increase business investment in research and development compared to OECD
	competitors.
Target 2	Improve productivity levels in Scottish industry compared to OECD competitors.
Target 3	Increase entrepreneurial activity in Scotland over time.
Objective 2	Influence Scotland's industry towards more sustainable patterns of development.
Target 4	Work towards our 2020 target for 40% of Scottish electricity generation to be from renewable sources by achieving 18% by 2010.
Target 5	Improve public sector energy efficiency and continue to encourage greater resource efficiency in the private sector.
Objective 3	Improve the skill base of Scotland to be better prepared to meet the demands of the knowledge economy.
Target 6	Increase the number of people in employment undertaking training.
Objective 4	Closing the opportunity gap in employment and learning.
Target 7	Close the gap in unemployment rates between the worst 10% of areas and the Scottish average by 2008.
Target 8	Reduce the proportion of 16-19 year olds not in education, training and employment by 2008.
Objective 5	Maintain and improve the competitive position of the Scottish higher and further education system in Scotland in order to ensure continued access, high quality teaching and effective research
Target 9	(i): Higher education in higher education institutions (HEIs) – Make better use of publicly funded undergraduate capacity in Scottish HEIs.
	(ii): Higher education in further education colleges (FECs) – Maintain and build on the high percentage of all higher education student enrolments at further education colleges who complete their programme of study.
	(iii): Further education in FECs – Maintain and build on the high percentage of all further education student enrolments at further education colleges who complete
	their programme of study
Target 10	Maintain and build on the existing high quality research undertaken by higher education institutions in Scotland by ensuring Scotland's relative performance in Research Assessment Exercise (RAE) 2008 is maintained.

The objectives and targets for the **Tourism**, **Culture and Sport** portfolio are presented below. They are identical to the objectives and targets presented in last year's *Draft Budget*. Members

may wish to consider whether, particularly with next year's Spending Review in mind, they are satisfied with these objectives and targets for Tourism, Culture and Sport.

Objective 1	To ensure that people of all ages have the opportunity to take part in a variety of cultural and sporting activities.
Objective 2	To support social inclusion by ensuring the widest possible involvement in cultural, social and sporting opportunities.
Target 1	Increase numbers taking part in cultural activities funded by the Scottish Executive by 3% by end March 2008, maintaining the balance of participation across the population.
Target 2	Increase numbers taking part in sport by 3% by end March 2008, maintaining the balance of participation across the population.
Objective 3	To promote a high standard of conservation of historic buildings and to promote the highest standards of contemporary buildings.
Target 3	By 2007-08, Historic Scotland will target investment in the 6 City Heritage Trusts, attracting additional investment at a rate of £2.50 for each £1 from Historic Scotland; and expand the programme of conservation training to train 66 craftsmen in total.
Target 4	Maintain or increase by end March 2008 the number of nominations secured by Scottish practices for prestigious architectural awards
Objective 4	To generate jobs and wealth for Scotland by promoting and developing the creative industries.
Target 5	Year on year real terms increase of Scottish Creative Industries Gross Value Added (GVA) to end 2007.
Objective 5	To develop Scotland's tourism potential through VisitScotland and Historic Scotland and in partnership with all relevant bodies
Target 6	Year on year real terms increase of Scottish tourism Gross Value Added (GVA) to end 2007.
Target 7	Year on year real terms increase in gross tourism revenues in areas outside Glasgow and Edinburgh to end 2007
Target 8	Year on year increase in average Quality Assurance rating of all Scottish tourism products by working closely with the industry
Objective 6	To promote excellence in sport and culture.
Target 9	Increase the number of Scottish sportsmen and women performing at the highest level by 3% by end March 2008.
Target 10	Increase the number of cultural successes by 3% by end March 2008.

# THE EFFICIENT GOVERNMENT INITIATIVE

The Minister for Finance and Public Services launched the Executive's Efficient Government Plan – 'Building a Better Scotland – Efficient Government – Securing Efficiency, Effectiveness and Productivity' (Scottish Executive 2004b) – in November 2004. This document outlined a total of £405m savings in 2005-06, rising to £745m recurring cash savings and £300m recurring time savings by 2007-08. On 5 September 2006, the Executive reported on progress made on Efficiency savings in the financial year 2005-06, in its 'Efficient Government – Efficiency Outturn Report for 2005-06'. This document claimed that in 2005-06, the Executive had saved a total of £441.8m in cash and time efficiency savings (£36.8m more than targeted), which are reproduced at departmental level in table 5 below.

Table 5: Progress in meeting Efficiency Savings (2005-06)

Portfolio	Target £m			Outturn £m			
	2005-06	2005-06	2005-06	2005-06	2005-06	2005-06	
	CASH	TIME	TOTAL	CASH	TIME	TOTAL	
Administration	1	-	1	1.5	0	1.5	
Communities	0	-	0	25.0	0.1	25.1	
COPFS	3	-	3	2.8	0	2.8	
Ed & Young	0	-	0	0.5	11.7	12.2	
People							
Ent & LL	5	-	5	7.6	18.0	25.6	
Env & Rural	2	-	2	3.6	2.7	6.3	
Finance &	89	-	89	130.6	0	130.6	
Public							
Services							
Health	166	-	166	165.5	11.3	176.8	
Justice	7	-	7	7.6	10.9	18.5	
Tourism,	0	-	0	0.3	0	0.3	
Culture &							
Sport							
Transport	7	-	7	16.9	0	16.9	
Other – non	50	-	50	24.6	0	24.6	
NHS							
procurement							
Scottish	75	-	75	-	-	-	
Water (non							
DEL)							
Registers of	0	-	0	0	0.6	0.6	
Scotland							
TOTAL	405	-	405		55.3	441.8	

Source: Scottish Executive 2006c

The Executive (Scottish Executive 2006b, paras 1.6-1.7) has produced the following definition of efficiency improvements:

"An 'efficiency improvement' is any activity which improves the ratio of outputs to resource inputs. Such improvements may therefore arise in two ways:

i. by producing the same outputs with fewer inputs. For the purposes of the Efficient Government Plan these are termed cash releasing savings,

ii. by producing more or better outputs for the same inputs. For the purposes of the Efficient Government Plan these are termed time releasing savings.

For the saving to be included in the Efficient Government Plan it must be recurrent."

Thus, to measure efficiency it is necessary to measure both input and output. To measure improvements in efficiency it is necessary to measure input and output both at a baseline date and at a subsequent date, usually the following year. To demonstrate an efficiency gain between one year and the following year, 4 items of data are required

- input (expenditure) in the base year
- output in the base year
- input in the following year
- · output in the following year

Data on government expenditure is readily available and comparisons can easily be made of how expenditure changes between years. However the outputs of government expenditure are very diverse, are not always measured or measurable on a consistent basis from year to year and, as yet, there is no agreed set of weights which would allow the outputs to be converted to a common unit of measurement. This makes it difficult to demonstrate how efficiency changes from year to year over the totality of government activities. For this reason, there has been debate as to the measurability of the efficiency savings, with claims that the lack of clear output measures for some public expenditure make the process difficult to quantify. On 5 September, the Budget adviser to the Finance Committee stated in a committee meeting:

"Efficient government....is a means of transferring resources from support to front-line services. Despite its title, it is a savings exercise and does not measure efficiency in any rigorous way. The new annual report that has come out simply lists savings but, as Caroline Gardner said in an earlier Audit Scotland report,

"efficiency savings cannot be measured through changes in expenditure alone.""

Source: Scottish Parliament Finance Committee 2006, col 3849

The Executive has recognised the difficulty in measuring public sector outputs. In the <u>'Efficient Government – Efficiency Outturn Report for 2005-06'</u>, it is stated:

"Measuring and validating efficiency gains has been and will continue to prove a difficult challenge because the information systems that support public sector organisations were not always designed for this purpose. Improvement in management information systems has to be achieved without diverting resources away from the primary objective of delivering improved and more efficient public services. These same challenges arise in the context of identifying appropriate baselines for the scope of the efficiency project in question, and also in connection with the ever-changing landscape against which the project has to be monitored (e.g. re-organisations which are unrelated to the Efficient Government programme).

We do not believe that it would be sensible to abandon those projects where it is not entirely possible to measure the efficiency contribution. Often the efficiency gains are a by-product of a wider service transformation and even if the gains cannot be fully measured the contribution to improved service delivery is no less important.

We recognise that various limitations in public sector data systems and the robustness of management information systems need to be addressed. This is a challenge for senior service managers. Nevertheless it is important to press ahead with the programme and not stall the gains to be made while waiting for systems to catch up. So while more focus is needed on unit costs as part of performance management, we should not suppose that highly detailed activity-based costing will always be justified."

#### ELL AND TCS RELATED EFFICIENCY SAVINGS

The most recent ELL and TCS related efficiency savings are outlined in some detail in the Scottish Executive's recently published <u>'Efficiency Technical Notes March 2006'</u> (Scottish Executive 2006b). These notes update similar notes published by the Executive in 2005. The Executive plans to periodically update the technical notes to reflect the latest information on the programmes involved.

The technical notes identify 5 programmes in the ELL portfolio and 2 programmes in the TCS portfolio.

Table 6: Targets for ELL and TCS related efficiencies (cash and time)

Portfolio £m	2005-06	2006-07	2007-08
Enterprise & LL			
Scottish Enterprise Savings (Cash releasing)	2.328	2.328	2.328
Scottish Enterprise Savings (BT Programme) (Time releasing)	7.332	7.332	7.332
Scottish Science Centres Programme (Cash-releasing)	0.47	0.47	0.47
Scottish Further Education Colleges and Higher Education Institutions (Cash releasing)	1	5	15
Scottish Further Education Colleges and Higher Education Institutions (Time releasing)	5	11	35
Total Savings	16.13	26.13	60.13
Savings as % of ELL budget	0.6%	0.9%	2.0%
Tourism, Culture and Sport			
Efficiency savings from cultural and sport NDPBs (Cash releasing)	0	0	0.75
Efficiency Savings in the tourism network (Cash-releasing)	0	1	1
Total Savings	0	1	1.75
Savings as % of TCS budget	0%	0.3%	0.6%

**Source**: Adapted from Scottish Executive 2006b

The targets for efficiency savings set out in the table above include some changes to the figures presented to the Enterprise and Culture Committee during last year's consideration of the Draft

Budget. There has been a change to the Scottish Enterprise cash-releasing savings from £5.3m in each year to £2.3m in each year, which is explained as being due to:

- " the delay in fully implementing some BT solutions e.g. CRM, Web Platform and the impact on the latter Web Content,
- the increase in resources required to manage the increased demands of the business and the cost thereof e.g. business support costs re integration of Careers Scotland.

The Scottish Enterprise BT Programme time-releasing saving has increased from £4m per year (presented in last year's Efficiency Technical Notes) to £7.3m per year. No explanation has been given in the technical notes for this change.

The Scottish Further Education Colleges and Higher Education Institutions cash-releasing savings have increased from £1m/£3m/£10m to £1m/£5m/£15m, with no explanation for the change provided. The Scottish Further Education Colleges and Higher Education Institutions time releasing savings have decreased from £5m/£13m/£40m to £5m/£11m/£35m. No explanation is given for this change. The aggregate of the cash and time releasing savings in the Scottish Further Education Colleges and Higher Education Institutions over the 3 financial years, however, remains at £72m.

In relation to the savings achieved during 2005-06, it may be noted that the figures set out in table 5 above indicate that: (a) the ELL portfolio achieved more cash and time efficiency savings than originally targeted; and (b) the TCS portfolio achieved more cash releasing efficiencies than originally targeted.

In considering efficiency targets and reported savings, one should keep in mind the possible problems associated with measuring efficiency which were highlighted earlier in this briefing.

#### **GUIDANCE FROM BUDGET ADVISER**

The Finance Committee's Budget adviser (Arthur Midwinter) has produced guidance for the subject committees, in terms of their scrutiny of this year's Draft Budget. This guidance can be summarised into the following points and members are invited to keep these in mind when considering their approach to the budget:

- Is the Committee satisfied with the response to its recommendations for the 2006-07 budget?
- Does the Committee wish to make any comment on the budgetary changes reported in the "new resources and transfers" section?
- Does the Committee wish to recommend transfers of funding between programmes within its budgetary portfolio(s)?
- Does the Committee have any proposal for improving the quality and relevance of the financial and performance information contained in the Draft Budget?
- Does the Committee have any recommendations on budget proposals for its successor Committee? For instance, is there any programme which the Committee believes requires additional or less expenditure?

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#### **Enterprise and Culture Committee**

# Petition PE783 – Calling for the establishment of the golden eagle as the national bird of Scotland

## Background

- 1. Petition PE783, by James Reynolds on behalf of the *Scotsman* newspaper, calls on the Scottish Parliament to support the establishment of the golden eagle as the national bird of Scotland. A copy of the petition is attached at **Annex A**.
- 2. The petition was submitted following a campaign in the *Scotsman*, which invited readers to vote for a national bird for Scotland from a shortlist of 12 native Scotlish birds drawn up by RSPB Scotland. Each of the 12 birds on the shortlist was championed by a television, film or radio personality, sports star or politician. The golden eagle was the outright winner of the vote, gaining 406 votes from the total of 1,666.

#### **Progress of the Petition**

- 3. The petition was lodged on 27 October 2004 and was first considered by the Public Petitions Committee (PPC) on the 10 November 2004. At that meeting Annabel Goldie MSP, who had championed the golden eagle in the *Scotsman* vote, spoke to the petition. The Committee agreed to write to the Scottish Executive to get its views on the petition. The relevant extract from the *Official Report* of that meeting is attached at **Annex B**.
- 4. On 28 June 2005, the PPC agreed to write to the relevant minister expressing concern at the lack of response to its letter which had set a deadline of 24 December 2004 for a response.
- 5. The Minister for Finance and Public Service Reform, Tom McCabe MSP, replied on 16 September 2005 (**Annex C**) and this response was considered by the PPC on 18 January 2006. The Committee then agreed to invite the views of the petitioner on the Scottish Executive's response.
- 6. The petitioner responded on 24 May 2006 (Annex D) and this was considered by the PPC on 27 September 2006. The PPC agreed at that meeting to <u>refer</u> the petition to the Enterprise and Culture Committee for its consideration. The relevant extract from the *Official Report* of that meeting is attached at Annex E.
- 7. Members may wish to note that the original petition was in the name of James Reynolds on behalf of the *Scotsman* newspaper. However, Mr Reynolds no longer works for the *Scotsman* and now works for RSPB Scotland. Mr Reynolds and the *Scotsman* both continue to support the petition.

#### **Action**

8. As the petition has been formally referred to the Committee by the PPC, it is now for the Enterprise and Culture Committee to take such action as it considers appropriate. Following oral evidence from the petitioners at the meeting of 24 October 2006, the Committee may wish to consider one of the following options—

**Option 1** – writing to the Scottish Executive, giving the views of the Committee on the petition. In doing so, members will wish to reflect on whether and how the Scottish Parliament could designate the golden eagle as the 'national bird of Scotland'.

**Option 2** – take no further action in relation to the petition and write to the petitioner and PPC accordingly.

Stephen Imrie Clerk to the Committee

## Annex A

E783

SCOTS ARLIAMENT

To the Scottish Parliament:

PETITION CALLING FOR THE SCOTTISH PARLIAMENT TO SUPPORT THE ESTABLISHMENT OF THE GOLDEN EAGLE (Aquila chrysaetos) AS THE NATIONAL BIRD OF SCOTLAND FOLLOWING A CAMPAIGN AND READER VOTE IN THE SCOTSMAN NEWSPAPER.

For all its stunning native and migratory birds, rich ornithological history, spectacular wildlife reserves and world leading efforts to preserve and reintroduce species, Scotland has never had a national bird.

Given the great affection in which birds are held in Scotland, their rich social and cultural associations and many historical links, it is strange that we do not have a national bird as one of our country's emblems to accompany the Lion Rampant, the Scottish Thistle and the Saltire.

This year is the 100th anniversary of the Royal Society for the Protection of Birds (RSPB) working in Scotland to protect and conserve the country's rich diversity of birds and other wildlife, and the precious habitats which serve to support them.

For three weeks in August The Scotsman ran a national campaign to get the public to vote from a list of 12 native Scottish birds, drawn up by experts at the RSPB. Each bird was "championed" by a television, film or radio personality, wildlife presenters, sports stars and some of your MSP colleagues.

The champions included: Annable Goldie MSP, Robin Harper MSP, Wendy Alexander MSP, Sophie Stafford (Editor of BBC Wildlife magazine), Fred MacAulay, Chris Paterson (captain of Scottish Rugby Union Team), Billy Boyd, Rab McNeil, Kirsty Wark, Stuart Housden, Simon King and Vanessa Collingridge.

Readers were able to vote via a dedicated telephone line number, mobile phone texts, email or letter for their choice from the list of twelve birds.

The campaign received 1,666 votes in total. The outright winner was the golden eagle, with a total of 406 votes.

In view of the result, we, the undersigned, request that:

The Scottish Parliament takes steps to officially adopt the golden eagle as Scotland's National Bird, and as a new emblem of the country.

Name of petitioner: The Scotsman (James Reynolds, environment correspondent), 108 Holyrood Road, Edinburgh, EH8 8AS. Telephone 0141 2366440, email: jreynolds@scotsman.com

Persons supporting the petition: Stuart Housden, Director, The Royal Society for the Protection of Birds (Scotland), RSPB Scotland HQ, Dunedin House, 25 Ravelston Terrace, Edinburgh, EH4 3TP. Tel 0131 311 5500.

Annex B

## **Extract from the Official Report**

#### **Public Petition Committee**

#### **10 November 2004**

### **National Bird (PE783)**

**The Convener:** Our next petition is PE783, by James Reynolds on behalf of *The Scotsman*, which calls on the Parliament to support the establishment of the golden eagle as the national bird of Scotland.

The petition was submitted following a national campaign by *The Scotsman* newspaper, in which readers voted for a national bird of Scotland from a shortlist of 12 native Scottish birds drawn up by RSPB Scotland, which this year is celebrating its centenary. Each of the 12 birds was championed by a television, film or radio personality, sports star or politician. Annabel Goldie MSP is with us, and she championed the golden eagle, which was the outright winner with 406 votes from a total of 1,666.

Newspaper polls resulted in the robin being unofficially adopted as the national bird of Britain more than 40 years ago, and the red kite being regarded unofficially as Wales's national bird. Many countries, including the USA, New Zealand, France and Norway, have national birds.

I welcome Annabel Goldie to the committee. Do you wish to comment?

Miss Annabel Goldie (West of Scotland) (Con): Thank you, convener, and to avoid confusion, it is the golden eagle that we want as the national bird, not me. I say that in case there is any misunderstanding.

It is appropriate that I note my interest as a member of the RSPB.

Thank you for allowing me the opportunity to speak to the Public Petitions Committee about the petition. I suspect that I was not alone in finding out with some surprise that Scotland does not have a national bird. I vaguely assumed that we had one, but did not know much about it. I was intrigued when the situation was brought to my attention. I felt that there was merit in Scotland having a national bird. It is a sensible proposition. The idea was that, whatever bird seemed to find favour with the public, it might not only be adopted as a national bird, but become a national emblem of Scotland. I have no difficulty with either of those propositions.

It was my happy task to promote the golden eagle, which I did with great pleasure. If any bird was ranking for the position, the golden eagle was winging it, in every sense of the phrase, because it is inseparable from the image of Scotland. In any event, I imagine that many people think that the

golden eagle is our unofficial emblem. I simply wanted to come before the committee this morning to say that the idea is a good one and, in so far as the golden eagle is concerned, it has my personal backing, because it has become synonymous with all that we regard to be the best virtues of Scotland.

**The Convener:** Congratulations on being the successful sponsor. If some other MSPs had sponsored birds we might have ended up with a bald coot or a turkey, not to say a bustard.

Miss Goldie: I think that the bird pled its own case.

Mike Watson: That has got the official report staff on their toes.

**The Convener:** It is a serious enough issue to merit coming forward as a petition, so I am interested to hear what committee members think we should do.

**John Scott:** It is nice of Annabel Goldie to glide in today from her committee. The petition's concept is interesting. If we are to go down the route of having a national bird, perhaps we ought to conduct more comprehensive research than that which was done by only one newspaper. It would be sensible to widen the research to include, for example, *The Herald* in the west of Scotland, which would give the result a more national dimension than the research from just an Edinburgh newspaper.

The question that is raised, of course, is whether we are going to have a national mammal. Why have a national bird and not a national mammal? A lot of questions must be asked before we proceed. The idea is nice, but we should look into it a lot more carefully.

10:45

**Helen Eadie:** I agree with John Scott. The thought that comes to my mind is whether we necessarily want to go for a bird that attacks. Although it is a wonderful, strong bird, I would rather that we thought about having a bird of peace such as a dove. Scotland wants to be on the global map and known as a country that believes in peace and wants to go down that route. That view might be shared by many others, but how do we test it? John Scott makes a good point about wider consultation. Having been the loser in the proportional representation debate, it crossed my mind that the survey was conducted using proportional representation methods.

It would not be appropriate to write only to organisations such as Scottish Natural Heritage, the Scottish Wildlife Trust or the National Trust for Scotland. A much wider consultation is needed. I am told that the RSPB is bigger than all the political parties put together, so we have to be mindful of that. Its views would certainly have to be taken into account.

John Scott is right that we have to try to conduct a much bigger consultation exercise than speaking just to the organisations that are recommended in the clerks' papers.

**The Convener:** Before coming to Jackie Baillie, it might be worth my pointing out that the RSPB drew up the shortlist.

Jackie Baillie (Dumbarton) (Lab): I have no doubt that it was a very interesting competition and that time was taken to pair MSPs and others with their bird of choice. I hardly consider the sample to be scientific if only 1,666 people respond, no matter how earnest those responses, and I do not think that we should rush to do anything on the back of that.

In her article, Annabel Goldie said that the golden eagle is "synonymous with Scotland" and that it is

"an architect and builder of incomparable skill".

Given our new Scottish Parliament, I wonder whether Annabel Goldie will amplify those comments.

**Miss Goldie:** With pleasure, convener. It was precisely that awareness and sentiment that inspired me to say that I felt that the golden eagle was an exemplary model of how to set about construction projects. It manages to construct an impressive eyrie that endures apparently without limit of time and does not cost anyone a penny. I thought that that was a fine example to put before Scotland.

I come to the earlier point that the convener has clarified. The RSPB is supporting the petition and it has a significant voice on the issue.

As to the other virtues of the golden eagle, I listened with interest to Helen Eadie's point. There were some admirably courageous proponents of other birds. Mr Rab McNeil deserves a medal for promoting the crossbill, because that was not an easy case to plead.

If the Parliament was minded to consider any bird as a national emblem for Scotland, it has to be something that, at first sight, is synonymous with and is already an icon of Scotland. However meritorious the dove might be—

**Helen Eadie:** But the eagle reminds people of Bush and all the worst aspects of aggression. The eagle is one of the emblems of America.

**Miss Goldie:** It does not. If I may say so, that is an unfortunate ornithological lapse. The committee member is confusing the bald-headed eagle with the golden eagle. As a Scot, my blood rises and courses through my veins to think that there could be any possible confusion. The golden eagle is, of course, an indigenous Scot and a dramatic, heroic and fine example of all the best qualities of Scotland. Mrs Eadie took some exception to the fact that the bird is a raptor. It is a raptor, but raptors are found in many forms in society—

they are not necessarily restricted to the world of ornithology. It is important that if the committee is minded to find merit in the petition, albeit it might have some views about how it might proceed, we should not lose sight of the fact that whatever bird is chosen, it has to be one that, not just in the national mind of Scotland but on the wider front, is unequivocally identified with Scotland.

The Convener: Do members have ideas of who we should contact? The idea that we should take wider soundings on the petition is important, because, although it has generated a discussion, we may not be able to make a definitive decision. We might have to ask other organisations beyond the RSPB, although I take into account the scale of the RSPB. If a national bird is being chosen to promote Scotland, perhaps we should contact the organisations that do that job to find out whether they have a view on whether the addition of a national bird for Scotland would help them to promote the country. It would be worth taking views from organisations such as VisitScotland that would use the bird as an emblem.

Helen Eadie: We should also contact schools, churches and wider society, such as the Scottish Civic Forum. This would be an ideal issue for the Scottish Civic Forum to engage with us on. We have treated the petition with a great deal of humour this morning, which is good and welcome because it makes for a bit of light relief in the committee for a change, but it is important. I urge you to accept—which you obviously are doing, convener—the point that various members have made, that we should consult as widely as possibly. How can we go wider than just the Scottish Civic Forum and others, and who would the other appropriate people be?

Jackie Baillie: I do not want to be awkward, convener, but I take a slightly different view. Before we rush off to debate the merits of various birds in Scotland, it might be useful to find out what the process for adopting a national bird is. I would have thought that, in the first instance, we should simply write to the Executive for that piece of information and to find out whether it is minded to adopt a national bird. I am conscious that some of the articles in *The Scotsman* referred to the supportive comments of the then Deputy Minister for Environment and Rural Development, so it would be useful to find out what the Executive's view is before we consider a wider consultation that might invite people to start nominating half a dozen different birds. The committee is not in a position to decide which bird it should be, however admirable Annabel Goldie might be.

**John Farquhar Munro:** The options for action include a wide range of people for the committee to consult. The Scottish Executive is included, as are Scottish Natural Heritage, the Scottish Wildlife Trust, the National Trust for Scotland and the Heraldry Society of Scotland. I recommend that we adopt the options that are recommended in the paper.

The Convener: And that we not take a view as to which bird it should be.

John Farguhar Munro: No, not at this stage.

**Helen Eadie:** If we do that, I hope that you will take account of the request that we adopt a much wider approach to civic Scotland. The Scottish Civic Forum should be included in the list of consultees if we are following the recommendations in the paper. The point that Jackie Baillie made is right, and I agree with her suggestion. I hope that you will approach the churches too and ensure that a full transcript of our discussion goes to all the organisations mentioned.

**The Convener:** I get the feeling that there are two views. Are you saying that we should go to the Executive, get a lead from it about its attitude to the proposal and then contact wider organisations after the Executive gets back to us?

Helen Eadie: That is fine.

**John Scott:** I endorse that proposal. The concept of a national bird is nice, but we should investigate it and hasten slowly rather than rush into it. We have managed to exist without one for many hundreds of years thus far, so we do not need to rush it. One has to ask whether it is an intelligent use of parliamentary time to consult the whole of Scotland. There might be a sensible reason for consulting a little bit more widely, but let us not go overboard.

**The Convener:** Are members happy that we write to the Executive first and await a response from it?

Members indicated agreement.

The Convener: I thank Annabel Goldie for helping us with our discussions.

### Annex C



## SCOTTISH EXECUTIVE

M MCMAHON MSP

7 3 SEP 2005

# PARLIAMENT

Victoria Quay Edinburgh EH6 6QQ

Michael McMahon MSP Convenor of the Public Petitions Committee Parliamentary Headquarters Edinburgh EH99 1SP

International Division

Your ref: Our ref:

September 2005

Dear Michael

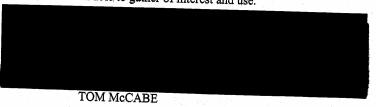
Scottish Parliament Public Petitions Committee - Consideration PE783

Finance and Central Services Department

I am sorry for the long delay in responding to the Public Petitions Committee's request for comment on petition PE783 by James Reynolds, on behalf of The Scotsman newspaper, concerning the establishment of the Golden Eagle as the national bird of Scotland.

There being no established procedure for the designation of a national bird, officials have undertaken research to provide some background on how it has been approached in other countries, the results of which you will find in the attached paper. The paper aims to ascertain what precedent there is for the adoption of a bird as a national emblem and to give examples of what processes might be involved.

The Executive does not have an established policy on a national bird for Scotland, and I note that in many cases the choice in other countries has been made by the legislative arm of government. I will not therefore venture an opinion on the proposal on behalf of the Executive. I trust however that the Committee will find the information we have been able to gather of interest and use.



# RESPONSE TO SCOTTISH PARLIAMENT PUBLIC PETITION COMMITTEE NATIONAL BIRD FOR SCOTLAND – CONSIDERATION PE783

#### **Background:**

Following a campaign and reader vote, James Reynolds, on behalf of The Scotsman, submitted a petition in October 2004 calling for the Scottish Parliament to support the establishment of the Golden Eagle (aquila chrysaetos) as the national bird for Scotland. Given that 2004 was the 100<sup>th</sup> anniversary of the Royal Society for the Protection of Birds (RSPB) in Scotland, The Scotsman believed that there was a good case for Scotland to adopt its first national bird. Their proposal was that the national bird could be

a valued accompaniment to other emblems of Scotland, such as the Lion Rampant, the Scottish Thistle, and the Saltire.

Listed in support of the petition is Stuart Housden, Director of the RSPB Scotland.

### The Scotsman Readers' Campaign

The Scotsman's shortlist of twelve birds received 1,666 votes in total, and the Golden Eagle was the winner with 406 votes. The other short-listed options were: the Red Grouse, the Capercaillie, the Osprey, the Puffin, the Gannet, the Sea Eagle, the Peregrine Falcon, the Crested Tit, the Peewit, the Scottish Crossbill, and the Ptarmigan.

#### **Golden Eagles:**

Protected in the UK by the Wildlife and Countryside Act (1981), the Golden Eagle is listed as a UK Species of Conservation Importance. The species also features under Annex 1 of the EC Birds Directive and is classified as a Species of European Conservation Concern (SPEC 3-rare).

There are estimated to be approximately 400 pairs of this eagle in the UK at present. Most of these pairs are found in the Scottish Highlands, with a substantial density located in the Hebrides; more recently a few birds have returned to the Lake District, Cumbria. In Scotland, it appears that the population of the birds is stable, with numbers remaining essentially unchanged since 1992.

The Golden Eagle's global range spreads through the Palaearctic region, includes mountainous parts of Europe, and extends as far as northern Africa and south-east Asia. The species also occurs in North America. At present, the Golden Eagle is not used as a symbol to represent any national group.

## **UK Precedent for the Adoption of a National Bird:**

Despite some assertions to the contrary, it seems that the United Kingdom does not have an *official* national bird. The European Robin (erithacus rubecula) is frequently listed as Britain's most popular bird, and is a favourite for use on items such as postage stamps, however it has never been submitted to an official process of recognition and has at no point received UK parliamentary support.

Having said this, the European Robin has previously been promoted as the "national bird" by the British branch of the International Council for Bird Preservation (ICBP). In October 1960, responding to a resolution from the ICBP, its chairman wrote a letter to The Times asking for the views of readers on the subject of choosing of a bird for Britain. After reviewing readership response, the Robin was deemed to be overwhelmingly the most popular UK bird with all sections of the community. In accordance with the perceived

public will, the British branch of the ICBP sought for the Robin to be adopted as the "Bird for Britain", and the organisation itself began to use the Robin as its official logo. Despite initial public interest, the European Robin was never submitted for recognition as the UK's official national bird, and no branches of government became involved in its promotion as a national symbol. After continuing to represent the British branch of the ICBP for some years, it seems that the Robin was ultimately dropped from use.

## **International Precedent for the Adoption of a National Bird:**

Internationally, there are many precedents for the adoption of national birds; depending on the source used, it appears that there are between 80 and 90 countries which can be said to have some type of national bird. Among the best known national birds are the Bald Eagle of the USA and the Kiwi of New Zealand.

In addition to birds being used to represent sovereign countries, it is also not unknown for them to be used as emblems of sub-state/ regional entities. For example, Australian states and Canadian provinces are represented by local birds, while each of the 50 states of the USA has also identified itself with a particular species.

## **Process of Adoption:**

There is no international organisation that registers national birds and, in terms of the process that needs to be undertaken to adopt a national bird, there does not seem to be one definite procedure that can be simply replicated. As such, below is presented an overview of how some other countries and regions have approached the issue.

#### **United States**

As already mentioned, the United States has one of the most recognised national birds – the Bald Eagle (haliaeetus leucocephalus) – which is closely associated internationally with the image of the USA. For Americans, the Bald Eagle forms part of the nation's founding myth, and owes its connection to the American state to its connection to one of the first battles of the Revolution. Accounts of the battle recount that the eagles, having been woken by the sounds of fighting, soared over the battlefield, where their raucous cries were taken to be "shrieks in support of the patriots". Consequently, the Bald Eagle became a national emblem of the USA in 1782, when its image was officially incorporated into the great seal of the United States.

#### New Zealand

In contrast to the case of the United States, the Kiwi of New Zealand (Apteryx australis) has never received official recognition or legal protection as the country's emblem and national bird. Although remaining unconfirmed by the nation's institutions and absent from state insignia, the Kiwi has developed strong recognition as New Zealand's unofficial national bird.

New Zealanders first came to be known as "Kiwis" during the First World War, a trend that is believed to have been started by the adoption of the bird as a symbol by their army's 2<sup>nd</sup> South Canterbury Territorial Regiment in 1911. Since this date, numerous of the country's sporting teams have used the emblem, although in recent times it has increasingly been replaced by the silver fern. Furthermore, the use of the Kiwi as a national symbol seems to have gained additional currency by means of the willingness of New Zealand people to describe themselves with reference to the bird.

### Germany

The national bird of Germany has come to be recognised as the White Stork (Ciconia ciconia), although again this has not been confirmed by the nation's legislatures. Instead of receiving official backing, the cause of the White Stork has predominantly been promoted by the German Society for Nature Conservation (NABU). This organisation named the species as the Bird of the Year in 1994, and has subsequently sought to accelerate conservation efforts for the species, undertake an accurate census of the bird, and to develop an effective public awareness campaign about the White Stork.

#### Alberta, Canada

The province of Alberta in the West of Canada uses the Great Horned Owl (bubo virginianus) as its official provincial bird. This process of adoption was initiated by the provincial government in 1977, who invited the area's school children to take part in a province-wide poll to select the new bird of choice. The responsibility for protecting and promoting the province's emblems now lies with Alberta Community Development, a branch of the provincial government.

## Washington State, USA

Similar to the Canadian example, all US States also have a state bird. In the case of Washington State, this is the Western or American Goldfinch (carduelis tristis). In 1951, a special election among the State's school children resulted in the choice of this species. A previous election in 1928 had designated the Meadowlark as the state bird, but it was deemed necessary to select a new symbol as the Meadowlark already represented seven other states. The State Legislature officially anointed the Goldfinch as the state bird for Washington in 1951.

## North Carolina, USA

In 1943, the North Carolina General Assembly adopted the Cardinal (cardinalis cardinalis) as the official state bird. This was not an unusual move for a State Legislature that has become well known for its long history of adopting state emblems. Beginning in 1893 and continuing to the present day, with the latest adoption occurring in 2003, North Carolina has officially recognised many state symbols, including: a motto, a song, a flower, a bird, and wildflower.

#### Annex D





19 May 2006

Richard Hough Assistant Clerk to the Public Petitions Committee The Scottish Parliament Edinburgh EH99 1SP

#### Dear Mr Hough

I am writing to offer the support of The Scotsman to Petition 783, which calls for the golden eagle to become the official National Bird of Scotland. The Scotsman ran a competition over a period of three weeks in 2004 to determine which bird was the public's favourite, and the golden eagle was the clear winner. The petition was submitted in the name of James Reynolds – but since he no longer works at The Scotsman, we felt it was appropriate to reiterate the newspaper's support. The Scotsman firmly believes that national symbols engender a sense of pride in our nation and have positive spin-offs for tourism. As such, we believe that the golden eagle is a fitting symbol of our nation. The adoption of this magnificent species as our national bird would further cement its association with Scotland whilst also sending out a strong message on the nature of our country's regard for its environment and our wild natural heritage.

Please get in touch if we can help any further.

Yours sincerely

DAVID LEE Assistant Editor



PUBLICHETITIONS

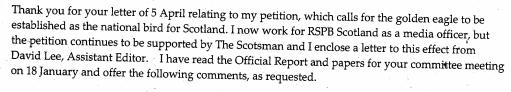
SCOTS ARLIAMENT

Richard Hough
Assistant Clerk to the Public Petitions Committee
TG.01
The Scottish Parliament
EDINBURGH
EH99 1SP

24 May 2006

Dear Mr Hough,

#### **PETITION PE783**

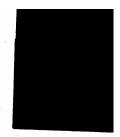


The Scottish Executive background paper which outlines examples of national birds in other countries makes interesting reading, and I am heartened by the statistic that between 80 and 90 countries have some type of national bird. The other countries highlighted in the Executive paper, many of which have strong links to Scotland, and to which many Scots have emigrated, seem to be the clearest examples – the US, Australia, New Zealand and Canada.

In addition to the results of *The Scotsman's* competition to choose a national bird, the Scottish Executive's Scottish Biodiversity List, published 15 December 2005, included a public survey of favourite Scottish species. The results of this showed that the golden eagle was the favourite bird amongst those surveyed. If this idea is to be pursued, these tests of public opinion may be deemed sufficient; of the Parliament may wish to conduct other forms of consultation.

Tom McCabe's letter does not appear to dismiss the idea of Scotland establishing a national bird, and in fact he notes that "in many cases the choice in other countries has been made by the legislative arm of government." This would suggest that it is up to the Committee to decide whether to refer the matter to the Scottish Parliament. My interpretation of this is that the Executive would not stand in the way of Parliament itself pursuing this issue and establishing a national bird.

I hope that the Committee takes this idea forward, with a recommendation to the full Parliament to establish, by some process, a National Bird for Scotland.



## **RSPB Scotland**

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Annex E

## **Extract from the Official Report**

#### **Public Petition Committee**

#### 27 September 2006

## **National Bird (PE783)**

**The Convener:** Our next petition is PE783, which is from James Reynolds on behalf of *The Scotsman*. It calls on the Scottish Parliament to support the establishment of the golden eagle as the national bird of Scotland. At its meeting on 18 January, the committee agreed to invite the views of the petitioner on the responses that we received. His response has been circulated to members.

When the Public Petitions Committee was in Germany last week at the Bundestag, it struck me how much importance Germany places on having a national bird. It had never occurred to me how important such symbolism could be. Wherever we went, the importance of that type of thing was clear to us. It sounds bizarre and is not something that I had paid particular attention to, but it strikes me that other people take the issue of having a national bird much more seriously than we do.

**Helen Eadie:** When the petition first came to the Parliament, I was not persuaded but, having read various newspapers and, like you, heard other people's views, I am coming round to the view that we ought to consider having a national bird. We should refer the petition to the Enterprise and Culture Committee as a serious issue for consideration.

**The Convener:** Are members happy to do that?

Members indicated agreement.