



OFFICIAL REPORT
AITHISG OIFIGEIL

Economy, Jobs and Fair Work Committee

Tuesday 14 June 2016

Session 5



The Scottish Parliament
Pàrlamaid na h-Alba

Tuesday 14 June 2016

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ECONOMY, JOBS AND FAIR WORK COMMITTEE

1st Meeting 2016, Session 5

CONVENER

*Gordon Lindhurst (Lothian) (Con)

DEPUTY CONVENER

*John Mason (Glasgow Shettleston) (SNP)

COMMITTEE MEMBERS

*Jackie Baillie (Dumbarton) (Lab)

*Ash Denham (Edinburgh Eastern) (SNP)

*Liam Kerr (North East Scotland) (Con)

*Richard Leonard (Central Scotland) (Lab)

*Dean Lockhart (Mid Scotland and Fife) (Con)

*Gordon MacDonald (Edinburgh Pentlands) (SNP)

*Gillian Martin (Aberdeenshire East) (SNP)

*Gil Paterson (Clydebank and Milngavie) (SNP)

*Andy Wightman (Lothian) (Green)

*attended

CLERK TO THE COMMITTEE

Alison Walker

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Economy, Jobs and Fair Work Committee

Tuesday 14 June 2016

[Gil Paterson opened the meeting at 10:03]

Interests

Gil Paterson (Clydebank and Milngavie) (SNP): Good morning, everybody. I am chairing because, allegedly, I am the oldest member of the committee. No comments on that, by the way—they still let me out at night, so do not worry. I will chair the meeting for the first two items on the agenda.

I welcome everybody to the first meeting of the Economy, Jobs and Fair Work Committee. I ask members to turn off all mobile devices, as they interfere with broadcasting.

No apologies have been received.

Agenda item 1 is a declaration of interests. I will go round the table clockwise to allow each member to make their declaration.

I will start. I am a part-owner of a business called Gil's Motor Factors, which is now run by my son, Glen, and which distributes throughout Scotland to the motor trade. Some of the committee's work might be related to that, so I declare an interest in that regard.

I am also a board member of a United Kingdom-wide organisation called Nationwide Independent Bodyshop Suppliers, a company that deals with all businesses that are involved in the business that I am in. I do not take any pay or receive any expenses for that, and I go to a meeting once a year.

Through the family business, I am a member of the Federation of Small Businesses. I have never attended any meetings, but I am very much a supporter of the organisation.

I do not think that anything else needs to be noted in my declaration, but if anyone is interested, my interests are in the public domain for everybody to see.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I have nothing to declare but, on a voluntary basis, I mention the work that I have been doing for the past few years with the Scottish Grocers Federation to highlight the impact of the convenience store sector on the Scottish economy. I receive no remuneration for that, but I

think that it is important to promote the federation's work.

Gillian Martin (Aberdeenshire East) (SNP): I am director of my own company, Spontaneous Production, which is currently being wound up now that I have been elected. It dealt with oil and gas training programmes and video production work.

Andy Wightman (Lothian) (Green): I have nothing to declare.

Dean Lockhart (Mid Scotland and Fife) (Con): Professionally, my background is as a lawyer and, as such, I am a member of the Law Society of England and Wales. I was previously a partner of the London-based law firm Linklaters, from which I retired on 30 April. I no longer have any connections with that firm, and I have no other outside commitments.

With regard to share ownership, I own approximately 4 per cent of a private limited company registered in England that is involved in the private energy sector, primarily in relation to energy metering systems. The company has no business interests—and has no intention of having any business involvement—in Scotland. I have no control of or directorships in the company; I am merely a minority shareholder.

As far as heritable property is concerned, I own residential property in Scotland as an occupier and, in the past, as a landlord. With regard to investments, I have through my personal pension plan, which was started in 1996, funds under management by Equitable Life. I have no discretion in terms of the management or allocation of those funds, which will appear on the register of interests, and no decision-making capacity with regard to how investments are made.

Richard Leonard (Central Scotland) (Lab): I have no shareholdings or pecuniary interests, but I declare voluntarily that I am a member of the GMB trade union, Unite the Union, Friends of the Earth Scotland and the Co-operative Party.

Liam Kerr (North East Scotland) (Con): In my capacity as a lawyer, I am director and 100 per cent shareholder of my own business, Trinity Kerr Ltd, which provides legal advice services. On that note, I am also a member of the Law Society of England and Wales and the Law Society of Scotland, and I am landlord of a property in Edinburgh.

Ash Denham (Edinburgh Eastern) (SNP): I have no interests to declare.

Jackie Baillie (Dumbarton) (Lab): I am an unremunerated director of Strathleven Regeneration, and I am also a member of the GMB and Unison.

Gordon Lindhurst (Lothian) (Con): I am a self-employed advocate and member of the Faculty of Advocates. I also own heritable domestic properties in Edinburgh and West Lothian from which I receive rentals. Finally, I hold ordinary shares in the Royal Bank of Scotland, further detail of which will be in the register of members' interests.

John Mason (Glasgow Shettleston) (SNP): I have no relevant interests to declare although, voluntarily, I declare that I am a chartered accountant and member of the Institute of Chartered Accountants of Scotland.

Gil Paterson: Thank you very much for that.

Convener

10:09

Gil Paterson: Agenda item 2 is our choice of convener. The Parliament has agreed that only members of the Scottish Conservative and Unionist Party are eligible for nomination as convener of the committee, and I understand that Gordon Lindhurst is the party nominee for the post. Do we agree to choose Gordon Lindhurst as convener?

Gordon Lindhurst was chosen as convener.

Gil Paterson: Thank you very much for that.

Gordon, I invite you to take the chair, and I wish you luck for the future.

Deputy Convener

10:10

The Convener (Gordon Lindhurst): Agenda item 3 is our choice of deputy convener. John Mason is the Scottish National Party's nominee for the post. Do we agree to have John Mason as our deputy convener?

John Mason was chosen as deputy convener.

The Convener: I congratulate John Mason on his selection as deputy convener.

Work Programme

10:11

The Convener: Under agenda item 4, we will discuss and agree the committee's approach to work programming and the suggestion of holding what is termed a business planning day—or an away day, which I think is the technical term that some use for that.

Members will all have seen paper EJFW/S5/16/1/3. Do we wish to hold a business planning day as suggested in that paper?

Gordon MacDonald: I am on holiday from 18 August.

The Convener: The clerks will liaise with individual members to establish a suitable date for everyone. In light of what Gordon MacDonald has just said, the date might have to be earlier in August or possibly in early September.

Are we agreed on the suggested approach?

Members *indicated agreement.*

The Convener: I move on to the question of the committee's business in the coming session. Members will all have seen the previous committee's legacy paper. The suggestion is that we consider the items in that paper at the business planning day and decide whether we wish to use it as a basis for the committee's further work. I take it that there is no difficulty with that.

Jackie Baillie: It is an eminently sensible suggestion, but will members have the opportunity in advance of the business planning day to reflect on other topics that we would like to be considered? We should not be constrained by the legacy paper, although it is a helpful foundation.

The Convener: Are we agreed?

Members *indicated agreement.*

John Mason: If we do not have the away day until later on, we will still need to be working at the beginning of September. Do we need to decide sooner rather than later what we might look at in September?

Gordon MacDonald: I am the only member here who was on the Economy, Energy and Tourism Committee in the previous session, which carried out an inquiry into the internationalisation of Scottish business. When we looked at the situation with the chambers of commerce, UK Trade & Investment, Scottish Development International and so on, we saw that the picture was cumbersome and mixed. To give us some breathing space to identify other topics that we can look at later in the year, I point out that paragraphs 59 to 61 in the legacy paper propose

that we look at the remits of Scottish Enterprise and Highlands and Islands Enterprise. That might be a good start. The subject is apolitical, which gives us the opportunity to get our teeth into it. Also, Audit Scotland is due to release a report on it during the summer, and I believe that the Government is also looking at the subject. It might be something to start off with, especially if we bear in mind John Mason's point that if we have a planning meeting late, we still have to be up and running for the beginning of September.

That is only a suggestion but the topic is in the legacy paper.

The Convener: The clerks will note that and may bring something back to the meeting in two weeks' time, when we can discuss the matter further.

Does anyone have any other suggestions?

10:15

Dean Lockhart: My suggestion is about logistics. As Gordon MacDonald said, there is a lot of work to do. I am keen for us to have a constructive dialogue about the Scottish economy, so should we set up an email distribution list for sharing policy ideas? The Scottish economy really needs fresh impetus and ideas on how we tackle unemployment and Scotland's lagging gross domestic product.

Maybe one is in place, but it would be good to have a distribution list, as we will not always be in the committee room to share ideas—we might be in recess, for example, or in the chamber. I think that we all have the same agenda of taking the Scottish economy forward and developing a stronger economy for the benefit of the Scottish people. It would be good to have an informal and dynamic format for bringing forward new policies, which clearly are what we need.

The Convener: In the first instance, the clerks could compile an email distribution list, which will be shared with committee members. We can see how we take that forward, if people wish to take that approach. We could discuss the idea further at the next meeting, if anything arises.

Do members wish to draw attention to any other points in the legacy paper for people to consider prior to the meeting in two weeks' time, when we will discuss the legacy paper and how it fits into the business planning day?

John Mason: If you want ideas for things that we should focus on, I am keen for us to focus on the living wage, on fair work, on manufacturing as part of the Scottish economy and on social enterprise, which has been mentioned before.

The Convener: That is noted.

Gordon MacDonald: Before the election, the then Economy, Energy and Tourism Committee looked at the living wage and fair work in quite a bit of detail. I am not averse to looking at the subject again, but to do so now might be too soon after what we did in the previous session.

If we wanted to look at some way of growing our economy quickly—as Dean Lockhart suggested—an idea might be to consider our airports' situation. Edinburgh airport is growing—I think that it recently hit 11 million passengers in a year. We could replicate the situation whereby people who are travelling to America can go through immigration in Dublin airport; it creates a fantastic input and draws a huge number of flights through the airport, which has a knock-on effect on trade and tourism. That might be worthy of discussion.

The Convener: That is noted.

Andy Wightman: Is it worth our while to reach out to people outside Parliament—in trade unions and business, for example—to invite them to suggest topics or questions that might merit the committee's attention?

The Convener: You might want to look at that and bring something to the committee.

Andy Wightman: No. I suggest that the committee might wish to reach out to people beyond Parliament and invite their suggestions about agenda items for the future; it might not be for the immediate term.

The Convener: We note that.

Richard Leonard: I agree with Andy Wightman's suggestion. Gordon MacDonald will keep us right, but is it not the case that at some past away days external speakers have been invited along to stimulate discussion?

Gordon MacDonald: We really started having away days—which I think work really well—to any great extent only in the second half of the previous session of Parliament. The then Economy, Energy and Tourism Committee had one in Paisley—from memory, it was when the committee was looking at fair work. We invited unemployed people, small businesses and agencies that help people into work to an informal meeting. I am concerned that how Parliament has worked means that we have developed “professional” witnesses—no matter what the topic a committee is looking at, the same witnesses always turn up. I would be happier if there were more informal meetings at which we could hear from the front line about what is really happening, rather than the information being filtered through a lobbying organisation.

The Convener: Are you suggesting that there should be a mix of witnesses?

Gordon MacDonald: Yes. We do not have to have a guest speaker. When we have had such meetings before, there have been maybe six or seven groups and one MSP sits with each group and acts as a facilitator. Usually a clerk or someone takes notes so that we have feedback from the discussions. Those meetings worked particularly well.

We have also had round-table meetings—the main one was in the members' coffee lounge. When I was on the previous session's Infrastructure and Capital Investment Committee, we invited a lot of small businesses to come in one evening. It was good to hear first-hand information about potential legislation that was to go through Parliament. I cannot remember what the legislation was, but we got a bit of feedback. In my view, those things work better that way.

The Convener: It may be helpful to have that sort of thing, although one has to be careful not to have too much simply anecdotal evidence.

Gordon MacDonald: Absolutely: it is about striking a balance between the two.

The Convener: Indeed. In addition there are questions about how the views that would be expressed and the comments that would be made would be recorded, and how people would be selected to come to those informal meetings. We could have professional witnesses on one side and, on the other, people who have particular issues that they wish to promote. It is important that we have regard to those people but—as you said—there is a need to strike a balance.

Gordon MacDonald: So far, in the discussions at informal meetings—of which I have now attended three—no individual has come along with an axe to grind. Such meetings are about moving the agenda forward; the approach has worked well. That does not mean that what you describe might not happen, but so far—touch wood—it has not.

The Convener: Jackie Baillie wants to comment.

Jackie Baillie: The moment has passed; however, I will make my points. It would be helpful for our away day for us to distinguish between subjects that may lend themselves to our having one or two evidence sessions and those that would be subject to much wider inquiries, because I think that we will want to mix and match a bit as we go along.

I would support the committee looking at Scottish Enterprise and Skills Development Scotland. The Government is conducting a review of those organisations, so it would be helpful to be aware of the timetable for that and to be able to influence the review.

It would be remiss of us not to mention oil and gas, given what has been going on over the past week and, indeed, over the past few months. I do not know what the Economy, Energy and Tourism Committee did in the previous session, or where it left off, but we should return to that subject from time to time.

The Convener: I think that Dean Lockhart wants to comment—or has your moment also passed?

Dean Lockhart: Thank you, convener. My moment never passes.

That was irony, in case it escaped anyone.

I think that our duty as a committee is to anticipate changes to the economy and to look ahead and plan for changes in technology and in business practices. Such changes are already taking place—for example, Scotland has a strong position in the digital economy. We can leverage on that. I am keen that, if we bring in external speakers, we include people from the digital economy because they would be valuable to add to that exercise.

Last week in the chamber I mentioned artificial intelligence. I know that it may sound a bit outlandish, but I spoke to someone yesterday about the matter: it is an issue that we will have to deal with. Edinburgh employs thousands of people in the back offices of financial services, and those jobs might be at risk of being taken over by new software systems that will be in place in the next two years.

The point that I am making is that we have to look ahead. This is a five-year session of Parliament and we have to deal not with last year's problems, but with the challenges that we will face in five years.

Gillian Martin: On the back of that, I would like to look at an issue that I mentioned in one of my recent speeches: remote working, particularly in non-urban areas. I want to look at the issue in the context of the rural economy, and at how to support people who are not getting into their cars and going into an urban environment to work in an office, and how to facilitate people growing businesses that can work remotely.

John Mason: Maybe the clerks can guide us on the line between our committee's remit and the remit of the Rural Economy and Connectivity Committee, which I happen to be on, too. Sometimes, I get very confused about where the work of one starts and the work of the other stops.

The Convener: I will take one more point from Andy Wightman, then perhaps we can move on to the next part of the discussion, because we are starting to get into detail that we can work out as we move forward.

Andy Wightman: The outcome of the referendum on the European Union should be on the agenda for the next committee meeting.

The Convener: The European Union referendum falls under Westminster's remit, not the Scottish Parliament's. I am not certain that we will have, on 28 June, a clear position on the relevance of the referendum result on this committee, given that it will have taken place only five days before then.

Gordon MacDonald: We are talking about a result that could, whichever way it falls, have a massive impact on our economy. For you to turn around and say that it is not a matter that the committee should consider seems to me to be a wee bit disingenuous, to say the least.

The Convener: If we invite the Cabinet Secretary for Economy, Jobs and Fair Work to come, he may well have comments to make on the referendum result and how it may impact on Scotland. It may be that that issue will arise. Whether the referendum will have a huge impact will depend on which way the result goes.

Jackie Baillie: I agree with the convener's suggestion—the cabinet secretary coming to the committee would be a neat way to deal with the matter. However, I wonder whether we could commission the Scottish Parliament information centre to do a short paper—in so far as it is able to—that would capture some of the emerging facts and might inform committee members.

The Convener: Is everyone content to invite the cabinet secretary to our next meeting to outline the Government's proposals or its programme? He will take one view or the other on whether to go into the topic of the outcome of the referendum on the European Union, but we will allow him to take up the issue if he considers it appropriate to do so. We will also ask SPICe to provide a report—to the extent that it can—for our meeting, which will be five days after the referendum. Is everyone happy with that approach?

Members indicated agreement.

The Convener: We will invite both the Cabinet Secretary for Economy, Jobs and Fair Work and the Minister for Business, Innovation and Energy—who I think is Paul Wheelhouse—to the next meeting. The clerks will get in touch with members on timing, which will depend on the commitments of the cabinet secretary and the minister on that day.

Unless members have anything else to raise, I thank everyone for coming, and I look forward to working with you over the next five years.

Meeting closed at 10:30.

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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