

EUROPEAN COMMITTEE

Tuesday 3 December 2002
(*Afternoon*)

Session 1

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CONTENTS

Tuesday 3 December 2002

Col.

EMPLOYMENT AND CORPORATE SOCIAL RESPONSIBILITY INQUIRY	1733
SCOTTISH EXECUTIVE (SCRUTINY)	1756
EC/EU LEGISLATION (IMPLEMENTATION)	1758
CONVENER'S REPORT	1759
SIFT	1762

EUROPEAN COMMITTEE

15th Meeting 2002, Session 1

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DEPUTY CONVENER

*Mr John Home Robertson (East Lothian) (Lab)

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*Colin Campbell (West of Scotland) (SNP)

*Dennis Canavan (Falkirk West)

*Helen Eadie (Dunfermline East) (Lab)

*Mr Lloyd Quinan (West of Scotland) (SNP)

*Nora Radcliffe (Gordon) (LD)

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*attended

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David Greaves (West Lothian Council)

Professor Ron McQuaid (Napier University)

CLERK TO THE COMMITTEE

Stephen Imrie

ASSISTANT CLERK

David Simpson

LOCATION

The Hub

Scottish Parliament

European Committee

Tuesday 3 December 2002

(Afternoon)

[THE CONVENER *opened the meeting at 14:08*]

Employment and Corporate Social Responsibility Inquiry

The Convener (Irene Oldfather): I formally welcome members to the 15th meeting in 2002 of the European Committee. I have received no apologies, but I understand that Colin Campbell will be along a little bit later.

Our first item of business is to take evidence on the European employment strategy. We will do that at today's meeting and at our next meeting and we will deal with corporate social responsibility at meetings in January.

I welcome Professor Ron McQuaid to the meeting. We also have Councillor Willie Dunn, who will speak on behalf of the Convention of Scottish Local Authorities. I ask Professor McQuaid to make some introductory remarks, after which we will open the meeting to questions.

Professor Ron McQuaid (Napier University): Thank you. I will speak for about five minutes, if that is all right.

I am from the employment research institute of Napier University. The institute uses the European employment strategy framework to provide a framework for research, although we also do research on transport and economic development. We support the concept of using the employment strategy framework.

The current local and Scottish contribution to the implementation of the United Kingdom's action plan for employment is large. At the local and regional level, national programmes are often implemented in partnership with local bodies and take cognisance of local conditions and circumstances. They also work with key actors. That is particularly true where there is a need for an integrated and holistic approach, such as when targeting more difficult employment groups and some business support schemes. Although the local and Scottish contribution is crucial to the operational success of the national action plan on employment, I will make some comments about the dangers.

The European employment strategy has not driven UK policy; rather, it seems to me that UK

policy has more often repackaged within the framework of the European employment strategy what it was already doing. The European employment strategy has, however, been very useful in identifying gaps as well as good practice, but in a number of cases it has not driven the development of policy. There are dangers surrounding driving policy; for example, one of the problems with top-down policy development is that it can lead to inflexibility and inappropriate local application. There are a number of UK-wide policies, such as the new deal, that fit perfectly into the European employment strategy.

On a positive note, there is quite a lot of flexibility coming in through a number of UK Government programmes; that should be applauded. It is important that, in the future, we should try to continue with and keep such flexibility. For example, we have employment zones that target depressed local labour markets, such as Glasgow. Those have allowed the pooling of funds within personal job accounts for job seekers and those funds can be used to address training or transport problems. It is no longer the case that the unemployed will just be trained; it is now more about finding out what is preventing them from getting a job, such as whether they have problems getting to work—for example, an unemployed person in a remote rural area might need a driving licence. We can now start to deal with the issues that really face people. Those issues are being addressed by policies rather than being segmented and put into narrow pigeonholes, which is to be welcomed.

The same type of flexible funding approach informs the work of the employment action teams that work in areas of high unemployment. That reflects a commitment to ensuring that job seekers' problems are addressed holistically and that service providers are not constrained by funding regulations. Although the committee will consider corporate social responsibility later, there is a good example of it in Alloa, which we are evaluating at the moment. Tesco has opened a store that will provide 200 jobs. More than 100 of those jobs have gone to residents of social inclusion partnership areas and many of them are older male workers from traditional manufacturing industries who would normally not go into retail.

14:15

That has been achieved partly because of the pragmatic and effective joint working among the national agencies, which have been flexible in the way in which they have administered the funding regulations to meet the real needs of the people. Initial findings show that that has been a highly successful example of how corporate social responsibility has had some influence, although

commercial considerations will also be paramount for Tesco.

Other new policy initiatives seek to extend the themes of holistic and flexible approaches. The step-up programme will provide compulsory training towards a job guarantee for those who have not successfully found work through the new deal. The Chancellor of the Exchequer's recent speech outlined plans for further area-based approaches, under which areas of high unemployment will be tackled on a street-by-street basis by key public agencies. It is important that flexibility is maintained on the ground. If we simply have a top-down approach without such flexibility, we will all lose out.

Partnerships are another issue on which the UK Government has commented in its response to the latest European Union action plan. That issue is quite important for Scotland because we already have local economic forums and community planning and many local enterprise companies are said to work closely with partnership organisations. The UK response, which is that we need not necessarily create new partnerships, is probably the right one. We should where possible build upon existing partnerships and we must beware of partnership overload. Another danger of using the European employment strategy too rigidly is that we could end up creating superfluous partnerships that do not necessarily add value.

Of course, by no means is everything perfect on the ground in Scotland. Our current conditions of low unemployment are perhaps beneficial for partnership working, in that there is an incentive for everyone—private sector and public sector—to work together. However, that might prove to be transitory if a recession were to occur.

I want to mention briefly one project that was carried out last year—I am sure that the committee will hear much more about it—by COSLA, Geoff Peart Consulting and the employment research institute on behalf of the European Commission. The project, which examined local economic action plans in six local authorities in Scotland, basically tried to apply the European employment strategy to the local level to see how it would work. The six authorities were Dundee City Council, City of Edinburgh Council, North Lanarkshire Council, Renfrewshire Council, Stirling Council and West Lothian Council. In each of those areas, a local economic action plan was created.

That experience was beneficial for everybody and raised some important points. I will mention four key points before I go on to the last bit of my introduction. First, the local economic action plan raised awareness of the existence, range and particular focus of the European employment strategy. I must be honest and say that, when one first asks people—whether one asks those who

work in economic development or people on the street, so to speak—about the European employment strategy or even the national action plan, one gets an awful lot of blank looks. The local economic action plan was useful in raising awareness of those policy areas, all of which had, as I said, been very weak prior to the project.

Secondly, the LEAP facilitated a gap analysis. In other words, although people knew what they were doing, when they compared that to the framework they realised that there were gaps, some of which concerned competence, that were not being dealt with. For instance, the Scottish Parliament has some control over tax regulation, but it is predominantly a Westminster issue and is not relevant to local authorities. However, many of the other gaps concerned matters that had not been emphasised much; in particular, equal opportunities and social partner activities were underplayed. Most of the policies dealt with employability and, to some degree, enterprise.

Thirdly, the cataloguing of local initiatives under each guideline proved to be a useful database for the exchange of experience between the local authorities and others. It also acted as a stimulus to develop new initiatives to fill the gap.

Fourthly, the process highlighted the extent of the overlapping range of employment-related programmes and initiatives, hence the need for more effective policy and programme co-ordination at local level. The process identified not only gaps, but overlaps.

Four recommendations from that study are particularly appropriate for the Scottish Parliament. The first is that the Parliament or the Executive should come to a view on how Scottish national and local employment action planning should be developed within the framework for economic development. We have many strategies, such as "A Smart Successful Scotland". There exists the potential to develop a national Scottish employment action programme within the existing arrangements under the framework for economic development.

Secondly, there appears to be scope to develop a national stakeholder forum in which all the relevant European employment strategy policy interests could be brought together. The danger is that such a forum would be merely a talking shop. We want a forum that would help to set the framework and which would add value to Scottish policy. The social inclusion organisational model is perhaps useful in that context.

Thirdly, it might be useful if the Executive or the Parliament came to a view on how local economic action plans fit into local employment planning and the delivery landscape, and on whether the proposed collaborative local economic forums, the

community planning model or some variant of that model is a possible way forward. Should LEFs take on board local economic action plans and the European employment strategy, or should some other mechanism be used? Given that my earlier comments were about not wanting to create more and more partnerships, it might be more beneficial for existing bodies and partnerships to take on board the local economic action plan framework.

Finally, one of the findings in our study was that, despite many years of large-scale local labour market studies by local enterprise companies and many others, the information that is available is often of relatively poor quality. I hope that the Future Skills Scotland unit of Scottish Enterprise and Highlands and Islands Enterprise will play a major role in overcoming that basic lack of information, although that recommendation has already been superseded by the unit's workings.

The Convener: I thank you very much. We have a number of questions that will follow up some of the points that you have made.

Dennis Canavan (Falkirk West): Will you give us some detail about how the United Kingdom action plan is developed, in particular, about the extent to which the Executive and other Government bodies have direct input to that development? Who takes the lead in Scotland: is it the Scottish Executive or the Secretary of State for Scotland?

Professor McQuaid: That is a good question, but the answer is beyond my detailed expertise. The Scottish Executive would be much more effective in answering that question. I believe that the Executive has input to the economic action plan, but it is not clear that other bodies, such as Scottish Enterprise, have direct input to the plan. The input seems to come more from the Scottish Executive, which will be in a much clearer position to say how much influence it has and who provides the real input.

Dennis Canavan: Does the UK Government have an obligation to involve the Scottish Executive and other agencies, or are they involved only informally and occasionally?

Professor McQuaid: The current UK employment action plan states clearly that the devolved bodies have a role. Parts of the plan identify specifically the policies of the current Scottish Executive. The Scottish Executive has a clear role. I suspect that that role is not legally binding, but I am not sure about that.

Dennis Canavan: To what extent are other Scottish stakeholders involved in the UK national plan's development? I refer to bodies such as the Scottish Enterprise network, local authorities, the Scottish Trades Union Congress and the Confederation of British Industry Scotland.

Professor McQuaid: Dennis Canavan refers to the whole range of social partners. From my perspective, participation is extremely limited and direct and transparent input has been limited. Perhaps the UK Government's people would say that there has been some informal lobbying and so on, of which I am not aware.

Sarah Boyack (Edinburgh Central) (Lab): You kicked off by discussing the extent to which the European employment strategy had been implemented by the UK Government and the extent to which the UK Government has its own employment policies, which dovetailed conveniently with the European policy. To what extent is the European employment strategy relevant in Scotland? How should we use it actively in developing our policy initiatives in relation to employment and economic development policy?

Professor McQuaid: Scotland is fortunate to have a whole range of policies, including the framework for economic development. All those policies could fit closely with certain parts of the national action plan and the European employment strategy. There are still gaps, however, and the framework might be quite useful in identifying them. They might be gaps of emphasis, rather than there being missing policy. The framework would force us to address the issues that are of key concern at European level.

There are some areas of confusion, however. For example, gender seems to come under employability, rather than equal opportunities. Perhaps that does not fit so well with the way in which policy has been developed in Scotland, where strong social inclusion policies have been developed. Gender could also be viewed in an equal opportunities context and not purely in an employability context.

It would be useful for Scotland to consider the European employment strategy framework and then to return a contribution to the European level, stating where in the strategy there might be incorrect emphasis. We must remember that the European employment strategy covers the whole European Union, which includes areas of massive unemployment and areas of buoyant economy, such as Edinburgh. That European strategy must be put through a local or Scottish filter, because some of its features that are fundamental at European level—including the low participation and employment rates—are not quite so important in Scotland.

Sarah Boyack: You said that you thought it more important to pick up gender issues as equal opportunities issues, rather than as employability issues. Is that because you see employability as being too narrow an issue for the employment strategy to pick up?

Professor McQuaid: I was thinking more about how equal opportunities have traditionally been viewed in Scotland and the UK. The issue of employability is fundamental, and there are at least two ways of considering it. The traditional way that applies in North America is that employability concerns someone's ability to do a job. It might be a matter of literacy, numeracy and communication skills or it might be about the person's ability to work well with customers. People sometimes think of employability as comprising such a limited set of skills. Job advertisements in the newspapers will often ask for someone who can read and write and who can work well with customers. In manufacturing, employers might also be seeking numeracy skills.

There is also a more European view of employability, which is about how people can find employment or an improved job. That takes into account a whole range of issues. Under that wider perspective of employability child care, for example, becomes very important. Child care is not a characteristic of the person, but the person cannot get into employment without it.

There is a debate about whether we should take the narrow employability skills approach or the employability assets approach, as it is sometimes termed. We could say that, if we get people to read and write and give them interpersonal skills, we are sorted. Under the wider, European perspective, however, we would ask, "What is preventing this person from getting a job?" That question covers their being able to travel to work, availability of child care and availability of local opportunities. Sarah Boyack has hit on the important issue of what we mean by "employability".

Sarah Boyack: How useful do you think that employment guidelines are at a Scottish level? Do they need to be tweaked or revised at all?

14:30

Professor McQuaid: A number of the employability guidelines are of limited appropriateness to Scotland, particularly the one about tax reforms for employment and training, which relates to matters that are reserved to Westminster. Certain guidelines are appropriate to Scotland, such as those relating to modernising work organisations and so on, but not a lot has been done in that regard at the Scottish level, although it could have been. We know that 80 per cent of the people who will be in work in 2010 are already in the work force, which means that if training is dealt with only through higher and further education, the vast majority of people who will be working in 10 years or so will not be touched.

Scottish Enterprise took a strong view early on that it would not deal with training within companies as that was mainly the role of employers. However, my interpretation of the guidelines is that modernising work organisations is a key issue. It would help us to examine the issue more carefully if we considered the framework when asking what we should be doing. Perhaps the answer is that we should not be doing anything, although the fact that we are not doing certain things does not mean that we should not be. The framework would help us to justify our current decisions or lack of action.

Sarah Boyack: Are other European countries picking up on that?

Professor McQuaid: Yes.

Sarah Boyack: Will we lose out if we do not pursue that fully as well?

Professor McQuaid: We have to acknowledge that it is important and decide how it should be dealt with and who should deal with it. There is a huge opportunity to learn from good practice elsewhere in Europe. We should find out about flexible organisations across Europe.

The Convener: You spoke about the pilot studies and the six action areas. In the gap analysis, was there any evidence that we are redressing the imbalance between the skills of the work force and the demand for skills due to new technology? Many workers—I think that the Scottish Enterprise figure used to be 80 per cent—were trained more than 10 years ago and, in the past 10 years, demand for skills has increased way beyond the training of the work force.

Professor McQuaid: No. That is the kind of problem that the framework highlights. Little was being done under the adaptability pillar, particularly with regard to modernisation of the work organisation and work force.

About 15 years ago, the Massachusetts Institute of Technology ran evening courses for engineers because people felt that, after something like six years, a trained engineer might know an awful lot about their speciality, but they would know little about the general field of engineering, because it was moving so fast and new materials and technologies were always becoming available. I agree that, in most cases, someone who was trained 10 years ago might be an expert at their job, but they will not be an expert in their field.

The Convener: Are we doing enough about the employability of the over-55s? Making people who are over the age of 55 more employable is one of the European targets.

Professor McQuaid: That is a good point. We have done work in that regard for the City of Edinburgh Council and West Lothian Council and

in Wick and Sutherland. One of the key issues of the employability framework relates to the over-50s, particularly males. It was interesting that, even in Edinburgh, where many jobs are available at all skill levels, there was still a strong desire to have a job in a traditional sector, even though there were no longer jobs in those sectors. There were strong views against working in the service sector, call centres or the tourism industry.

The example of Tesco, which I cited earlier, is a useful one. When someone signed up for the course, they were guaranteed a job interview. If they completed the course, they got a job. That provided a huge incentive for over-50 males and others to see the course through and enter a new sector.

Often, the over-50 males were looking for a job at a higher level than their previous one, even though they were long-term unemployed. Normally, employers look askance at people who are long-term unemployed. People were doing that partly because of the fear factor. They were afraid of getting into a job from which they had previously been made redundant and did not want to get into the same situation. They were afraid of losing their benefits—housing allowances and so on—and asked, “What happens if I start a job and I get kicked out again? Do I have to go back and reapply for all those benefits?” The over-50s work force is a key issue.

The demographics of Scotland are such that, although the labour force will perhaps grow slightly over the next decade, we will shortly be going off a cliff in terms of the availability of people in the work force. We are going to have to retain the over-50 males and females in work. We will have to deal with the situation in 10 years’ time, so we should start to deal with it immediately. That might involve allowing partial retirement, whereby a school teacher could work for two days a week but still safeguard their pension, and so on. However, it has to go much wider than that. We should be starting to do that sort of thing now, as we know that there will be a problem with demographic change.

The Convener: Thank you. That is helpful.

Mr Lloyd Quinan (West of Scotland) (SNP): Professor McQuaid has talked about older workers and their desire to have a job at a higher level than their previous one even though they are long-term unemployed. Does that desire exist because the jobs that they are being offered tend to be paid at close to the minimum wage? If people go back to jobs at a lower hourly rate than they were paid in their previous job, from which they were made redundant, is not the issue less about the loss of benefits than it is about the loss of self-respect?

Professor McQuaid: It is a combination. There is definitely a problem when someone goes back

to work on a low wage. The self-esteem issue is important. There are other issues when people have to go into an unfamiliar workplace. Someone who has worked in a traditionally male industry may have to enter a female-dominated work force, which can lead to pressure from former colleagues, family members and so on. There is also the fear of losing benefits and not knowing whether they will get the benefits back if the job does not work out. There are many issues, which is why an holistic approach must be taken. If the national programmes are applied too rigidly, especially among the most difficult to support groups—the most disadvantaged groups—they will probably not be very effective. However, with local flexibility to deal with the real issues that people face, the programmes will have a much better chance of being successful.

Mr Quinan: Just as we have a split minimum wage for younger people, would it be of benefit to have a higher-rate minimum wage for people in their 50s who are returning to work after long-term unemployment, instead of the benefits net that exists? Would that begin to address the problem, as self-esteem would come from the wage packet, not from the begged-for benefits?

Professor McQuaid: Yes. Benefits such as the working families tax credit can be influential as long as people know about them. We must be consumer-friendly in telling people exactly what they are going to get. However, that puts the onus of the payment on the state rather than the employer.

There is a danger that, if there was a higher minimum wage for older people, employers might choose to employ younger people, although, with the decline in the number of young workers, that might become less of a problem. I would not like to respond to that idea off the cuff, but it is an interesting point.

Mr Quinan: That leads me to my principal question. Given what we have just discussed, do you see any value in having a specific Scottish employment action plan that could vary the minimum wage? Could you see that sitting alongside the UK national action plan?

Professor McQuaid: In the United States, there is a federal minimum wage and each state can set its own minimum wage. Similarly, Scotland has the power to set a different level of income tax from that in the rest of the UK. I suppose that the principle exists, but the pros and cons would have to be considered carefully. For example, would equity be worked out across the UK or within Scotland? Such matters would need to be considered. I do not think that a Scottish employment action plan per se is required. The issues could be dealt with without the superstructure of an action plan.

Mr Quinan: Would it be worth having a Scottish employment action plan or is it better to stay with the local employment action plans, which is the model at present?

Professor McQuaid: There is a UK action plan and there have been a few local pilots. It would be useful to discover how current Scottish policies fit with the national and European action plans. I am not sure whether the overall process should be called a Scottish employment action plan or whether we should just keep doing what we are doing and see how that fits. It would be useful to see how the existing policies fit and to identify gaps and good practice elsewhere. That would be more beneficial than having another document that lays out a Scottish employment action plan.

Mr Quinan: In large parts of Italy and most of Spain and Portugal, employment action plans are aimed specifically at the premier breadwinner in families and little or nothing is done about youth unemployment because the cultural emphasis in those countries is on the family. Is that good practice?

Professor McQuaid: No. Good practice must be effective, efficient and appropriate. It is useful only if it is appropriate to our cultural and socioeconomic situation. It is interesting that the European employment strategy tries to force the countries that you mention down certain routes by making them guarantee job opportunities. Europe has been trying to change practice in those countries.

Mr Quinan: Is the situation affected by the fact that the three countries that I mentioned operate a system of civil and military service, which is how they deal with their youth unemployment?

Professor McQuaid: That might be the case, but it would not be good practice for us to return to having national service.

Mr Quinan: I am not suggesting that.

The Convener: That brings us on neatly to John Home Robertson.

Mr John Home Robertson (East Lothian) (Lab): Our principal interest is in how the employment strategy works in Scotland, but Lloyd Quinan has moved into comparisons with other members of the European Union. It might be helpful to set the matter in context. In 2000, the Lisbon Council adopted a set of quantitative targets for raising employment rates in the EU. How successful has the European employment strategy been in helping countries to reach those targets?

Professor McQuaid: It is probably too early to say whether the targets have been reached. The targets set a long-term direction, but the recession in Europe has probably mitigated the effects

considerably. We already supersede some of the targets for employment: for example, the female participation rate in the UK and Scotland is high, so the target is not appropriate to us.

In countries in which there is a large agricultural sector, one would expect the standards to move up irrespective of policy, because as the agriculture sector shrinks, more people will join the formal employment sector. Many people who work in the agriculture sector and who are economically active are not counted in statistics because, as a result of the wives of farmers, they are employed informally. We must distinguish between what is happening and what appears to be happening. It is too early to say whether the employment strategy works. The effects of the recession are fundamental in determining success.

Mr Home Robertson: So you cannot identify early trends or examples of good or bad practice from which we can learn.

Professor McQuaid: There is a huge debate in the UK about employment rates, particularly about people who are on sickness benefit. It is helpful to raise the debate in Scotland and the UK instead of continuing to ignore a huge section of the population that is no longer counted as employed or unemployed.

We are considering particular initiatives that should teach us about aspects of good practice. For example, how does Denmark train its workers to adapt to changing technologies and so forth? Denmark has been particularly successful in that area. Although that example is at the micro level, we could identify many other cases of good practice, particularly in areas where we have identified gaps.

The Convener: Nora Radcliffe wanted to explore issues for rural areas.

Nora Radcliffe (Gordon) (LD): Yes. I am interested in what you said about people being economically active and yet, because they are not paid formally, not being picked up in the statistics. As a rural housewife, I relate to that. To what extent has the national action plan successfully addressed questions of employment in rural areas? I am thinking of factors that might prevent rural depopulation. The difficulty with employment statistics in rural areas is that unemployment leaves the area.

14:45

Professor McQuaid: That is an interesting point. In respect of the employment strategy, the general trend is to address labour supply, equal opportunities for people in work and the employability of people in work and those who are trying to enter work. On the demand side—which

is where jobs will come from—the main issue at the moment is entrepreneurship. Some people have argued that that is too limited, as it is about the promotion of self-employment. People argue that employment is about a range of factors including inward investment—although it is out of flavour because there is so little of it about—and other factors such as the relocation of Scottish Executive civil servants, which was a big issue at the beginning of the Parliament.

One of the big issues now is the demand for labour, but that needs more emphasis, particularly in rural areas where self-employment is important. That was partly picked up under the heading of entrepreneurship, by making it easier to start up a business and so forth in rural areas. That is to be welcomed, but a greater emphasis should be placed on how to create more employment in local areas. That aspect of the employability framework could be developed.

Nora Radcliffe: So the strategy has not succeeded at spreading employment levels. The UK met its targets but not evenly throughout the country.

Professor McQuaid: Yes. That is also a good point. If that was to be done at the Scottish level, there is no reason for not taking geographical distribution on board. Although the framework is drawn up at national level, regional distribution in Scotland or the UK could be studied in relation to individual guidelines to ask whether major differences exist.

Nora Radcliffe: We need to get below the headline statistics.

Professor McQuaid: Absolutely. We need to get beneath the surface of the equal opportunities component and so forth. It would be beneficial for the Scottish Parliament to examine the issues across Scotland.

Nora Radcliffe: It would be useful to collect that data. I return to the point that you made in your opening statement about the lack of good data and information.

Professor McQuaid: Yes. Future Skills Scotland is addressing the issue, but much more needs to be done.

Nora Radcliffe: It needs to gender disaggregate the data—et cetera, et cetera.

Professor McQuaid: Absolutely—et cetera, et cetera.

Nora Radcliffe: Thank you.

The Convener: That concludes our questions this afternoon. I realise that we have run over our estimated time a little, but we appreciate the detailed answers that you have given us. I was particularly interested in your comments about

taking an holistic approach and about the six local action areas. It would be helpful to have a paper to sum up those conclusions and to give us further detail on those areas.

Professor McQuaid: I would be pleased to provide that. If COSLA is in agreement, I see no problem in doing that.

The Convener: Thank you, Professor McQuaid.

That brings us to our next set of witnesses. I welcome Councillor Dunn from the Convention of Scottish Local Authorities.

We are pleased to have you with us today to speak about the local dimension and local partnerships. I invite you to make your opening remarks.

Councillor Willie Dunn (Convention of Scottish Local Authorities): Thank you for inviting me to the committee. David Greaves, who is a policy manager with West Lothian Council, is with me today and he will deal with any of the more technical answers that are required.

We are delighted to give evidence to the committee and have submitted written evidence. Although I represent COSLA, as its economic development spokesperson, the past 18 months to two years have been a quite interesting time in West Lothian, so excuse me if any of the answers to the committee's questions have a certain West Lothian slant. I am more than willing to answer questions relating to the submission. If I cannot, I hope that David Greaves will be able to.

The Convener: Thank you. I have just received the written submission, but we will proceed to questions.

Dennis Canavan: How effective has Scotland's local employment strategy been? Does the European employment strategy provide a useful framework for the development of local employment policy? How could it become more relevant in the day-to-day work of local practitioners in places such as West Lothian?

David Greaves (West Lothian Council): I will answer on behalf of Councillor Dunn. We have had several years of involvement in addressing the four pillars of the European employment strategy. We see them as a useful framework for the work in which we are engaged daily: addressing employability, assisting companies to address the adaptability agenda, promoting enterprise, supporting business start-ups and developing the equal opportunities agenda through a raft of local initiatives.

At a local level, our strategies and implementation address the European employment strategy and the national employment action plan, but it is fair to say that the documents

do not feature highly in our day-to-day work. Local authorities do not refer back to them in their work daily and with partners. We are concerned with making operational locally UK and Scottish actions that are aligned with the European employment strategy.

Councillor Dunn: I obviously agree with that. The European employment strategy is not a bible. We must develop and deliver some of our local strategies to fit whatever is there at the time. The strategy provides useful guidelines for local authorities in delivering economic development in areas, but, as David Greaves said, we do not refer to it every day of the week.

Dennis Canavan: What about in situations where there are large redundancies? West Lothian, like some other local authority areas in Scotland, has recently experienced a large number of redundancies. Is the EES at all relevant to such situations or is picking up the pieces and finding alternative employment for the redundant workers mainly left to the initiative of the Scottish Enterprise network and the local authority?

Councillor Dunn: In the case of Motorola and NEC, the local authority developed much of the work in partnership with Scottish Enterprise Edinburgh and Lothian. The action team that came into the area utilised some local knowledge quite well in accessing training and further employment for people in Motorola.

David Greaves: I am not sure that I can add anything to that. Almost by definition, redundancies come out of the blue—that was certainly the case for the redundancies in West Lothian. We do not plan for redundancies, other than having partnership arrangements in place to address them when they occur. As a result, it is difficult to have a local strategy that plans for a set number of redundancies. Clearly, we have to be quick on our feet, and Scottish Enterprise, Jobcentre Plus and the local authorities are seeking to establish an approach that fits with the European employment strategy's employability pillar and—in spirit at least—with the adaptability pillar, by preparing people for the job opportunities that are around and encouraging them to access training opportunities that will enable them to bridge the gap between the current employment position and jobs for the future.

Councillor Dunn: On the surface, the redundancy situations at Motorola and NEC might look quite similar, but the employees had completely different skill levels. Furthermore, the previous job losses at Levi's and—to a lesser extent—Continental had a big impact in West Lothian, even though both companies were based in Edinburgh. As I say, employees had different skill levels, job opportunities and training requirements. If anything good came out of the

situation, it was the number of people who set up their own businesses through the help that was provided. For example, former employees of Motorola started up 35 small businesses. They were given access to funding and received proper financial advice and help with their redundancy money. As far as I am aware, all 35 of those small business are still going 12 or 18 months after Motorola closed. No doubt I will be proved wrong about that tomorrow.

Dennis Canavan: Was any European funding made available for those ventures or for any of the initiatives to find alternative employment for the redundant workers?

Councillor Dunn: Not that I am aware of. Certainly the bigger initiatives were funded by the enterprise company and the local authority. The money from the clawback from Motorola is now being pumped back into the local economy, and the Scottish Executive made available about £1 million from that clawback to help to fund some programmes. I do not know whether individuals were able to access European programmes that provided them with funding.

David Greaves: That has been the nature of things. Although there has been no European-funded project that was specifically geared towards redundancy response work, different elements of the redundancy response package—including some of the retraining and enterprise development programmes that Councillor Dunn referred to—mainly benefit from European social fund money.

The Convener: I notice that, at the end of your submission, you say:

"ERDF and ESF has been ... important in the delivery of ... employment and skills strategies".

However, you then go on to say that the system is "overly complex, bureaucratic and requires a radical overhaul."

We will perhaps explore that comment another day, but we will take careful note of it.

Nora Radcliffe: How important is the local dimension in the development of the UK action plan or any future Scottish action plan?

David Greaves: I suppose that the challenge is to marry a top-down and a bottom-up approach. We develop local partnerships to make national programmes more effective; indeed, I know of some really good examples not just in West Lothian but across Scotland of councils, local enterprise companies, Scottish Enterprise, colleges and so on working together with Jobcentre Plus to refine and add to all aspects of the new deal to make it more effective. As a result, we can learn from a range of good practice models, which can feed up to inform Scottish

national, UK national and European policy and strategy development. The challenge is to find ways of doing that alongside the range of other local tasks that we have to take forward.

Nora Radcliffe: You have almost answered my follow-up question. Is there a way of feeding up all that good experience, or is there a void which means that you are not quite sure where to target that good practice?

15:00

David Greaves: There are a number of vehicles. Before this meeting, I attended a meeting of a partnership that is entrusted with delivering the Equal programme. A series of development partnerships in Scotland are made up of organisations, councils, voluntary sector bodies and so on. The purpose of those partnerships is to implement and oversee the implementation of work at a local level and to transmit the lessons from that work to the national agenda. That will allow us to influence national programmes and—in the jargon of European affairs—mainstream innovative and, I hope, successful pilot projects. Today, we recognised the difficulty of doing that and of being able to engage with the right people, at both political and officer level, in UK and Scottish Government departments.

Councillor Dunn: It is always important to learn from good practice, whether from the top down or from the bottom up. The more we shout about good practice, the better. West Lothian Connected is based in the Almondvale shopping centre. We encourage everyone to shop there to regenerate the economy of West Lothian—ad break over. West Lothian Connected has brought together a number of partners—the Benefits Agency, the Employment Service, West Lothian Council, health trusts and so on. We have done well to shout about that co-ordination and some of the things that we have done have been picked up by Jobcentre Plus, which, to our dismay, is a rebranded West Lothian Connected.

It is important to talk up good practice and to have flexibility in the system. We should not have a set of prescriptive rules that must be followed in a particular way. We must be able to keep our minds open, to learn from everyone else and to steal.

The Convener: Lloyd Quinan wants to pursue the issue of Equal.

Mr Quinan: Thank you for your evidence. I am particularly interested in the issues that have just been discussed. You are taking one of the most forward-thinking approaches that I have come across in the past three years.

You dealt at length with structural funds. How have you used structural funds to develop employment priorities?

Councillor Dunn: David Greaves will answer that question first—I am always better when I answer second.

Mr Quinan: I know that, Willie.

David Greaves: We are trying to be both entrepreneurial and partnership based in our approach. The council took the lead in pulling West Lothian's European funding strategy together by bringing together the main public agencies. We identified need and the areas where we thought structural funds and the ESF, in particular, could make the most difference. We aligned funding to organisations' objectives—particularly the work that we are doing to put the economy back on track.

Mr Quinan: Instead of struggling to explain something that we do not fully understand, could you supply us with a copy of that strategy?

I notice that in the Equal programme, you operate on three levels—with an autonomous community, with a state and with the Länder. Does that pose any specific difficulties for you or, as your written evidence appears to indicate, is it an expansive experience?

David Greaves: It is very early days for the project to which you refer. One transnational meeting, which I was lucky enough to attend, has taken place in the Basque country. That was a good experience and the approach that was taken provided us with plenty of learning opportunities.

Mr Quinan: The Basque country is an area that I know well. About 32 per cent of employment in the Basque country is derived directly from the Mondragón/Arrasate Corporación Cooperativa.

Councillor Dunn spoke about the creation of businesses by the workers who were made redundant by Motorola. We should note that Mondragón/Arrasate is only 40 years old but that it provides on a co-operative basis 32 per cent of total employment in the Basque country. In the unfortunate circumstance of further redundancies, would you consider that to be a potential model? Would you encourage co-operatives rather than single, entrepreneurial businesses?

Councillor Dunn: Either model would be good; I just wish that more Scottish people were more entrepreneurial. Whether we have a model for individual businesses or for co-operatives, we have to start educating our children to be employers rather than employees. On Friday night, West Lothian Council threw down the gauntlet to businesses to get into schools and encourage our young people to set up their own businesses. The culture—particularly in a former mining area such as West Lothian—is about going to school, getting qualifications and getting a job. I want to change that culture to one in which our

young people go to school, get qualifications, go into further education and run their own businesses.

However, if young people do not go into further education, that does not mean they cannot run their own businesses. There appears to be a class divide and snobbery about being a businessman. It seems as if only the middle classes can be businessmen, but a lot of good working-class people, given the right access to opportunities, could successfully run their own businesses. The problem is cultural. It is irrelevant whether we work collectively through co-operative movements or individually. The outcome should be the same: more business start-ups in Scotland, particularly from young people.

Mr Quinan: I agree whole-heartedly with you, but do you see any real difference between entrepreneurship on an individual basis and entrepreneurship on a co-operative basis?

Councillor Dunn: Yes—on an individual basis, there is no one to argue with.

Mr Quinan: Touché.

Councillor Dunn: It is like being in a political group: people may all have the same goal, but they want to get there by different routes.

Helen Eadie (Dunfermline East) (Lab): They also have something to fall back on, though.

Councillor Dunn: That is true.

A small business might involve two or three people who, technically, are individual entrepreneurs, but the business is essentially a workers' co-operative. Either model is successful, but the outcome is important. Businesses must have the proper level of support and funding when that is needed, not only to start up, but to grow. We have a problem in growing our small businesses into medium businesses.

Mr Quinan: I can recommend a website to you. I will give you the address later.

Councillor Dunn: You can do that through www.hibs.net.

The Convener: We are incredibly impressed by the number of small and medium businesses in West Lothian; I can see that we are going to have to learn about that in Ayrshire.

Sarah Boyack: My question is about how you track the process. From your perspective, what demands does the European employment strategy make on gathering local labour market information? How have you changed the process of gathering that information since you were involved in the local employment action plans in Scotland—or LEAPS—project?

David Greaves: We used the LEAPS project as an opportunity to ramp up our activity in labour market intelligence and to start digging beneath the statistics that are available for West Lothian from Government sources such as the Office for National Statistics. We undertook more qualitative work on aspirations for and barriers to employment on the supply side. We also improved our understanding of the demand side. We wanted to find out more about the attributes that employers look for in job seekers and recruits. Your previous witness, Ron McQuaid, was involved in that big piece of work, which was about developing our information gathering and setting up a system to keep track of those key issues. For example, we carry out a quarterly survey of companies to pick up on key issues such as the state of the economy and the labour market and companies' recruitment intentions. We also undertake an annual employment survey, in which we try to contact most of the big companies, a fair proportion of the smaller firms and the public and not-for-profit sectors to pick up on the recruitment, employment and retention issues that they face.

We are keen to work with our colleagues and learn from the work that is being carried out by Future Skills Scotland. We are about to sign up to a joint initiative with the local enterprise company, the local authorities and other partners, including Jobcentre Plus, in the Lothians. That regional labour market intelligence initiative will pull material together and disseminate it. Although it is great to pull information together and survey companies, we also need to ensure that the information does not sit on the shelf but gets out to the right people and is used effectively to inform policy and service delivery. That is one of the challenges that faces the initiative service, which will be launched in the new year.

Councillor Dunn: We passed the initiative at committee today, so we will be taking part in it. As a politician—perhaps I should say “as a local councillor”, as we are not included in the “Politician of the Year” award—I believe that the quarterly and annual reviews are useful to us. Like most politicians, councillors think that they are right all the time. We have to ask businesses what their needs are, which throws up some interesting statistics. When everyone was saying, “The end is nigh for West Lothian,” businesses in West Lothian were actually very upbeat. Businesses outside the electronics sector were talking about expanding and taking people on. Just before Motorola went down, issues were thrown up by NEC and Motorola about the lack of staff in the West Lothian economy, but four or five months later both those companies had gone.

Looking at surveys throws up information for us to digest and helps us to form policy throughout the council, particularly with regard to how the

education system makes our young people ready for work. We will soon be throwing down the gauntlet to Christmas leavers. We have a lot of Christmas leavers in West Lothian and attainment figures suffer because of that. They leave school because there are jobs for them to take. We want to get them to focus on the realities of work experience and jobs. We will try to educate them for life, rather than focus their minds solely on attainment.

The construction industry is suffering because it cannot get young people into the industry. We want to put a programme in place in West Lothian to give young people a taste of different types of construction work, as plumbers, joiners or electricians. After they have had that experience, they may decide to stay on at school because they need more qualifications if they are to become electricians, which would be great. Alternatively, they may decide to leave and go to work in one of those areas, which would also be fine—job done. Sometimes we try to focus the kids on attaining, when we should perhaps be looking at people who do not want to attain, or who do not want to attain at that stage in their life. We should be trying to educate them into the employment arena. The more statistics and information we have up front, the more we can tailor courses to make our young people job-ready.

David Greaves: We must engage with groups of employers. We are working on a number of initiatives with our partners to bring together groups of companies. The construction sector is a good example, not just for planning ahead for young people but also for identifying real, live opportunities over the next three to six months that will enable us to refine our local new deal provision so that we can prepare people—young men in particular, though not exclusively—for the labour market. We have looked at a specific strand of that work for single parents. It is a question of using the information and the figures and of making direct contact with companies that are looking to recruit. We will work with them to refine our employability programmes, such as the new deal, to make them more relevant and to prepare people for the jobs that are, or will become, available.

15:15

Sarah Boyack: That was a helpful answer. We will all think about your outputs, in terms of the new businesses and the change of culture that you are trying to deliver in West Lothian.

Your regional labour market intelligence initiative sounds like an interesting model for accessing employment and getting to people. Are you working with other local authorities on the European employment strategy? To what extent are you swapping information on best practice?

Could you do more of that? I am thinking not only about the West Lothian experience but about other local authorities in Scotland. Should we encourage more of them to adopt your approach?

Councillor Dunn: Yes, definitely. We work with other local authorities in various guises. For example, I am on the board of Scottish Enterprise Edinburgh and Lothian, as are representatives from the other three local authorities. Some of the work is also going to be undertaken by Scottish Enterprise.

I keep an eye on the programmes that come to Scottish Enterprise for funding from other local authorities in case I might want to steal them. COSLA has an economic development network and we are constantly visiting other authorities, looking at ideas and sharing best practice. A lot of that is done by word of mouth—we might need to become a bit more formal.

Sarah Boyack: Might peer-group review provide more focus or allow you test yourselves against one another?

Councillor Dunn: Definitely. It would help us to benchmark what works and what does not.

In the past few months I have visited other authorities in my COSLA role. I was a councillor for the City of Edinburgh Council and am now a councillor for West Lothian Council; the councils are not a million miles apart, geographically or economically—they feed off each other.

I went up to Angus Council because that is a completely different area and I wanted to find out about the differences—we were going to go up to Shetland but the flights were too expensive. Angus might be using practices that could help local authorities in the central belt and vice versa. The idea is for councils to share information as often as possible. COSLA is seeking to create an economic development bulletin for local authorities where we can highlight good practice and get people together as often as possible. Of course, everyone is busy, so the more we can do that through the media, websites or a central base for sharing information, the better.

We should not just restrict ourselves to Scotland. There is a whole wide world out there where good practice is being used. We can learn from that, or steal and copy it, and tailor it to the Scottish market. That is how the new deal came about. The idea came from Wisconsin in the United States, was changed—for the better, I hasten to add—specifically for the British market and has been a success. We should open our minds to more of those ideas.

The Convener: Thank you, Councillor Dunn. The committee appreciates your interesting and frank approach.

Councillor Dunn: I would just add that the final paragraph in the submission was edited; it was even stronger.

The Convener: Thank you. You have mentioned a great deal of good practice that we can usefully incorporate into our final report. We appreciate the oral and written evidence that you have given.

15:19

Meeting suspended.

15:25

On resuming—

Scottish Executive (Scrutiny)

The Convener: Okay, colleagues. Let us formally reconvene. I have to attend the conveners liaison group meeting at 4 o'clock, as we have a bid in for a one-hour committee debate on Scotland's representation in Brussels. There are a lot of competing bids, so it is important that I attend that meeting to argue our case. If we have not finished by 4 o'clock, John Home Robertson will take over as convener. However, with luck we will get through the remaining business by then.

Item 2 is pre and post-European Council scrutiny. The recommendations are on page 3 of the paper that committee members have received. We will start with the meeting of the general affairs and external relations council. The recommendation is to note the information that is provided. I also note that everything came in on time. It is important to record the fact that we seem to be getting a system in place whereby the documents reach us on time. That is very good news.

The recommendation on the environment council report is to note the information that has been received and to note also the helpful level of detail that has been provided. For a pre-agenda report, it contains some helpful detail.

Sarah Boyack: I agree. The report is detailed enough to be useful and we can understand what the dynamics are. Without revealing anyone's hand in advance, it gives a sense of what is happening. I agree strongly with the clerk's recommendation.

The Convener: It is an excellent model for other departments to try to replicate. If we commend that as a good piece of work, perhaps other departments will try to maintain that high standard.

Mr Home Robertson: I presume that we will pass that report on to the Transport and the Environment Committee.

The Convener: Yes, we will. The next agenda is that of the agriculture and fisheries council.

Mr Home Robertson: Ah, well, that is another story. Nul points.

The Convener: The agenda is on page 11 of the clerk's paper. Parts of it are reasonably detailed. However, the part that seems to be missing is the fisheries part. I understand that it is a delicate and sensitive situation. Perhaps it is a fluid situation and we should give the council the benefit of the doubt. Nonetheless, it might be

worth while writing to the minister to ask for an update on the progress that is being made. We should also commend some of the other agendas for providing the level of detail that the committee welcomes. Is that agreed?

Nora Radcliffe: We understand why the council has not wanted to put much on paper up front, but we will expect a fairly detailed report back.

Mr Home Robertson: The council members obviously have genuine and serious difficulties in the pre-negotiations. Nonetheless, it would have been useful if even a last-minute report could have been provided to the clerk to bring us up to date, even on a confidential basis.

The Convener: We are all in agreement on that.

The next agenda is for the justice and home affairs council. We note the report and welcome the level of detail that has been provided.

Let us now move on to the post-event report on the meeting of the general affairs and external relations council on 18 and 19 November. We welcome the detail of the report and note its content. Is that agreed?

Members indicated agreement.

15:30

The Convener: Similarly, we note the content and welcome the detail of the report on the competitiveness council's meeting of 14 and 15 November. I also note that Iain Gray was present at that meeting. I bumped into him on the way back from Brussels. It is useful to have the input from the Scottish Executive as well.

On page 23 of the paper we are told that a joint work programme on competitiveness is being drafted, taking into account the current Danish and forthcoming Greek and then Italian presidencies. It is helpful to know that that long look ahead is being taken. It might be useful to the Enterprise and Lifelong Learning Committee if we seek further information about what that forward work plan might look like and pass that on to our colleagues in that committee. Is that agreed?

Members indicated agreement.

Helen Eadie: On page 19 of the paper there is a paragraph on "Trade and poverty reduction". I want to flag up to members who may not have seen the motions that I lodged the other week the fact that there is a consultation paper from the Department of Trade and Industry out just now which is relevant to that paragraph. The committee has been involved in such work in the past and I urge colleagues to ensure that they make submissions to that consultation on the general agreement on trade in services.

EC/EU Legislation (Implementation)

The Convener: The next item is the implementation of EC/EU obligations. I assume that members have read in detail the briefing paper that was prepared by the clerk and the legal adviser. Paragraph 17 of the paper summarises the way forward. It is helpful that the Minister for Environment and Rural Development, in his letter, which forms an annexe to the report, acknowledged the committee's view that implementation should be considered at the negotiation stage and that better forward planning would help to clarify positions in future.

As the matter was passed by Jim Wallace on to Ross Finnie, I wonder whether it would be helpful to seek an assurance from the Deputy First Minister that the issues discussed would be viewed across the board at European Council meetings. That would be helpful and would be in the spirit of the contents of the paper. Is that agreed?

Mr Quinan: I draw the committee's attention to paragraph 6, which concerns directive 1999/13/EC. I agree with the recommendation; we need again to seek information in response to the specific question that we asked previously.

The Convener: I am assuming that we are agreeing the paper's recommendations generally, unless any members object to them. Do members have any other points about the recommendations from the clerks and the legal adviser? They follow on from an earlier paper and seek further clarification on the basis of Ross Finnie's response in his letter. Some of the information that we are seeking has not been covered in the letter from Ross Finnie, and clarification would be useful. Is the committee agreeable to the recommendations contained in the paper?

Members indicated agreement.

Convener's Report

The Convener: The first matter under the convener's report is the overview of the plans and priorities for the Greek presidency of the EU. I remind members that 19 December has been set as the date for the Greek ambassador's visit. Do we have a time yet?

Stephen Imrie (Clerk): The visit is scheduled for between 12 pm and 1 pm. That is a provisional arrangement, but I will let members know as soon as that is clarified with the Greek ambassador.

The Convener: It would be helpful if members could put that in their diaries. It is part of our usual forward plan to take a look at the key objectives and priorities of forthcoming presidencies.

At the most recent meeting of the Committee of the Regions, the Greek minister of the interior, public administration and decentralisation, Mr Skandalidis, came along and made a statement about the forward plan. I was really impressed by the commitment that the Greek presidency appears to have to the whole principle of regional government and to promoting regional government. It will be interesting to find out whether that view is reiterated on 19 December.

Mr Quinan: I note the aims of the Greek presidency but, on another matter—this is not really to do with the Greek presidency but is to do with the Greek approach to democracy, openness and transparency—members of the Greek Parliament and Greek MEPs have a much stricter code of disclosure. I would like to know whether the Greeks might wish to have that standardised during their presidency, and not just in the European Parliament but more widely with regard to declarations of interest and the principles of openness and transparency among politicians. I wonder whether we could take any part in that, and whether we could ask the delegation about that prior to their coming.

The Convener: We could advise them that it is one of the areas that we would be interested in exploring with the ambassador when he comes.

Mr Quinan: It is not a huge issue, but I would be very interested to discuss it.

The Convener: I have not had the opportunity to read the detail of the papers that have been provided to us by the Scottish Parliament information centre and the clerks, and I do not know whether there is anything in there on that topic.

Mr Quinan: I do not find anything on that subject.

The Convener: We can indicate that we wish to touch on that matter during the ambassador's visit.

The next issue that we have to deal with is a letter from Maureen Macmillan on the request for a change in EC fish regulations regarding viral haemorrhagic septicaemia. Maureen helpfully provided an excellent report to the committee at one time, although I think that Dennis Canavan and I are the only present members of this committee who were members at that time. She has since raised the point that there is a difference between freshwater fish and sea fish in relation to viral haemorrhagic septicaemia and has asked us to explore that. If members are agreeable, I am happy to write to the Executive to ask for a note on what its views are on changes and suggestions in relation to the issue that has been raised, which is of importance to our fishing industry. Are we agreed that I should write to the Executive for clarification?

Members indicated agreement.

The Convener: The next matter is to draw your attention to the opportunity for interested parties to take part in an online consultation with the European Commission on the issue of animal welfare during transportation, which is an issue that the committee has been involved with in the past. I think that we should simply put on record the fact of the existence of that online consultation. I hope that any interested parties will go online to make their views known. Do we agree to note the matter?

Members indicated agreement.

The Convener: The final matter concerns the structural funds forum that Helen Eadie usefully attended in the absence of John Home Robertson and me. She said that she would be willing to provide the committee with a short oral report on the developments at the meeting.

Helen Eadie: When you scratch your nose, I will take it that I have spoken for too long.

I valued the chance to go to the meeting. It was useful and dealt with an area that I am interested in. The forum involved a range of people, including Highlands and Islands Enterprise; the deputy leader of Falkirk Council; Andrew Tulley, from Scottish Borders Council; and Peter Peacock, the Deputy Minister for Finance and Public Services, and his officials. It considered issues such as a review of the 1994 to 1999 programme performance, the financial performance of the 2000 to 2006 programmes, the annual review meeting, simplification of the funds, the future of the funds and the business process review.

There were a few items that I thought that members of this committee would be particularly interested in.

The officials have done fantastic work on the website on European funds. They have

streamlined the process and made it easier for people in the community to access the forms, fill them in and get assistance from the officials. I get the feeling that they are trying to be as helpful as possible.

I discovered that Scottish Enterprise does not attend such forums, although I was advised that it attends a higher level of meeting. However, given that we are trying to use structural funds for a range of initiatives, such as environmental projects, training and other economic development, it seems to me that it would have been appropriate for Scottish Enterprise to be there.

Until I attended the meeting, I did not realise that local enterprise companies did not do three-year budgeting. Of course, that is important in relation to the need to plan programmes of funding.

I was impressed by Highlands and Islands Enterprise, whose chief executive said that, just as airlines overcommit seats on their planes, HIE does that with applications for funding for projects. That enables HIE to be almost on target and to have a few projects up its sleeve so that it is never caught short underspending, although I think that Highlands and Islands Enterprise did have an underspend—I am not sure about that. The organisation seemed to be much more efficient. The deputy minister was impressed and thought that we should consider such a system throughout Scotland. The voluntary organisations flagged up continuing cash-flow problems.

I do not want to take up too much time. If anyone wants more information, I still have copious notes. The most important assertion that the minister rebutted was about the Office for National Statistics. A newspaper had said that the new data source had distorted information, but the statistics are not concluded. That newspaper story did not reflect the situation accurately, because the final statistics will not be available until the end of next year, when they will be used to negotiate the transitional funding arrangements.

As I said, I have all the papers. I do not know whether the committee clerk wants them back; if he does, he can have them. I will answer any questions that members have.

The Convener: I thank Helen Eadie for that comprehensive report. We have certainly complained often enough about the bureaucracy and red tape of European funding applications, so it is good news that someone is finally listening to us and that application processes will be streamlined. Do we agree to note Helen Eadie's report?

Members indicated agreement.

Sift

The Convener: We move to the sift of EC and EU documents. John Home Robertson wants to raise a rural development issue.

Mr Home Robertson: The rural documents include a paper on the European agricultural guidance and guarantee fund and I am not sure about the specifics of that. Members might be interested in pursuing press reports about the European Commission's apparent failure to press for enforcement of sanctions against France for its illegal ban on British beef imports. I am not sure whether that is relevant to the document that I described, but that matter is of wide interest and raises serious questions about the credibility of the European Court of Justice's decisions. Can we seek clarification on that, with a view to considering the matter further?

The Convener: I am happy to write to the Executive about that and to ask what progress is being made. Would that help?

Mr Home Robertson: If the matter has been dropped, we could ask why and whether it can be reopened.

The Convener: Okay. Is that agreed?

Members indicated agreement.

The Convener: Can we note the sift document and refer it to other parliamentary committees?

Mr Quinan: Page 8 lists a

"Proposal for a Council Regulation establishing the criteria and mechanisms for determining the Member State responsible for examining an application for asylum lodged in one of the Member States by a third-country national."

I would like to see that proposal and I would be interested to know its implications or lack of them for Scots law.

The Convener: The committee has a procedure under which members are provided with documentation. We will note that you formally requested that document and the clerk will provide you with a copy.

Mr Quinan: Could I also have document SP 3791, which is listed on page 9?

The Convener: Okay.

I thank colleagues for attending the meeting. Our next meeting is in two weeks, when we will continue our European employment strategy inquiry. That will be our last meeting of the year. We will continue our inquiry next year. We hope to have at our next meeting the witnesses on whom we agreed, but if that is not possible, we will work on our corporate social responsibility inquiry early in the new year. As members know, Dennis

Canavan attended a relevant conference in Denmark and would be willing to give us a brief report on that in January.

Meeting closed at 15:46.

We hope to tie up the employment side of the inquiry at the next meeting. If we do not, we will have to continue that in January or February. Our meetings are scheduled fortnightly and I hope that we can proceed in that way, but we must take account of witness availability. If we have to timetable an additional meeting in January or February, we will keep members abreast of developments.

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