

# **ECONOMY, ENERGY AND TOURISM COMMITTEE**

Wednesday 20 June 2007

Session 3

£5.00

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## **ECONOMY, ENERGY AND TOURISM COMMITTEE**

**1<sup>st</sup> Meeting 2007, Session 3**

### **OLDEST COMMITTEE MEMBER**

\*Christopher Harvie (Mid Scotland and Fife) (SNP)

### **COMMITTEE MEMBERS**

\*Brian Adam (Aberdeen North) (SNP)

Gavin Brown (Lothians) (Con)

\*Iain Gray (East Lothian) (Lab)

\*Marilyn Livingstone (Kirkcaldy) (Lab)

\*Tavish Scott (Shetland) (LD)

\*Dave Thompson (Highlands and Islands) (SNP)

\*David Whitton (Strathkelvin and Bearsden) (Lab)

### **SUBSTITUTE MEMBERS**

Nigel Don (North East Scotland) (SNP)

\*attended

### **CLERK TO THE COMMITTEE**

Stephen Imrie

### **SENIOR ASSISTANT CLERK**

Katy Orr

### **ASSISTANT CLERK**

Douglas Thornton

### **LOCATION**

Committee Room 2



# Scottish Parliament

## Economy, Energy and Tourism Committee

*Wednesday 20 June 2007*

[THE OLDEST COMMITTEE MEMBER *opened the meeting at 10:01*]

### Interests

**Christopher Harvie (Oldest Committee Member):** Good morning, ladies and gentlemen, and welcome to the first meeting of the Economy, Energy and Tourism Committee in the third session of the Scottish Parliament. As the oldest member—gosh, that is a rather jarring note in what has otherwise been a new, teenage approach to a new career—I am in the chair until we have decided who is to be the convener of the committee. I ask members to ensure that any mobile phones, pagers and BlackBerrys are turned off—I heard all those little trills that usually suggest that they are being throttled somewhere. Gavin Brown is unable to be present and has sent his apologies.

Agenda item 1 is members' declarations of interests. Members have been supplied with a paper from the clerks on declarations of interests. I am still on the books of the University of Tübingen in Baden-Württemberg, but I am on an unpaid leave of absence pending my retirement on 21 September 2008. I receive a certain limited amount of money from history books of the sort that are deemed by the Oxford University Press to be contributions to knowledge, rather than saleable items. Once a month, during vacations and otherwise, I travel to Germany, but I do not make any money from it. Since 2002, I have been the honorary president of the Scottish Association for Public Transport, from which I make even less money.

**Dave Thompson (Highlands and Islands) (SNP):** I am a member of a trade union and a number of charities and voluntary groups, all of which are identified in the register of members' interests.

**Tavish Scott (Shetland) (LD):** I have no interests to declare.

**Brian Adam (Aberdeen North) (SNP):** Last year, I attended a climate change conference in Paris and had my flights and accommodation paid for by Total. No other items in my entry in the register of members' interests are relevant to this committee.

**David Whitton (Strathkelvin and Bearsden) (Lab):** I used to run my own public affairs consultancy, which is now dormant given that I am an MSP. Among my clients were several companies with public sector contracts, but I have no contact with them now.

**Marilyn Livingstone (Kirkcaldy) (Lab):** All my interests are set out in the register of members' interests. I am a member of the Educational Institute of Scotland. My husband works as a team leader in the business gateway in Fife. I chair the cross-party group on construction.

**Iain Gray (East Lothian) (Lab):** I am a director and chairman of the East Lothian Care and Accommodation Project, which is a voluntary organisation. That is an unpaid position. I am also director of the East Lothian Community Development Trust ex officio, which is also an unpaid position. I am member of Amicus trade union.

## Convener

10:04

**Christopher Harvie:** Item 2 is choice of convener. Parliament has agreed that only members of the Scottish Liberal Democrats are eligible to be convener of this committee. That being the case, I seek nominations for the post of convener.

**Brian Adam:** I nominate Tavish Scott.

**Iain Gray:** I second that.

*Tavish Scott was chosen as convener.*

**The Convener (Tavish Scott):** It is a great honour to be a committee convener. Yesterday, Iain Gray and I were talking about the fact that some of us have not sat on committees for a long time or, indeed, ever. In the past four years, I have sat in front of them quite a lot. We might reflect on when that was a good experience and when it was a bad experience, but not in public. However, I am looking forward tremendously to convening this committee. I think that this is a useful time in which to examine the issues in the committee's remit.

I will make an observation before we proceed. I have an old friend—a member of the Labour Party—who used to sit on Shetland Islands Council with me. Once, after a council meeting in which we had had a right go at each other over an issue that seemed hugely important at the time but which—in hindsight—was not important, we went to the pub for a pint, as was our wont in those days, and he said to me, “You know, the important thing about politics is that, even if you’ve had a disagreement and had a right go at each other over some issue, you should be able to go away and confer and have a decent discussion about the future of the place that you’re representing or the areas that you’re in. That makes politics a better way of doing business.” I thought that that was a good comment and I hold to it to this day. I hope to conduct the proceedings of the committee in a positive manner on that basis.

## Deputy Convener

10:06

**The Convener:** Item 3 concerns the choice of deputy convener. Parliament has agreed that only members of the Scottish National Party are eligible to be deputy convener of this committee. I ask for appropriate nominations for that position.

**Dave Thompson:** I nominate Brian Adam.

*Brian Adam was chosen as deputy convener.*

## Work Programme

10:07

**The Convener:** The substantive item of business this morning concerns our approach to the development of our work programme. Katy Orr and her team have produced a paper that has been circulated.

In the first session of Parliament, when I was on the Enterprise and Lifelong Learning Committee, with Marilyn Livingstone, the Transport and the Environment Committee, which was chaired by Andy Kerr, and the European Committee, we had useful away days. It is suggested that the committee should have one of those in late August or early September. I would be interested in colleagues' views on that and on the work programme.

**Brian Adam:** Given that, at the beginning of September, the Offshore Europe conference will take place in Aberdeen, I suggest that we have our away day in Aberdeen and combine it with a visit to that conference. Energy is, after all, one of the key parts of our brief.

**The Convener:** I recollect that that conference takes place in the first week of September, which means that that is certainly an option.

**Iain Gray:** I have no problem with that suggestion and agree that it makes sense to link the away day with the Offshore Europe conference. The only thing that concerns me is that that is the first week back after recess. Perhaps it would be better if the away day took place just before Parliament resumed, perhaps in the last week of the recess, if that fits in with other members' diaries. I do not decry the suggestion of linking the away day with the Offshore Europe conference, as it is a good idea, but I worry that that would mean that we would start the parliamentary year without having had an away day.

**The Convener:** Indeed. That is a fair comment. Perhaps the committee could leave Brian Adam and me to consider the issue further. Another issue that has occurred to me is that, previously, quite a lot of parliamentary groups have met on the first Monday after the summer recess. We might want to check with our parliamentary groups what is planned in that regard.

It would be great if we could all go to the Offshore Europe conference, depending on parliamentary business. For a suitable date for the away day, we will consider either the last week of the recess or the first couple of days of our first week back at the Parliament. We will come back to members with suggestions within the next few days.

**Marilyn Livingstone:** It might be helpful for you to have notes of when members will be away on holiday, to ensure that as many of us as possible can go to the away day.

**The Convener:** Yes—we will ask Katy Orr and the team to sort that out. We will sort out the details of the away day before we finish for the summer. Do members have any ideas on what the programme for the day should be?

**Brian Adam:** We could submit our ideas to the clerks or to the convener and then come to an agreement about the subject areas to be discussed. We could do that via e-mail rather than by having another meeting. We will have some time to do that if the away day is to be in the last week of August or the first week of September.

I acknowledge Iain Gray's point about the possible diary problems of having our away day on the first Monday in September. However, on the other hand, it is very unlikely that anybody will be on holiday then, so there would not be a clash with holidays.

I suggest that we set a deadline for the submission of ideas—perhaps the end of this month—after which the convener and I can consider the ideas and either agree to them or put them back to members. That would be easier than having another meeting.

**The Convener:** Another thought that I had was that it would be useful to have some briefings. I know from experience that briefings from lobby organisations—whether business organisations or otherwise—can be a bit formulaic. Members will tell me if this idea is way off beam, but I would be interested in hearing from a couple of commentators who have strong views and ideas that might make us think a little about the economy, tourism and energy. We would hear from those commentators in private, at the away day. I do not necessarily have any brilliant ideas about who those people might be, so I am open to suggestions. We will receive standard briefings from public sector organisations and from organisations representing businesses, but I am sure that David Whitton, with his experience, can think of one or two people who would happily comment on the issues that concern us.

**David Whitton:** Yes, I can.

**Marilyn Livingstone:** I agree that hearing from such commentators would be very helpful. However, I would not like the skills agenda to be excluded from our consideration. It seems that, under the new Administration, the skills agenda will be moving in parallel to work that is going on as part of the education portfolio. The Education, Lifelong Learning and Culture Committee will also cover it. However, this committee will have to consider issues to do with workforce development,

people who are not in education, employment or training, and modern apprenticeships. We cannot have serious debates about the economy if we do not link them to the skills agenda. The Enterprise and Culture Committee's legacy paper contained discussion of a skills summit. I accept that skills development has moved to another remit, but this committee must take a keen interest in it. It would be remiss of us not to.

**The Convener:** That is a fair comment and I am sure that we would want to do that.

**Iain Gray:** Brian Adam's suggestion was a good one. We could have another meeting to talk about many of these issues, but it might make sense to agree on the structure of the away day and on potential speakers in the way that he suggested. I also agree with Marilyn Livingstone's point about the importance of the skills agenda to the economic and enterprise agenda.

At the away day, we will have a number of questions about the Executive's proposed programme. For example, we will want to know whether legislation is planned that might take up the committee's time—from what ministers have said, nothing obvious seems to be coming up, but perhaps I am mistaken.

10:15

Questions have been put to ministers about the development of more detailed proposals on a number of matters in the committee's remit, such as the enterprise network and strategies on energy and on skills. In debates in the Parliament, ministers have indicated that they intend to set out their thinking on such issues, perhaps not too far in the future. The committee will want to engage with those issues. Therefore, an introductory and exploratory meeting with the Minister for Enterprise, Energy and Tourism, if he is willing to have such a meeting, would be a useful exercise. We could question the minister and try to secure a firmer indication of the terrain in which we will be working in the latter part of the calendar year. Such a meeting might usefully inform our discussions during the away day.

**The Convener:** I am sure that we will want to consider skills, as Marilyn Livingstone said. I agree with her that the issue is picked up in the legacy paper.

I had a useful discussion with Jim Mather in passing last week. He is keen to come to the committee's meeting next week, if that can be arranged, to do exactly what Iain Gray suggests. If members agree, a quick run at the issues with the minister next Wednesday would be welcome. Jim Mather said that his diary could accommodate that, subject to checking. It would be helpful to give him the opportunity to say how he wants to

progress the agenda that he has inherited and to ask him about proposed legislation, in particular, so that we can plan our work programme with a little more certainty.

**Brian Adam:** I do not think that our ability to progress our work programme will be advanced by Jim Mather's attendance next Wednesday. Later in that week the minister will have a significant meeting with Scottish Enterprise—Iain Gray mentioned the enterprise network. It will not be clear by next Wednesday how the Executive's legislative programme might affect the committee.

We need to ensure that we do not allocate all our time to committee inquiries, because there will undoubtedly be a legislative burden on us. We will certainly need to engage directly with the minister, but it might be a wee bit premature to do so next week, given that discussions about the future of the enterprise network are not yet at a point at which such engagement would be useful. We should engage with the minister in early autumn, rather than rushing into a meeting with him next week, when we will not find out anything desperately useful. If the minister agrees to come to our meeting, that is fine, but I do not know what purpose his coming would serve.

**The Convener:** It would serve a number of purposes. It is important that ministers have an opportunity to set out their stall for the future. For example, the Cabinet Secretary for Finance and Sustainable Growth made a significant statement about growth in his first speech in the Parliament—he should be given credit for laying out what he wants to do. I am sure that the Minister for Enterprise, Energy and Tourism will want to talk about that, for example. It would be helpful to hear the new minister's initial views on how a number of issues will develop. Given that he has offered to attend our meeting, it would be churlish of us not to have him along. We are quite keen to see him.

**David Whitton:** With all due respect to Brian Adam, I agree with the convener. It can do no harm to have an early meeting with the minister, before the summer recess. His remit includes not just the economy but energy and tourism. It is not the committee's fault that the Executive has not yet announced a legislative programme. We need a general discussion with the minister about what he has in mind for the skills agenda and relationships with various bodies. We can have that discussion without pinning him down to anything in particular. It would be good practice for the committee, as we start our work in the new parliamentary session.

**Dave Thompson:** David Whitton hit the nail on the head: it would be a general discussion. The Government has been in place for only a few weeks, so I do not think that we will get a huge

amount out of a meeting. I have no problem with a meeting, but it will be general. We will talk around a lot of issues and, to be honest, I doubt whether we will achieve much, given that we are at such an early stage.

**The Convener:** That is fine. If colleagues are concerned about having a pointless meeting, I can reassure them that they probably have some business to deal with next week anyway. We might need to deal with a piece of legislation that is hanging over from the previous session. I suggest that we see whether the minister can accommodate in his diary a 45-minute session and that we also deal with one or perhaps two bits of relatively straightforward business. We can do that in a brief, focused and to-the-point meeting early next Wednesday morning. Are colleagues content with that?

**Christopher Harvie:** There are a couple of things that we can look forward to discussing more speculatively—I suppose that I have considered them because of my experience. First, it occurred to me as an historian of North Sea oil—admittedly some years back—that when the first Parliament was elected in 1999 the price of oil was \$10 a barrel. It is now somewhere north of \$70. With increasing discussion of a peak oil scenario, people are talking of a valuation of anything up to \$180 or \$200 a barrel. We would be prudent to discuss what the implications of that might be for the Scottish economy.

Secondly, also from experience, I know that small and medium-sized industries in Germany are both extremely productive and the subject of considerable Government intervention. One chief form of intervention is the prevention of large out-of-town retailers. It struck me that it would be an interesting exercise to examine the various parts of Scotland that have different mixes of retailing to find out the impact of major out-of-town concerns on the development of the local small and medium-sized enterprise landscape. In Germany, they are ruthless in clamping down on major retailers—food retailers in particular—and the advantage lies with small retailers in the town markets. I regret not seeing much of that when I cross to this country.

**The Convener:** Those are two good suggestions. We could also invite Professor Alex Kemp to compete as an historian of North Sea oil—I saw him the other night at a BP event.

In summary, we will look for members to respond by e-mail to Katy Orr with ideas for the work plan, picking up on those that colleagues have given this morning. We will pull that together in the next week or so. We will also sort out the date for an away day and the potential for having it coincide with the Offshore Europe conference in Aberdeen, depending on holidays, members'

availability and parliamentary group commitments in the first week of September. We will also sort out whether the minister can come to the committee next Wednesday for a brief meeting.

Are there any other comments?

**David Whitton:** The legacy paper suggested that we should get together with the Scottish Trades Union Congress. I do not know whether we want to throw that idea in with the others that we are considering. I think that it would be a good idea.

**The Convener:** Let us pick that one up too. I used the possibly unfair phrase about formulaic presentations, but we will have an obligation to see Scottish Enterprise, Highlands and Islands Enterprise and VisitScotland at some stage too. We will come up with some ideas on when those meetings fit into the system.

**Iain Gray:** When will we consider what we need in the way of advisers? Will that be part of the discussion at the away day? I want to put on record that the legacy paper from the previous Finance Committee recommended that all committees should consider seeking specialist advice on finance to help with their scrutiny of the budget. That is a worthwhile idea that the committee should certainly consider. We could perhaps do that when we consider the wider issues of advice.

**The Convener:** Okay, we will pick up that one too.

If there is nothing else, I conclude the meeting. We will see whether we need a meeting next week, depending on people's diaries, and we will intimate that in the usual way.

*Meeting closed at 10:25.*



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