

ENTERPRISE AND CULTURE COMMITTEE

Tuesday 1 February 2005

Session 2

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ENTERPRISE AND CULTURE COMMITTEE

3rd Meeting 2005, Session 2

CONVENER

*Alex Neil (Central Scotland) (SNP)

DEPUTY CONVENER

*Mike Watson (Glasgow Cathcart) (Lab)

COMMITTEE MEMBERS

*Richard Baker (North East Scotland) (Lab)
*Chris Ballance (South of Scotland) (Green)
*Susan Deacon (Edinburgh East and Musselburgh) (Lab)
*Murdo Fraser (Mid Scotland and Fife) (Con)
*Michael Matheson (Central Scotland) (SNP)
*Christine May (Central Fife) (Lab)
*Mike Pringle (Edinburgh South) (LD)

COMMITTEE SUBSTITUTES

Mark Ballard (Lothians) (Green)
Mr David Davidson (North East Scotland) (Con)
Fiona Hyslop (Lothians) (SNP)
Margaret Jamieson (Kilmarnock and Loudoun) (Lab)
George Lyon (Argyll and Bute) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Mike McElhinney (Scottish Executive Enterprise, Transport and Lifelong Learning Department)
Rebecca Robinson (Scottish Executive Enterprise, Transport and Lifelong Learning Department)

CLERK TO THE COMMITTEE

Stephen Imrie

SENIOR ASSISTANT CLERK

Douglas Thornton

ASSISTANT CLERK

Seán Wixted

LOCATION

Committee Room 4

Scottish Parliament

Enterprise and Culture Committee

Tuesday 1 February 2005

[THE CONVENER opened the meeting at 14:02]

Interests

The Convener (Alex Neil): It is 2 minutes past 2 and we have a quorum, so I welcome everyone to the third meeting in 2005 of the Enterprise and Culture Committee. I extend a special welcome to our new Liberal Democrat member, Mike Pringle. Under item 1, I ask Mike to declare interests.

Mike Pringle (Edinburgh South) (LD): Given that the committee deals with sport, I declare that I have a shareholding—although it is extremely small—in Heart of Midlothian Football Club, which is of course the best club in Scotland, so one must have shares in it.

Richard Baker (North East Scotland) (Lab): Hear, hear.

Mike Watson (Glasgow Cathcart) (Lab): Never heard of it.

Mike Pringle: I am grateful for my colleague Richard Baker's support.

Richard Baker: Thank you very much. It is a good job I am not in my constituency.

The Convener: I will make history by, for the first time, offering condolences after a declaration of interests. I believe that Murdo Fraser also has a declaration of interests to make.

Murdo Fraser (Mid Scotland and Fife) (Con): I have recently become a director of a company called the Scotland Funds. I hold the unremunerated position of non-executive director of that charitable company, which exists to connect the Scottish diaspora in north America with the home country.

The Convener: My declaration of interests is identical to Murdo's. I have also become a director of the Scotland Funds. Murdo Fraser has described accurately the status of the post. It is, as members would expect, non-pecuniary—unfortunately. There are no other declarations. Everyone is up to date.

Business Growth Inquiry

14:03

The Convener: Item 2 is the business growth inquiry. We have had two discussions about the inquiry and a presentation from Firn Crichton Roberts Ltd. A paper has been circulated and we want to get agreement on a remit, timing and methodology. A helpful and informative background paper has been prepared by the Scottish Parliament information centre on key aspects that we might want to investigate and issues that we might want to address in the inquiry.

We intend to move to a fortnightly cycle of meetings, especially after we have finished considering the Further and Higher Education (Scotland) Bill, one reason being that doing so will give us more time between meetings to get to the coalface to find out what is going on. We will not follow the normal method of simply having people appear before us to give evidence; rather, we will explore other ways of taking evidence from people who work in business at home and abroad. We have deliberately built in the suggestion that we kick off the inquiry with a seminar involving people who could provide helpful input on the output that we seek.

I open the floor to general discussion of the paper that is before members. Any comments, additions and new ideas will be welcome.

Christine May (Central Fife) (Lab): I welcome the paper and the background information that SPICe has provided. I like the suggestions that have been made. I suggest that, as a principle, when we go on our travels we seek to talk both to rural communities about the issues of sustainability that they face and to communities on the periphery of urban areas that are too large to be rural but too small to be urban, in which there are significant difficulties. I hesitate to say that Fife offers some good examples of such communities, but it does.

Murdo Fraser: I have a brief comment about the proposed terms of reference. It is important that we do not pin ourselves down too tightly. I suspect that as the inquiry proceeds we will develop many new strands that we want to follow. We should keep the remit of the inquiry as general as possible because when we get into it and speak to witnesses, we will probably find that there are new avenues that we want to explore.

Michael Matheson (Central Scotland) (SNP): I am concerned about the proposed timeframe for the inquiry, because it might be difficult for us to get it signed off by the summer recess. I notice that evidence-taking sessions and visits will be

rotated. It is likely that during visits issues will arise on which we will want to take evidence. It would be prudent to make provision for more evidence-taking sessions later in the inquiry to allow us to explore those issues. It might therefore be too ambitious to try to sign off the inquiry before the summer recess.

The Convener: I suggest that we take the proposed timescale as a rough guide, rather than as something that is set in tablets of stone. This is a dynamic situation and we may find that there are lines of inquiry that we want to curtail and others on which we want to expand, and that we want to go down different avenues. We want flexibility. However, by the time of the business in the Parliament conference, we should have a clear idea of the kind of recommendations that we want to make. Does Mike Watson want to make a point?

Mike Watson: Yes.

The Convener: I notice that there are now three Mikes on the committee. Perhaps we should have Mike 1, Mike 2 and Mike 3. First we will hear from Susan number 1.

Susan Deacon (Edinburgh East and Musselburgh) (Lab): There is only one Susan—that is a matter of factual accuracy.

Mike Watson: That is a great relief.

Susan Deacon: I missed that comment—I may be glad that I did.

The Convener: The member will be greatly relieved if the official reporters did not pick it up.

Susan Deacon: I will plod on regardless.

The proposed terms of reference use the word “success”. I am keen that as the inquiry progresses we should continue to place emphasis on identifying the factors that lead to success. I do not doubt for a moment that in our case-study evidence we will also have to consider why start-ups have failed and so on. I make that point because the SPICe paper is couched in terms of problems, albeit perceived ones. We could take a different philosophical approach to the issue and potentially reach different conclusions if we were to consider a more positive construct about opportunities, rather than simply adopt a point of view that focuses on the perceived problems, many of which are open to debate.

Richard Baker: The paper is excellent. I echo what Susan Deacon said about the need for broad consideration of the issues. When we consider whom we should invite to seminars and from whom we should take evidence, we should include not just people who have succeeded, but people who had a go at starting up a business but did not succeed. I have said that before. Of course there

might be entrepreneurs who succeed in one area after failing in another, who might offer an interesting perspective on business growth. We should consider such an approach.

We said that we would consider the public and private sectors, but there is a third sector—some organisations fall between the public and private sectors but are involved in support. It would be important to speak to people from such organisations, or at least to consider doing so in the course of our inquiry.

The Convener: I agree. Our inquiry should be upbeat; we should not have a greeting and moaning inquiry. We should be adding value and coming up with things that have not been considered before. For example, I have been considering Japan’s business growth strategy, from which there is much to learn, although I do not think that it is on the agenda in Scotland. That is the kind of thing that we should be looking at.

Mike Watson: It is interesting that most of the comparisons in the SPICe briefing, which I agree is useful, are with other European countries or other parts of the United Kingdom, which is more important. I am concerned to find out why Scotland lags behind England, Wales and Ireland; I am less concerned about why we lag behind the United States of America and Japan. I am not saying that we cannot learn general lessons from those countries, but comparisons with them have less direct relevance to Scotland.

When we consider supply-side issues such as skills, training and higher education, we can include infrastructure in that category. There are also less tangible but important issues, such as culture. The Scottish cringe is well articulated in the paper; I never thought that “The Broons” would be mentioned in a SPICe briefing, but there is a reference to the cartoon in the paper, probably for the first time in Parliament’s history, which makes the point effectively. The way we see ourselves as Scots has a part to play.

We must also try to get a handle on the demography issues. I was slightly disconcerted that Futureskills Scotland said:

“Scotland is unlikely to ‘run out’ of workers and there remains time to address most of the challenges”.

The statement might be correct, but it does not reflect strongly enough the fact that action is needed. It is a question of the timescale. We need to consider the intangible aspects such as whether there is a level playing field as well as tangible aspects such as VAT rates.

In preparation for the meeting, I looked again at the report by Firm Crichton Roberts Ltd—“Effective Business Growth Support: Benchmarking UK & International Enterprise Agencies”—which

involved several visits. I have one or two suggestions about visits that might be useful, but we might come back to that later.

The Convener: We should agree the overall framework and approach today. Members can then pass ideas to the clerks about the areas that we should visit and the people to whom we should ensure we talk. A discussion about the detail will probably take place after the February recess. We also want to ascertain what we want to follow up in written evidence.

Mike Watson mentioned demography. It might be worth considering what the Swedes have done. They faced exactly the problem that Scotland faces as a result of a falling fertility rate, which is the main contributory factor in the demographic situation in Scotland. The Swedes took a series of policy measures that were aimed at reversing the decline in the fertility rate, which are breeding success.

Murdo Fraser: The birth rate in Sweden is pretty much the same as it is in Scotland.

The Convener: It has gone up.

Murdo Fraser: It went up, but it dropped again.

The Convener: We will investigate the matter.

Mike Watson: I am not sure what the convener means by the fertility rate; is that the same as the birth rate? I am making a serious point.

The Convener: My point is that we can learn from other countries on some issues.

Murdo Fraser: I have a small point to make about the timetable. There is clearly a possibility of a number of overseas visits and so on. For the benefit of the clerks apart from anything else, I highlight the possibility that we might be slightly distracted on 5 May. It could be that, in the three or four weeks running up to 5 May, our availability for overseas visits might be rather curtailed. It might be better to build those visits in, if we are going to do them, after 5 May.

14:15

The Convener: We had you down for a fortnight away at that time.

Christine May: We have perhaps overlooked sustainability, green jobs and how firms are managing to integrate those with the need for economic progress. We might want to consider those matters as we take evidence.

Chris Ballance (South of Scotland) (Green): I apologise for arriving late. I do not know how this will chime with what has been said but, to pick up on the point about business failures, I have jotted down as a potential question among the list near the top of page 2 of the paper, "What are the

reasons for business failure?" That would seem to follow quite naturally from the paper that has been produced by SPICe.

We could also ask, "How do we ensure that research and development are effectively targeted?" In the 1970s and 1980s, research and development were targeted on nuclear energy, rather than on renewable energy sources. Looking at the world now, those resources might have been targeted differently. Similarly, we are now considering the biotech industry as being an area of growth, but it might well be that something much more simple and basic, such as joinery and the export of ready made timber-clad houses, turns out to be a bigger and more profitable area of business growth. It is not just a question of how we increase research and development; it is about how we make it effective and how we work out whether it is going in the right direction.

There is one area where I think I will disagree with other members of the committee and pour a little bit of water on the party, as it were. I do not see a case in the paper before us for making three overseas visits. We seem to be saying that we will divide ourselves up and go on three overseas visits, but we do not actually have reasons why we should go overseas, and we do not have suggestions about where we should go. We have already commissioned Firn Crichton Roberts to go around Europe taking evidence from the relevant enterprise companies. I argue that, at this stage, we should be open to the possibility of going overseas only if a strong reason for a trip presents itself. The proposal that is before us—that we should agree to go on three overseas trips and then hope to find the reason for doing so during the course of the inquiry—is not something that I would sign up to, I am afraid.

Susan Deacon: For what it is worth, I have some sympathy with what Chris Ballance has just said, not least for the reasons that Mike Watson mentioned earlier. I think that some sort of investigation needs to be done closer to home first. However, I am open to further discussion on the matter.

The main point that I wish to make goes back to demography. I had not planned to raise this, but I wish to make the point in the light of the convener's mention of fertility. It depends on how we approach the whole question of demographic change in general—there is a question about just how far we should get into that huge area—and the availability of skills, in particular. The bit that is missing from the paper and which is often missing from the public policy debate on the subject, is the question of what employers can and should do to create the flexible conditions that will be increasingly needed in the workplace in the future in order to attract and retain not just women with

children—although that is the most obvious group to cite—but people at various ages and stages in their lives who might want to come in and out of the workplace. I am concerned that the paper might have replicated that narrow limited analysis, which after all is not just concerned with the role of Government policy.

It might well be that most—if not all—of that terrain would fall outside the scope of our work. We cannot omit the immense question of why Scotland has a lower birth rate than other parts of the UK—we should bear in mind Mike Watson's point about the significance of the UK comparison—from our discussions about employment practice and the culture and climate of our workplaces. I simply note the point. Whether we spend much time on it will depend on how the inquiry goes.

The Convener: As far as overseas visits are concerned, we need to put in motion the facility to make them. We might finally decide not to make any, but the process has to be approved by the Conveners Group, the Parliamentary Bureau and the Scottish Parliamentary Corporate Body. In one case, it has taken six months for a committee to get approval. We are simply seeking agreement in principle that visits would be considered only if appropriate; we are not committing ourselves to any visits. If we thought that having visits would be worth our while and would add value, any such proposal would come back to the committee.

Chris Ballance: My expectation is that the Greens on the Parliamentary Bureau will oppose a request for three general overseas trips—indeed, I would recommend that they do. However, we might accept a request for a trip to a definite place if definite reasons were given. I suspect that if we receive permission for three trips the chances of our not going on any trips at all will be somewhat less than if we had to argue for and give a definite purpose for each trip. For example, last year, I went on a foreign expedition to Denmark as part of the renewables inquiry, but there was a very clear reason for that trip. I would like such a case to be made before we take the proposal to the Parliamentary Bureau.

The Convener: We need to do that anyway to get approval. The paper merely sets out the parameters of the methodology; it does not commit us to specifics other than what is set out in the recommendations. Before the bureau, the Conveners Group or the SPCB explicitly approve any trip, they will need to know its cost, its purpose, the number of people who would go, how long they would go for, what they were going to do there and so on. The bureau, the Conveners Group and the SPCB are not simply going to give us a cheque and say, "Here's 10 grand—away and enjoy yourselves."

Chris Ballance: At the moment we do not have a clear idea of where we want to go or why we want to go there.

The Convener: That is why we are taking things a stage at a time. I am seeking agreement in principle that the committee will consider making visits as part of its inquiry. I am sure that we would agree to a visit only if it added value and if there were a real reason for it. I do not think that you are at odds with such an approach.

Chris Ballance: I am not opposed to having trips; I am simply saying that we need clear, objective reasons for them.

The Convener: We will also need to agree in principle whether we need advisers, because we have to set that process in motion as well.

Chris Ballance: During our last meeting in 2004, you mentioned the possibility of seconding someone from the Organisation for Economic Co-operation and Development. That sounded like a good idea. Has any progress been made on that?

The Convener: We have received advice from the OECD that as an institution it would not provide support corporately to a parliamentary committee of either a nation-state Parliament or a devolved Parliament. However, the OECD has its own people who have advised and worked for it, some of whom are already on SPICe's list of approved contractors for the Parliament. We would probably need to use those people, but it would all be part of a tendering process. We cannot just approach one individual.

Chris Ballance: Our committee papers also suggest the possibility of appointing an adviser for our investigation into European Union state aid policy. Personally, I think that there is a much clearer case for appointing an adviser on that. Having been involved in many discussions on European aid with the South of Scotland European Partnership, I would dearly welcome an adviser to explain some of the terms. That matter has a better case for an adviser.

The Convener: When we go through the recommendations, we can agree whether to appoint an adviser. The recommendations are on page 4 of the paper.

Recommendation 1 invites us to

"discuss and agree the proposed terms of reference".

We agreed with Susan Deacon and Richard Baker that we should consider not just the problems but the opportunities that arise. With that qualification, are members happy with the terms of reference?

Members indicated agreement.

The Convener: Recommendation 2 is that we

"accept the general structure and timetable outlined in this paper for the implementation of the inquiry".

The key word is “general”. Is everyone happy with the general approach?

Members indicated agreement.

The Convener: Recommendation 3 asks us to

“agree to make the written evidence received publicly available during the course of the inquiry”.

Are members happy with that?

Members indicated agreement.

The Convener: Recommendation 4 invites us to

“agree to consider a range of case studies during the inquiry and from these to identify those where a visit by a cross-party delegation would be appropriate. The Convener and clerk will bring proposals to the Committee for approval and then take forward the necessary requests internally”.

Obviously, the clerk and I will make those proposals at the appropriate time. Do members agree with recommendation 4?

Members indicated agreement.

The Convener: Recommendation 5 is to

“agree to delegate power to the Convener to deal with any witness expenses claims which may arise as part of this inquiry”.

Is that agreed?

Members indicated agreement.

The Convener: Recommendation 6 asks us to

“agree to seek appropriate authorisations to enable the Committee to hold at least one meeting outside the parliamentary campus in the first half of 2005”.

Is that agreed?

Members indicated agreement.

The Convener: Recommendation 7 is to

“consider whether an adviser(s) is needed for this inquiry and, if so, instruct the Convener and clerk to seek the necessary approval and bring back a shortlist of possible advisers”.

We will come back to that once we have dealt with the general issue that Chris Ballance raised.

Recommendation 8 is that we

“formally agree that the meetings, or parts of meetings, which are utilised to agree the draft final Report, shall be held in private, but agree that prior to that stage there would be an opportunity to discuss interim views and findings in public”.

Is that agreed?

Members indicated agreement.

The Convener: Recommendation 9 is that we

“agree that the Report, once agreed by Committee, be given full publicity via press briefings”.

Is that agreed?

Members indicated agreement.

The Convener: On recommendation 7, the word “adviser” is of course open to many interpretations. However, I feel that it would be useful to have someone to give us benchmarking information and advice, especially on what is happening in other countries. Essentially, the Fern Crichton Roberts report benchmarked the development agencies—Scottish Enterprise and, to a lesser extent, Highlands and Islands Enterprise—against similar agencies in other geographical areas, especially in Europe and the US. However, the report did not benchmark our economy or rates of business growth against similar areas. For example, by and large the same powers have been devolved to Catalonia as to Scotland, yet Catalonia appears to have higher economic growth. There might be reasons for that, which we could emulate.

I would like someone with knowledge and experience of that to advise the committee on which areas Scotland should benchmark itself against. The adviser could tell us the areas that come closest to Scotland from which we might learn a trick or two on how to improve our business growth. In other words, whereas the helpful Fern Crichton Roberts report restricted itself to the role of development agencies, our inquiry will consider a far wider question, for which external independent advice, knowledge, information and data would be helpful.

Again, recommendation 7 seeks only the committee’s general approval. If that is forthcoming, we will need to discuss in more detail the exact type of adviser that we require. However, I would have thought that with such a wide-ranging review it would be useful to agree in principle to our having an adviser. Obviously, I am open to the views of the committee.

14:30

Christine May: We need some support and not just on the factual benchmarking of the narrow area that was done by Fern Crichton Roberts. Also, given the example that you gave of Catalonia, I would be interested to know whether in a country such as Sweden, which does not have devolved legislative structures, there are examples of success and what the factors are there. That information would enable us to look at the subject from all sides and see whether there are common factors regardless of the constitutional or legislative input.

Murdo Fraser: I agree.

Chris Ballance: Presumably, the adviser would be in addition to advisers from SPICe. I would have thought that we could ask SPICe to provide advice and answers to Christine May’s question. What would be the role of the adviser on top of the role of SPICe?

The Convener: With all due respect to SPICe—from which we have had and continue to get excellent support—we are looking at a dimension, a background and levels of experience and expertise that may not be available in SPICe. I am not one to spend money on advisers for the sake of it, but we are looking for someone with international experience of business growth policy and wider economic issues. There is also a resource issue with SPICe—it is limited in terms of time, for example. In any case, any adviser would work with SPICe. There would be no duplication, because there would be no point in that. An adviser would be an additional resource and could provide the advice, experience and breadth that perhaps we do not have in house.

Michael Matheson: My experience on another committee is that advisers work in partnership with SPICe. In particular, they bring hands-on expertise and experience. Normally, a SPICe researcher has to find out a lot of information, whereas an adviser has a background in the sector and can give first-hand information and help to guide SPICe on where to get information.

An adviser would also be helpful because we have set a fairly ambitious timescale, as we want to have some type of report ready for the business in the Parliament conference. It would be useful to have someone who could assist us in identifying and obtaining the information that we need, so that we can move things forward as quickly as possible. There is a time-saving aspect to having an adviser, as well as the professional expertise that one would bring along.

Mike Watson: I reinforce the point about hands-on, rather than academic, experience. Some people may have gone into academia having been in business or the international sector, but we should have somebody who can talk from experience, rather than just talk about the theory. We need to find somebody who has put into practice some of the suggestions that we will make in our report.

The Convener: I seek agreement on recommendation 7, which will be subject to further detailed discussion.

Chris Ballance: I suspect that I am on my own with my concerns, so I will not push them any further.

The Convener: Thanks, Chris. Are members agreed?

Members *indicated agreement.*

Business in the Parliament 2005

14:33

The Convener: The next item concerns the business in the Parliament conference 2005. The committee may remember that the first such event was held in April 2004. The event will be jointly sponsored by the Executive and the Parliament. For the purposes of organising the detail, the committee represents the Parliament.

I welcome Mike McElhinney, head of business and trade union liaison at the Scottish Executive Enterprise, Transport and Lifelong Learning Department, and Rebecca Robinson, policy adviser at the business and trade union liaison unit in the same department. Mike Watson and I spoke earlier in the year to Mike McElhinney and asked him to prepare a summary paper on the progress that was being made with the event, to allow the committee to make an input on what it felt would be the right structure of and approach to the conference. Mike, would you like to say a few words by way of introduction?

Mike McElhinney (Scottish Executive Enterprise, Transport and Lifelong Learning Department): I welcome the opportunity to be here for the discussion on the business in the Parliament conference. I am happy to try to answer any questions that the committee may have about the conference that we ran last year or the work in progress for the conference that we will run in 2005.

It might be useful if I outlined briefly the context of the event. The Executive's partnership agreement commitment underlines the Executive's commitment to work in partnership with business. Ministers have an on-going programme of engagement with business representative organisations as well as with individual businesses. The partnership agreement commits us to establishing an annual business forum to bring together Scotland's businesses and politicians to develop ideas and generate debate on how to maximise the drivers for economic growth.

To make progress on those commitments, we hosted a business conference in partnership with the Scottish Parliament in April last year. We designed and delivered a two-day business conference in which businesses of different sizes and from different sectors from throughout Scotland engaged with ministers and MSPs to discuss key challenges that businesses face and how to feed views into the wider policy landscape of the Executive's activity. The Enterprise, Transport and Lifelong Learning Department's policy aims included building on the ministerial

relationship with business while focusing discussion on the key themes of the enterprise strategy in "A Smart, Successful Scotland". We ensured that the outcomes of the conference were fed into the refresh of "A Smart, Successful Scotland", which was published in November 2004. The conference helped to make the refresh process inclusive, consultative and, we hope, informed.

We had more than 200 delegates at the 2004 conference, most of whom came from the business community, business representative organisations and some sectoral organisations. The feedback from the delegates suggested that the event was well received by individual businesses and by the main representative organisations. There was a strong sense of the value that they got from engaging with the Executive and MSPs in that unique way. The feedback from the Presiding Officer, the Enterprise and Culture Committee and ministers was also positive. The project was a strong collaboration between the Executive and the Parliament. For our department, the closeness of the working relationship with the Parliament was unique. We worked closely with the Scottish Parliament throughout and engaged business stakeholders from the outset.

Ministers have agreed to co-host a similar conference in the new Parliament building, the provisional dates for which are 8 and 9 September. We are pleased to have the Presiding Officer's support for the event so far. The Scottish Parliamentary Corporate Body has formally approved a conference on 9 September and the main business organisations remain supportive of this year's event.

We have formed a grandly titled steering group, which basically consists of the Enterprise and Culture Committee clerks and us—that is about it. We are starting to make progress with the detailed planning of the event and we have had informal discussions with the convener and some committee members. We have started to shape the event and we have gone out to tender for the business manager contract that we normally award for projects of this scale. We have made an input to the paper that is before the committee today, which sets out a proposed structure and focus for the 2005 conference. We will shortly update ministers on progress, taking the committee's views into account in doing so. We welcome the committee's views on the shape of the 2005 event.

Last year's conference was well received by the delegates and it formed a valuable part of the Executive's on-going work to engage with business. We look forward to building on that work and to working with the committee and parliamentary colleagues in the months ahead.

The Convener: I emphasise that there is joint ownership of the event between the committee and the Executive, so we should use this opportunity to feed in views and to be frank and, I hope, innovative and productive about how the event should be structured. I will leave my comments to the end, given that I got into trouble for making comments that were not too popular in some quarters about how the previous event was structured.

Mike Watson: That was before you were a member of the committee, convener, so your views were from the outside. However, some of what you said carried a fair bit of weight. I took part in the first conference and found it useful and enjoyable in parts, particularly the break-out groups. It was probably felt that the conference had too much of what you described as civil service input, which is often code for ministerial control. We need to stand back a bit. The balance between the committee and the Executive emerges more clearly from the discussion document, which is positive.

The first session last year had too many speakers. I do not remember the number of speakers, but I think that it was more than the number of opening speakers outlined in the paper, which suggests opening speeches from the Presiding Officer, an Executive minister and the convener. I thought that we should cut the number to reduce the time for which people are simply sitting and being lectured or spoken to, rather than involved. The more time for which the event is interactive—that is probably the best word—the better. Quite a bit of that is proposed.

I like the idea of having a speech from a guest speaker, but it is slightly odd to call that

"Closing remarks from conference rapporteur",

who will be a prominent business person and who, it was suggested, would make a thought-provoking speech that brought out various ideas. A rapporteur draws together the discussions in the break-out groups; several rapporteurs will be involved. There is room for more discussion and thought about that. However, the idea that a prominent business person will stimulate debate is good.

At last year's closing session, it was said that the break-out groups made several suggestions that should have some follow-through. It was said that to encourage those who were involved in the conference to return, they would have to see development year on year, so that they felt that giving up a day or a day and a half of their time was worth while. I strongly subscribe to that view. Events should not be self-contained; they should be inextricably linked. I am sure that that is the intention. If we invite people again—I hope that some will return—we must make that clear.

Richard Baker: My question relates to the point that Mike Watson has raised. At the beginning of the conference, will the opportunity be available for a short feedback session on progress that has been made since the last conference, including on the business growth inquiry, which in many ways arose from that conference?

Mike McElhinney: On the point about the number of speakers, we received the same feedback from the Executive and the delegates. We are considering the numbers of political speakers and business speakers, the latter of which will bring the business view to the fore.

As for follow-up work and demonstrating to people who attended last time that we are making progress, we put in place several actions, some of which were relatively straightforward. Everyone received a transcript of the conference and of the economy debate that was hosted last September, at which we published the Executive's response to the outcomes of the 2004 conference. That is on the Executive's website. We are committed to producing an update on that, which we hope will act as a springboard for some of the discussions at the 2005 event. That document evidences the wide range of views that emerges from such an event. In some cases, progress may be the restatement of a position 12 months later, but at least that will help to inform and tee up some of the debate for 2005.

Susan Deacon: I take it that it is okay just to express opinions, as the deputy convener did, and that we need not turn everything into questions.

The Convener: Absolutely.

14:45

Susan Deacon: Good. I know that the convener has spoken to several committee members about the event; I could not take up the opportunity to have a discussion beforehand, for which I apologise. I share some of the concerns that the convener voiced publicly about the previous event—perhaps I would not voice them in the same way, but I share some of the concerns. Last time around, opportunities were missed. People can always get something from events and people got something out of last year's event, but I sincerely hope that many lessons are learned and I am pleased to hear that processes are in place to ensure that that happens.

I will raise specific issues and some questions. The first is fundamental. What are the event's objectives? I really think that that has to be clearly stated. For people whose time is at a premium—and I include in that number the politicians who might intend to attend, as well as the business people—we have to be clear about what we are trying to achieve. The top line, which was quoted again from the partnership agreement—

“bringing together Scotland's businesses and Scotland's politicians to develop ideas and maximise the drivers for growth”—

is not enough. Bringing people together and having that discussion may be the starting point, but what are the end points?

I heard what was said about the various outcomes of the report and I have a copy of the Executive response and the transcripts of debates, but those outcomes are very paper based. What all of us want out of the exercise is to feel that there is some momentum behind it, that some life is being breathed into things and that there is a sense of on-going dialogue and debate and of some dynamic taking place.

I have a copy of the report from last year's meeting—I do not think that the report has been circulated for the meeting, but I want to refer to something that it says. Paragraph 44 contains the following recommendation:

“There needs to be wider buy-in to the Smart, Successful Scotland strategy—the Scottish population has to 'do' SSS. We should get out there and get organisations to sign-up to the strategy. It shouldn't solely be about business—schools should also buy in to it. SSS is the right agenda but delivery at a local level needs to be better, and would help better deliver its vision.”

That is one of the outcomes of the conference. The Executive response to that, apart from saying that there will be a refresh of the strategy—another document—is basically to tell us about the “Determined to Succeed: Enterprise in Education” programme. That is a valid programme, but to me that recommendation is about creating a living, breathing momentum to go behind the smart, successful Scotland strategy. The fact that a whole collection of business people have a missionary zeal to get out there and sell the strategy to the wider populace is positive, but I did not feel that that was the kind of energy that came out of the event and has carried us through thus far.

I realise that what I am alluding to is, in some respects, quite intangible. However, as with so many things, you know it when you see it and feel it, and I am not seeing and feeling much of that kind of energy at the moment. I would like to think that a bit more energy will come out of the event this time round.

I would like to know how the conference will be comprised this time. That links back to the objectives and what we are trying to get out of the event. Last time, the idea of asking every MSP to bring a local business person along was laudable at one level and quite attractive to individual MSPs at one level, as it was a nice local thing to do and to get local plaudits for. I know that there was an issue about the amount of notice that people had, but let us leave that to one side and assume that

lead-in times will be much better this time. However, that skewed the composition of the event. By definition, the conference largely consisted of successful local business people. That is great and good, but I think that, because of the way in which the guest list was drawn up, we missed out on a tier of people from some of the major corporate players in Scotland, which could and should have been involved in the debate. I would like to know how thinking has moved on in that regard.

I shall stop there. I have one or two other points, but I do not want to sound as though I am pouring cold water on the event. I certainly do not want to pour cold water on the concept, but people need to feel that the investment of their time is worth while. That is an important point: the first time round, it matters a huge amount; the second time round, it matters a hell of a lot more. The worst possible thing that we could do would be to get an awful lot of people to give of their time and energy and have them go away thinking, "Well, it was nice getting a tour of the Parliament building, but, hey, what impact have we actually had on the things that affect the work that we do?" We all want to make the conference happen, but I feel that there is a lot more still to be done to breathe life into the event.

Mike Pringle: Being relatively new last year, I was one of the MSPs who invited a business person to the event. Funnily enough, I bumped into him about four or five weeks ago and his question was, "By the way, you know that conference I went to? It was very good to get the transcript of what was going on, but what happened? What was the result? What were the outcomes?" I said, "Well, I'm not on the committee that deals with it, so I'm not entirely sure." From what Susan Deacon has said, it seems as though there may not have been all that much in terms of outcomes. I entirely agree that we must ensure that something comes out of the event. There is no point in having a talking shop for a couple of days and just letting everybody visit the Parliament. We need to ensure that we are aware of what we want to achieve from the event and of what our goals are.

Christine May: To build on what Mike Watson, Susan Deacon and Mike Pringle have said, I agree that there was too much talking at people last year and that there was too little time to prepare properly with a view to what we wanted to get out of the event. This year, starting now, we have the opportunity to do that preparation. It is not just a matter of our own preparation, however. We have to give guidance to those on the potential guest list—the invitees—about what it is we need them to do or to arrange help for in the areas with which they are concerned. Their area could be sectoral, within an industry, for example; it could

be regional, concerning central Fife or Fife as a whole, for example; or it could be something covering the whole of Scotland. That all depends on the businesses that are involved and on the nature of their business.

Time is relatively short. Ideally, we want individuals to come with the benefit of all their background knowledge, which allows them to make suggestions as to what needs to be done next. That means a lot of briefing, finding things out and working with local enterprise companies, local authorities, business organisations and so on.

I am conscious of the fact that a lot of so-called usual suspects took part last year and that they were making the usual points. We had heard those points previously and we did not get a feel for where we had reached, what points had been made, what had been done and what participants were wanting us to do. We need to spend some time talking about how the preparation will be done this time, how the guest list will be drawn up and whether we will set all political affiliation to one side and have individuals talk with politicians from the different regions, so as to try to get comprehensive cover.

Will we leave nominating invitees to others? We could then simply turn up and hear what is said without having any personal input. Will a mixed approach be taken? We need to thrash out those issues, so that we are quite clear what MSPs will be asked to do, how we will buy into it, what feel we will have for owning the process and how we will maintain the independence of thought and suggestion that we need to review what we have done and what people want to be done. Perhaps that means narrowing the agenda slightly.

Murdo Fraser: I will continue with the theme that other members have been developing. I did not attend the previous conference, because my diary did not allow it, although I did have a nominee there. He was a local businessman with quite a bit of involvement with the chambers of commerce—an obvious choice of person. I spoke to him afterwards and asked him what he thought. He replied that he had had a very interesting day and had met lots of interesting people. He had enjoyed the day. However, when I asked whether it had been of any great value to him, he said, "Frankly, no. I'm not convinced that it was and I'm not convinced that anything that I had to say was really being given much time." We need to avoid repeating that result. When I asked him whether he would go again, he said, "No. I don't see the point of going again if it is done like that."

Looking forward, I think that it might be helpful if we identify who is coming, approach them in advance and ask them what they want out of the event and what topics they wish to discuss. We

could then collate those responses and set the agenda on the basis of what the participants want to discuss, rather than on the basis of what we want them to discuss. It would be helpful if we could structure the event in that way. That would be advantageous to the participants, because they would feel greater ownership of the agenda and its outcomes.

Chris Ballance: A lot of good, convincing points have been made. I was thinking that our business growth inquiry would be the focus of the conference. That more or less matches what is written in the current plan. However, it is slightly harder to see how the structure that Murdo Fraser suggests would feed into the committee's business growth inquiry unless we started an entirely new chapter, which might take us in a completely new direction. We would be asking other people to set the agenda, whereas, in the proposal that we have before us, we are saying, "The agenda is the research that we have done over the past four or five months. Please can we have your input into it for the next draft?" As Susan Deacon said, that might create just another paper exercise that would not go anywhere. Therefore, I think that Murdo Fraser's proposal is interesting.

The Convener: I will add my tuppenceworth and then ask Mike McElhinney to respond. It is not a them-and-us situation; it is a joint issue and we are contributing ideas. Mike is not here on trial or anything like that—yet.

Let us return to why we had the conference in the first place. I am guilty because, when I was convener of the previous committee, I submitted a paper to Jack McConnell, as head of the Executive, and to David Steel, as Presiding Officer of the Parliament. That paper was based on the White House conference on small businesses. In America, a small business is a business that employs fewer than 250 people. Regional state conferences take place over three or four years and that process has, under every President since Carter, culminated in the White House conference on small business. The purpose of that conference is to try to reach tripartite agreement between the executive and congressional branches of the Government and the business community on what the priorities are for the legislature and the executive in terms of assisting the business community to achieve business growth and all the other things that business wants to achieve in the subsequent four years. The purpose is to end up with an agreed action plan that contains action items and four or five key priorities that both branches of Government can take forward together with the business community. The federal Government covers a range of issues from customs practices to taxation and all the rest of it. That is what happens in the States.

The idea is to take that model and examine how we could use it in Scotland. We would not restrict it to small business but have a general business conference because of the size of Scotland and the fact that our geography is different. The idea is to bring together the Executive, Parliament and the business community regularly—I was not suggesting that it had to be every year—to agree the priorities for a joint agenda. Our job is to enable the business community in Scotland to perform better, to improve exports and to do all the other good things that we are all trying to achieve.

People who say that there is no contact between Parliament and the business community are talking nonsense: there is loads of contact. The difficulty with much of the contact is that it is sporadic and there is no systematic approach. We go to a dinner with the Confederation of British Industry or the Federation of Small Businesses and come away agreeing with them, but that is it—the issues are hung in thin air and there is no conduit for taking them forward. The purpose of the business conference would be to act as a conduit to progress the agenda. That is what we are trying to achieve.

That said, Christine May made an important point about the need to focus on the conference agenda. The White House conference lasts for a week. If we tried to focus on issues that are of material importance to Parliament and the Executive on the one hand, and to the business community on the other, we might get more out of our conference.

15:00

We should theme the conference. The previous conference was based around "A Smart, Successful Scotland", to which we are all signed up, but to an extent that strategy is like motherhood and apple pie. We need to get down to the nitty-gritty of the more fundamental policy issues that need to be addressed. For example, when Jim Wallace was before the committee two weeks ago, one of the issues that we discussed was the continuing lack of private sector research and development in Scotland. Jim Wallace agreed with the committee that, to get to the OECD target, we need to double the £600 million spend on private sector research and development. To make the conference really productive, a group should address how we can substantially increase and, over a period, double the level of private sector research and development. Of course, in a morning or an afternoon we will not come up with the answers, but at least we will start the conversation—that is the in word these days in the run up to the election.

Mike Watson: A big one.

The Convener: Yes. We need a conversation between the business community and parliamentarians about how to address the major strategic issue of doubling private sector research and development.

Another example comes from the report that the Royal Bank of Scotland produced a few months ago that showed that, for our population the numbers of large and small companies in Scotland are okay, but there is a constraint on growth because when companies reach a certain size, they tend to sell out, which means that they move out of Scotland along with their assets. What can we do to close that strategic gap and allow companies in Scotland to grow and become multinationals that are headquartered in Scotland? Those are the kind of practical issues that we should discuss in the break-out sessions, so that we come away with thoughts on them.

We also need to consider how we will make progress once the conference is over at 4.30 on the Friday afternoon. During the day, we should seek, as appropriate, suggestions about that so that we do not just leave the event as a discussion that took place one Friday afternoon. For example, we need to consider how to set up a little group from the break-out group on research and development and get it to report regularly to the Executive and Parliament, although we would have to consider who would organise that. We need to think about how to make progress and not simply leave matters in thin air.

The point has been made that we should not decide on the invitation list until we decide exactly what will happen during the event. That is a bit of a chicken-and-egg situation. Murdo Fraser is right that, before we finalise the agenda, we should suss out what the business community wants from the conference. I suggest that we survey 400 or 500 people in the business community, including those who were at the previous conference. We should tell them that we are planning to hold another conference on 9 September and say that we would like to discuss issues such as how to boost R and D spend in the private sector, how to keep growth companies in Scotland instead of their selling out and another two or three issues. We should ask which other issues people think we need to discuss.

When we get feedback, we can decide on the final agenda and then the invitation list. As Susan Deacon said about the invitation list for the previous conference, it was laudable to get MSPs to invite a constituent, but that meant that we were all over the place because we had everybody from an ice-cream man right through to the managing director of a major multinational. Also, several MSPs invited public sector employees from the local enterprise companies and the like, which was

not the purpose of the conference. I am in no way castigating members, but the aim was to get front-line business people. Similarly, we do not want the conference to be dominated by the private sector bureaucrats who run the CBIs of the world—I have said that to Iain McMillan. With all due respect, it is the Gordon Smiths of the world—the people at the coalface—whom we need, otherwise the conference will not work. I think that we are all agreed that those suggestions would be major improvements.

Finally, apart from having a welcome from the Presiding Officer, I suggest that we have absolutely no political speeches in the first plenary session, and that we do not have question time to Executive ministers. Let us use the time in the break-out sessions and make the conference really worth our while and meaty. It might be useful for a Jackie Stewart-type figure to give an overview of the conference agenda and the challenges that we face, then go straight to the break-out sessions. We can forget all the political speeches. We are not there to deliver speeches; we are there to listen.

Christine May: One of the things that people liked last year was that the First Minister and the Minister for Enterprise and Lifelong Learning took the time and the trouble to turn up and say something, so we should give that some thought.

On starting a conversation, we need to consider the what and the how. We are going to have to go back. If starting a conversation is what we want to do, the preparation work has to start, and it cannot be just about the business community's agenda, otherwise we will hear, "We don't want any regulation, thank you very much. Leave us alone. We don't like business rates," which would not be helpful.

Murdo Fraser: I support Christine May's suggestion about ministers. If we are to sell the conference to the business community, being able to say, "The enterprise minister will be there, and ideally the First Minister will be there too, and you can make points directly to them," would be a major advantage. Otherwise, people from the business community will think—with the greatest respect to the rest of us—that they are coming to speak to the second division.

The Convener: I am not against a short opening speech by, say, the First Minister, but would not it be more productive if the Minister for Enterprise and Lifelong Learning, the Minister for Transport and the Minister for Environment and Rural Development participated in break-out sessions?

Murdo Fraser: Absolutely.

Christine May: Indeed.

Mike Pringle: That is the point that I was going to make.

The Convener: With all due respect to the First Minister—who has a busy diary—given the importance of the event and the importance that we are trying to attach to it, we should encourage him not just to deliver a speech and go away again, but to participate.

Susan Deacon: On the point about ministers, the issue is one of balance. There was an imbalance last year. I confess that I did not take part in the break-out sessions, but I am aware that they had lead-offs by ministers. If we were to correct that imbalance, it would make a huge difference. As Murdo Fraser and others have said, it is important to ensure that there is visible involvement from the First Minister down.

There are two other points that I want to ask about. Mike McElhinney mentioned that a tendering process is under way. An awful lot of what we talked about in terms of event organisation and design is not rocket science. Will much of that form the work of a professional events organisation team? Where is the line drawn? I include in that many of the issues that Murdo Fraser raised about liaising with potential participants, setting out objectives and determining the target audience, which are standard methodologies for people in the field.

Mike McElhinney: The answer is probably no; the event managers would take their lead from us and work to the list that we give them. There are several issues.

The Convener: I will allow Mike Pringle in, and then I will get Susan Deacon to address some of those issues, unless she has other points.

Susan Deacon: I have a completely separate but terribly short point.

The Convener: Will we finish this point? Is your intervention on the same subject, Mike?

Mike Pringle: It is. We talked about feedback. Do we have any feedback on ministers giving speeches? I do not know whether information on that was included in the feedback. I do not think that the one person with whom I was involved thought that ministers making long speeches was a great idea. On the point about ministers being there, it is much more important that they spend their time in the break-out groups so that they hear what people are saying. They are the people who make the decisions and they need to be influenced.

The Convener: We are not talking about only the Minister for Enterprise and Lifelong Learning; the Minister for Transport and the Minister for Environment and Rural Development are just as important.

Mike Pringle: Absolutely—I agree entirely. What was the feedback? Did people enjoy having ministers there? My evidence was that they were not enthusiastic.

Mike McElhinney: On the final point, we were always going to get mixed feedback on whether people enjoyed the event. There is a feedback report on the website, which contains comments such as:

“Very worthwhile first meeting. Proof is in following and feedback and actions taken. Great networking opportunity, which has helped me understand the role of the Scottish Executive and the Parliament ... A first class opportunity for the parliament to engage with the business community.”

Another comment was:

“There was a sense of genuine engagement by the ministers present.”

There was feedback to the effect that the business people who attended the event valued their engagement with ministers and MSPs. The point was made that there were perhaps too many ministerial speeches, which we are considering actively this time round.

We will also consider having a longer lead-in time to get better representations from MSPs and encourage them to get there for part of the event. We got a real sense that engagement with ministers and MSPs was one of the strengths of the event, which we are keen to replicate. The people there were keen to hear from the First Minister and the Minister for Enterprise and Lifelong Learning as part of the programme, but we will consider ways of striking the balance between getting those messages across and letting the views of business people come to the fore. We will not need the introductory element that we needed last time, because it was the first event and we had to tee up what we were trying to do.

On the objectives of the event, our ministers engage in on-going dialogue with business organisations and individual businesses, but the Scottish business community is so diverse and diffuse that it is difficult to do that. The event allowed us to try to do that differently and more proactively and collaboratively. From the parliamentary side, it was meant to help business people who do not normally have access to ministers and MSPs—normal front-line businesses rather than business representative organisations—to get into Parliament and increase mutual understanding. I know that that is intangible, but it is part of an on-going process in which we are engaged.

Susan Deacon: I suspect that we are drawing to a close, so I will not labour the point. With the greatest respect, Mike McElhinney’s final comment serves to reinforce the lack of clarity

about the objectives of the event. If it is meant to give people in business—who would not otherwise have it—access to MSPs and ministers, that may well be a perfectly legitimate objective. However, it is different from some of the objectives—stated or assumed—that have come out in the discussion today. Unless and until that is stated clearly up front, there will always be a lot of disappointed people, because everyone has different expectations. Let us not labour the point.

I do not think that anyone has touched on the fact that the structure of the days as outlined in the paper suggests that we have a parliamentary debate the day before the conference. Surely at the very least the debate should be soon after the conference.

The Convener: That is a fair point. I think the idea was to provide an incentive to get people there.

Mike Watson: I was going to make a point about MSP involvement. I agree with Susan Deacon that the event is not just about giving MSPs the chance to meet the business community. I expect all MSPs, to a greater or lesser extent, to do that in their constituencies anyway, but that is necessarily local. My impression was that not a lot of MSPs were at the previous event. How many MSPs were enrolled?

Rebecca Robinson (Scottish Executive Enterprise, Transport and Lifelong Learning Department): Twenty-nine.

15:15

Mike Watson: That represents a fairly low percentage. A month ago, the convener, Murdo Fraser and perhaps others were at a briefing from Scottish Enterprise at which somebody said, "You'll never get MSPs if you have an event on a Friday, when we have other things on." That is a dreadful argument. We are talking about something that is planned six months ahead. If MSPs cannot mark a Friday in their diaries and plan to stay in Edinburgh on a Thursday night to be here on a Friday, that is a poor show, to put it mildly. Apart from anything else, because of parliamentary commitments, it will be logistically impossible for us to organise two other consecutive days.

We must make more effort to double at least if not treble the number of MSPs who are present. We will do that by highlighting the date as far ahead as possible and encouraging people to blank out the date. We will not achieve that just by telling MSPs about the event. Some of our MSP colleagues must be convinced that they have something to put into the process. We must work out how to do that.

Michael Matheson: It was a minister who made the statement that Mike Watson related.

Mike Watson: Was it?

The Convener: We will not name him.

Mike Pringle: I invited somebody to last year's event, to which I went because I thought that I had an obligation to be there with the business representative whom I had invited. I did not stay for the whole event, because I had other things on, but I changed my arrangements to ensure that I could be present. When I arrived, I was surprised to see that almost none of the business people was with an MSP. I assume that they were all invited by MSPs and I do not know what they thought when they turned up and their MSP was not present. It was fairly surprising that more MSPs did not attend.

If people in the business community knew in advance that the First Minister, the Deputy First Minister, the Minister for Transport, the Minister for Environment and Rural Development and others would all be at the conference, would be involved in the discussion and would be participating in the break-out groups, they would think, "Hang on a minute—this is quite serious." Business people would want to be there to talk to the ministers. If we end up with 29 MSPs after the First Minister and the Deputy First Minister disappear once they have made their speeches—that is probably what happened last time—people will ask what the point of coming was. The delegates are important people. Their time is valuable to them. Our time is valuable to us, too, but we want them to attend. Convincing ministers to attend and participate will raise the event's profile.

Christine May: I have a suggestion. It is essential to have at least one development session—or perhaps two—before the conference takes place. I do not mind how that is organised, but individual MSPs should not do it, because that would mean that I did something then Murdo Fraser would do something as a list MSP, which would be daft.

Susan Deacon's suggestion that the event's management should be supported by a facilitator is good. They could put together a package of regional development sessions, so that when we reach the day of the conference, individual MSPs will have had the opportunity to talk locally to folk. They will know broadly who will attend and what will be discussed and will have had input to that. That will give them an incentive to turn up on the day, because a sense of ownership will have been created. Such sessions might also provide a good chance to have a perspective on the regional economy that we might not obtain from meetings with LECs and individual businesses or local chambers of commerce.

The Convener: I am keeping a close eye on and from time to time meeting the steering group, which involves clerks and the Executive. Members have produced loads of points and ideas to ponder.

Mike McElhinney: Mr Pringle talked about the number of ministers. So far, seven ministers are committed, or committed subject to other engagements. We hope that that number will increase.

On Mr Watson's point, we have discussed whether to hold the event on a Friday or a Monday. There is no ideal day of the week to run such an event.

Mike Watson: I accept that.

Mike McElhinney: Monday might be more convenient for MSPs, but the soundings that we took from the business community and organisations that represent businesses showed that Friday is probably better for them. Businesses set up their week on a Monday and it is easier for them to get away to attend a conference on a Friday.

Mike Watson: I was not suggesting a change. Friday is the best day because we can use the Thursday evening as well. It would be difficult to use a Sunday evening.

Mike McElhinney: We also propose to draw together representatives from the business organisations to help us to work up the detail of the programme. We want to engage with them at an early stage, and we will involve the committee clerks in that too.

The Convener: It will be useful for the committee to get updates on the event fairly regularly. It is an important event and the committee wants to continue to have some input. Loads of points have been raised for you to ponder, and I hope that there have been a number of positive suggestions about how we can make the event a memorable one.

On the point about ministers, the big difference since last year's conference is that every minister now has a responsibility in respect of "A Smart, Successful Scotland". That is one of the important points that came out of the refresh statement about a month ago. There is a duty on every minister—or certainly on a minister from each department—to attend the conference. We will try to use what influence we have to maximise not only the number of ministers but the number of MSPs who attend.

That was a helpful session. I hope that it was helpful for you as well.

Mike McElhinney: It has been helpful.

The Convener: We look forward to continuing our dialogue. Thank you very much.

State Aid

15:21

The Convener: We move on to agenda item 4, on European Union state aid. Members will be aware of the review of state aid that is taking place in the EU; a detailed paper has been circulated and I think that it is fair to say that concern has been expressed by MSPs on all sides about what is happening. The matter falls within our bailiwick, so it seems sensible for us to take it up.

At this stage, my view is that it is logical to undertake a fact-finding mission to Brussels to get a better understanding of what is going on. That would involve speaking to the people who are carrying out the review and coming back to the committee to identify what we think the Parliament needs to do to influence the review as much as it can, I hope in partnership with the Executive.

Christine May: I agree. The briefing paper and the background paper that was provided with it were helpful. On the assumption that we have cleared our lines with the European and External Relations Committee in relation to Brussels and areas in which there might be a conflict of interest, I agree that it is appropriate for us to examine the matter. Together with the financial perspectives and the negotiations that are taking place on structural funds, state aid represents an area of support—or the lack of it—for business. It may be available on the same basis or on a lesser basis and it is totally directed by Whitehall and the Treasury. I would like the opportunity to talk through those issues and discuss whether there are things that we can do to influence the outcome and to have some say when the decisions are made.

Mike Watson: Stephen Imrie is obviously the person to advise us. Is the European and External Relations Committee doing any work on the issue? I would be surprised if it had not done something, either directly or indirectly, to influence matters.

Stephen Imrie (Clerk): On European regional development funding and the reform of structural funds, the European and External Relations Committee completed a large inquiry some months ago to try to articulate a view on the reforms. On the reform of state aid, which is a parallel debate, my understanding is that the committee touched on the issue and said that although it was too early to take a view, the debate is an important one and others in the Parliament could perhaps take it forward. The committee considered the matter in passing as part of its inquiry into structural funds, but it did not articulate that it would do any work on it, although it said that

it was an important debate for someone to follow. Of course, structural funds fall within the remit of the Enterprise and Culture Committee anyway.

The Convener: It is my understanding that the kind of detailed investigation that we are talking about is not part of the European and External Relations Committee's work programme.

Mike Watson: I agree that we should certainly get more information. On Christine May's point, I am not sure that there is any mechanism that would allow us to influence outcomes. Moreover, the briefing paper does not make the timescales clear. We know that the current situation will apply until the end of next year, but the paper says that the previous round of talks in 1999 continued until nine months before the funding period ended. As nine months before the end of this funding period will take us to the spring of next year, does that mean that we have roughly a year in which to make any input? If so, to whom do we make that input? Does it have to be made via the UK Government? I am simply not clear about how we can influence the outcome.

The Convener: I think that the Executive has submitted its own evidence to the parallel review, although I believe that its formal submission was attached to the Department of Trade and Industry's submission. At this stage, there is nothing to stop us finding out from Brussels what is on the agenda and how it might affect Scotland. Of course, the questions that we need to ask then are: is there anything we can do about the matter and, if so, how can we do it? This first stage should be a fact-finding exercise, because a great deal of mystery surrounds the matter.

Christine May: I think that our opportunities for influencing anything might be oblique rather than direct. Nevertheless, opportunities will arise and we should identify them as soon as possible.

The Convener: Are members agreed that we should take forward this issue? It is not an inquiry per se; it is more of an investigation or fact-finding mission.

Chris Ballance: The information might also feed into our business growth inquiry.

The Convener: Can I assume that we have authority to pursue meetings with the relevant people, ideally in Scotland, and, if that is not possible, to request funding for a delegation from the committee to speak to people in Brussels?

Christine May: And to seek such specialist advice or briefings as might be needed to inform the committee.

The Convener: Okay. Are members agreed?

Members indicated agreement.

The Convener: I suggest that, if the meeting takes place here, we invite every committee member. However, if the meeting takes place in Brussels, we should seek authorisation for a cross-party delegation. Do members find that reasonable?

Members indicated agreement.

Mike Watson: If the meeting takes place in Brussels, we would be in the novel position of not having to seek dispensation for costs. After all, as individuals, we can use our members' support allowance to travel legitimately to Brussels on parliamentary business.

The Convener: That is right, but I think that we should cross that bridge when we come to it.

The other question that we need to consider is whether we appoint an adviser. As Chris Ballance pointed out earlier, this area is very specialised and appointing an adviser would be helpful. Are members agreed to set the appointment process in motion through the usual channels?

Members indicated agreement.

The Convener: Thank you. Before I formally close the meeting, I ask committee members to wait around for five minutes. I seek your advice on two matters.

Meeting closed at 15:28.

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