

# **ENTERPRISE AND CULTURE COMMITTEE**

Thursday 8 September 2005

Session 2

£5.00

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# CONTENTS

Thursday 8 September 2005

	Col.
<b>SUBORDINATE LEGISLATION</b> .....	2112
Edinburgh College of Art (Scotland) Order of Council 1995 (Amendment) Order of Council 2005 (SSI 2005/313) .....	2112
Student Loans (Information Requests, Maximum Threshold, Maximum Repayment Levels and Hardship Loans) (Scotland) Regulations 2005 (SSI 2005/314) .....	2112
Education (Graduate Endowment, Student Fees and Support) (Scotland) Amendment Regulations 2005 (SSI 2005/341) .....	2113
Education (Student Loans) Amendment (Scotland) Regulations 2005 (SSI 2005/345) .....	2114
<b>ST ANDREW'S DAY BANK HOLIDAY (SCOTLAND) BILL: STAGE 1</b> .....	2115
<b>EUROPEAN UNION STATE AID INQUIRY</b> .....	2144
<b>WORK PROGRAMME</b> .....	2149

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## ENTERPRISE AND CULTURE COMMITTEE

### 17<sup>th</sup> Meeting 2005, Session 2

#### CONVENER

Alex Neil (Central Scotland) (SNP)

#### COMMITTEE MEMBERS

\*Shiona Baird (North East Scotland) (Green)  
Richard Baker (North East Scotland) (Lab)  
\*Susan Deacon (Edinburgh East and Musselburgh) (Lab)  
\*Murdo Fraser (Mid Scotland and Fife) (Con)  
\*Michael Matheson (Central Scotland) (SNP)  
\*Christine May (Central Fife) (Lab)  
\*Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

#### COMMITTEE SUBSTITUTES

Mark Ballard (Lothians) (Green)  
Fiona Hyslop (Lothians) (SNP)  
George Lyon (Argyll and Bute) (LD)  
\*Margaret Jamieson (Kilmarnock and Loudoun) (Lab)  
Mr Brian Monteith (Mid Scotland and Fife) (Con)

\*attended

#### THE FOLLOWING ALSO ATTENDED:

Dennis Canavan (Falkirk West) (Ind)

#### THE FOLLOWING GAVE EVIDENCE:

Anne Marie Hoey (Scottish Executive Enterprise and Lifelong Learning Department)  
Paul Jennings (Association of Scottish Visitor Attractions)  
Angela Lawson (Scottish Executive Legal and Parliamentary Services)  
Alan Mitchell (Confederation of British Industry Scotland)  
Fiona Moriarty (Scottish Retail Consortium)  
Dave Moxham (Scottish Trades Union Congress)  
Professor Charles Munn (Committee of Scottish Clearing Bankers)  
Valerie Sneddon (Scottish Executive Enterprise and Lifelong Learning Department)  
Niall Stuart (Federation of Small Businesses Scotland)

#### CLERK TO THE COMMITTEE

Stephen Imrie

#### SENIOR ASSISTANT CLERK

Douglas Thornton

#### ASSISTANT CLERK

Seán Wixted

#### LOCATION

Committee room 1



## Scottish Parliament

### Enterprise and Culture Committee

*Thursday 8 September 2005*

[THE CONVENER *opened the meeting at 14:00*]

**The Convener (Alex Neil):** I welcome everybody to the first meeting of the Enterprise and Culture Committee since the recess—our 17<sup>th</sup> meeting in 2005. I have apologies from Richard Baker and I welcome Margaret Jamieson, who is standing in as his substitute today. I also welcome Dennis Canavan, who is joining us for item 2, which is on the St Andrew's Day Bank Holiday (Scotland) Bill.

Before we begin, I express the committee's gratitude to Mike Watson for his work both as a member of the committee and as the committee's deputy convener. He was particularly helpful and co-operative and I very much appreciated the assistance that he gave me as convener in his role as deputy convener. He has asked me to pass on his best wishes to the committee and wishes the committee all the best for the future.

## Subordinate Legislation

14:01

**The Convener:** Item 1 is on subordinate legislation. There are four instruments to deal with today. I will first introduce the officials from the Scottish Executive: Angela Lawson is a lawyer with the Executive; Valerie Sneddon is a policy executive with the additional needs support team in the funding for learners division; Anne Marie Hoey is a policy executive in the funding for learners division; and Susan Whittaker is a policy adviser in the higher education strategy and governance branch. I have agreed with the representatives from the Executive that we will move straight to questions on each instrument. They do not see any need to add to the notes that have already been circulated.

### **Edinburgh College of Art (Scotland) Order of Council 1995 (Amendment) Order of Council 2005 (SSI 2005/313)**

**The Convener:** The details of the response of the Subordinate Legislation Committee to the first instrument have been circulated to members. The committee had no comments on the instrument. These are negative instruments, so we can really only comment on them. Is everyone happy with the instrument?

**Members** *indicated agreement.*

### **Student Loans (Information Requests, Maximum Threshold, Maximum Repayment Levels and Hardship Loans) (Scotland) Regulations 2005 (SSI 2005/314)**

**The Convener:** The Subordinate Legislation Committee has expressed concern about the regulations and has drawn some defective drafting to the attention of the Enterprise and Culture Committee and the Parliament. Christine, you are on the Subordinate Legislation Committee. Do you want to add anything?

**Christine May (Central Fife) (Lab):** I was on the committee until the end of June. I remember the regulations coming through and I remember the matter being raised. The Executive has acknowledged the problem but, as I recall, said that the drafting should not make a material difference. If the committee would like further clarification, the advisers may be able to help.

**The Convener:** Would anyone from the Executive like to comment?

**Anne Marie Hoey (Scottish Executive Enterprise and Lifelong Learning Department):** We understand that a few points were raised by the Subordinate Legislation Committee and we are

happy to redraft the explanatory note taking into account any concerns.

**The Convener:** Do you see the need to make any additional changes to the regulations? Is there anything substantial that you need to correct?

**Angela Lawson (Scottish Executive Legal and Parliamentary Services):** We have taken on board the comments of the Subordinate Legislation Committee in relation to the overseas borrowers. The issue was that a more detailed explanation was required. We feel that that could be given in the explanatory note, if that was considered to be sufficient. We are obviously willing to hear about any further concerns that the committee may have.

We apologise for the error of putting “£108” rather than “£100” in the explanatory note. We were going to change the explanatory note in any event, so we can give further clarification on the point that has been raised about overseas borrowers, if that would be helpful.

The committee will be aware of a letter that was sent to the Subordinate Legislation Committee on 1 July. The letter explained the meaning of when requests have been made and when actions have been completed; it also gave some legal precedents. We had hoped that that letter would have clarified any doubts as to when a particular document has been delivered. The legal precedents show that a document has been delivered once the action has been completed—that is, once the document has actually been received by the recipient. We think that that offers sufficient clarity without the need to amend the regulations, but we are open to further comments from the committee.

**Christine May:** I am grateful to the Executive for that clarification. The amendment to the explanatory notes should be adequate. There was difficulty in understanding the meaning of “made” and “delivered” and I am sure that the Subordinate Legislation Committee found the precedents helpful. I imagine that the committee will have considered that—although, of course, I would not have been at the meeting.

**The Convener:** Are members happy with what they have heard?

**Members:** Yes.

### **Education (Graduate Endowment, Student Fees and Support) (Scotland) Amendment Regulations 2005 (SSI 2005/341)**

**The Convener:** We move now to the third instrument that we have to consider. The Subordinate Legislation Committee draws our attention and that of the Parliament to a failure to follow proper drafting practice.

### **Valerie Sneddon (Scottish Executive Enterprise and Lifelong Learning Department):**

We take the comments of the Subordinate Legislation Committee on board. As stated in this committee’s background notes, we replied to the Subordinate Legislation Committee to say that drafting issues arose in relation to the committee’s second and third points and that we would be putting through amendment regulations to fix them. We will take out the extra reference to “relevant day” and we will put in references to “excepted student” and “excepted candidate”.

On the committee’s first point, we got back to the committee to say that we thought that the definition of

“national of a member state of the European Community”

was clear from the context. However, we appreciate that the Subordinate Legislation Committee still has issues with that and we will be happy for the amendment regulations to remove that definition and ensure that the provision is clearer.

**The Convener:** Are committee members satisfied with that?

**Members:** Yes.

### **Education (Student Loans) Amendment (Scotland) Regulations 2005 (SSI 2005/345)**

**The Convener:** We come now to the final instrument that we have to consider today. The Subordinate Legislation Committee is happy with this one—and it is a much more difficult committee to satisfy than we are. I thank the Executive officials for their attendance.

## St Andrew's Day Bank Holiday (Scotland) Bill: Stage 1

14:08

**The Convener:** Item 2 on our agenda is the St Andrew's Day Bank Holiday (Scotland) Bill. As our witnesses take their seats, I ask Margaret Jamieson and Dennis Canavan whether they have any interests to declare.

**Margaret Jamieson (Kilmarnock and Loudoun) (Lab):** I have registered all my interests but it would not go amiss to say to the committee that I am an unpaid director of East Ayrshire Employment Initiative.

**Dennis Canavan (Falkirk West) (Ind):** I am the member in charge of the bill; that is the only interest that I have to declare.

**The Convener:** With the committee's agreement, I intend to invite Dennis Canavan to participate fully in our witness sessions, as if he were a full member of the committee. Do members agree to that?

**Members indicated agreement.**

**The Convener:** I welcome Fiona Moriarty, who is policy manager for the Scottish Retail Consortium; Paul Jennings, who is vice-chair of the Association of Scottish Visitor Attractions; and Dave Moxham from the Scottish Trades Union Congress.

Do you want to say a few words before we go into questions? Obviously, you have circulated papers, but you are most welcome to say a word or two before we kick off the questions.

**Fiona Moriarty (Scottish Retail Consortium):** Do you want me to kick off?

**The Convener:** Ladies first.

**Fiona Moriarty:** I have a small point of clarification. There was a mistake about my title: I am not the policy manager but the director of the Scottish Retail Consortium.

I will make a few brief opening comments on who we are as an organisation and why we support the bill. The Scottish Retail Consortium is a retail trade association that represents roughly 26,000 retailers—the vast majority of retailers in Scotland—who employ one in 10 of the workforce. In 2002, Scottish retail turnover was close to £19 billion.

I have consulted our members extensively and the vast majority support the bill for two key reasons. They feel that a St Andrew's day holiday would not only provide a great opportunity to reflect on and celebrate our national identity, but

boost retail trade and tourism. I have many more points about the value that a St Andrew's day holiday would generate for the Scottish economy and about questions that members may have on implementing the bill and dealing with staff in relation to bank holidays. However, I am happy to take questions on those matters later.

**Paul Jennings (Association of Scottish Visitor Attractions):** The Association of Scottish Visitor Attractions represents the interests of more than 400 attractions across Scotland. I believe that I represent the industry in its entirety at this meeting because I also chair a destination marketing company called Destination Dundee and in my day job I am the chief executive of a tourism business in Dundee.

I have consulted widely on the bill and it is apparent to me, especially as an operator, that bank holidays have a significant impact on visitor attractions in particular and, by association, other tourism businesses. I am keen to discuss whether the proposed bank holiday would fall on 30 November or on the nearest Friday or Monday. That issue has particular significance for the tourism sector because, if the holiday fell in a way that extended a weekend, it would encourage people to travel and tourists to use Scotland's wide accommodation base.

The timing of the proposed bank holiday is excellent from the industry's perspective. We are heavily focused on the summer periods and it strikes me and others that having a bank holiday at the end of November would set up the opportunity to kick-start the festive season. In addition, in relation to encouraging national pride, it would also give the opportunity to have a host of festivals and associated activities.

We believe that the creation of an additional bank holiday would have a positive impact on the Scottish tourism sector, which has ambitious growth targets over the next 10 years. It would also be an important opportunity to extend the seasonal offering.

**Dave Moxham (Scottish Trades Union Congress):** I represent the Scottish Trades Union Congress and its 43 affiliated trade unions, whose views on the issue I think I can confidently say I represent.

We have looked at three areas of the proposal. First, there is the positive effect that the proposed bank or public holiday would have on the hard-working Scottish workforce, particularly given the fact that we do not do too well just now compared with the number of public holidays in the rest of Europe. Secondly, there is the positive opportunity that a St Andrew's day holiday would provide for the celebration of Scotland's culture and history. I will go on, if asked, to say something about how

we think that that culture should be celebrated. Thirdly, we looked at the issue in practical terms and we agree with the whole panel, I think, in favouring having the holiday on the day closest to 30 November that would extend a weekend. We prefer a Monday, with Friday being an outside possibility.

**Murdo Fraser (Mid Scotland and Fife) (Con):**

Good afternoon. I have a couple of questions first for Fiona Moriarty and Paul Jennings, because I think that you are coming at the issue from a similar position. I see the logic in your submission that it would be good for both the retail and tourism industries to have an additional bank holiday, particularly in the run-up to Christmas when people are out spending more money and would perhaps take their families to visit tourist attractions. However, presumably you would not be giving your employees a holiday on that day because they would have to work to keep the visitor attractions and shops open. Have you canvassed the various employers that you represent to find out what their views are on giving their employees an additional holiday to compensate them for the fact that they will not have that day off?

14:15

**Fiona Moriarty:** I said that the vast majority of our members are supportive and so they are. There are some reservations, however, and some of our members have said that they would prefer it if a St Andrew's day holiday were to replace an existing bank holiday. Nonetheless, those members are in the minority and their concerns revolve around an imbalance between people living in different parts of the United Kingdom managing different entitlements and the additional costs in relation to premium payments. I have to stress that I have spoken to a lot of my members on the issue and the bottom line is that the benefits would outweigh any additional costs or problems associated with having an additional bank holiday.

In my opening statement, I should have said that we would like the additional holiday to be on a Monday, in order to maximise benefit. We envisage that the holiday would be like any other bank holiday, which retailers deal with in a number of ways, such as offering time off in lieu, time and a half or double-time rates of pay or a combination of those various types of entitlement.

**Paul Jennings:** What Fiona Moriarty has said also applies to how most operators in the tourism sector would deal with the extra holiday. Of course, the tourism industry is dominated by small and medium-sized enterprises, so we need to take proper cognisance of the potential impact on employment rights and staffing. However, the day

falls at what is traditionally one of the quieter periods of the year, so I think that the holiday could have a positive impact on staffing rather than a negative one. As an employer operating something that might be classed as a microbusiness rather than an SME, we would certainly embrace the proposal, as we feel that the benefits would far outweigh any downside.

**Murdo Fraser:** My second question is to Dave Moxham. I can quite understand that the STUC would favour any additional holiday, regardless of when it fell. However, it is quite clear that Dennis Canavan's bill is a permissive piece of legislation. As far as I can see, it does not create a holiday—I am not sure that that would be legally competent, although I am sure that Dennis Canavan will expand on that later—but, instead, allows the opportunity for a holiday to be taken.

The STUC's submission says:

"It would however be important, following a positive decision of the Scottish Parliament that all available levers were used to ensure that private, public and third sector employers granted the holiday as an additional day's leave."

Would you expand on that? What levers are you referring to?

**Dave Moxham:** I should refer to the fact that the manifesto of the Westminster Government outlines the intention to ensure that the 20 days' leave to which employees are currently entitled are additional to, rather than inclusive of, bank holidays. That would go some way towards ironing out the anomaly that currently exists.

You are right to ask the question that you do, because we are aware that the levers differ. The levers in the public sector are, obviously, clearer than they are in the private sector. We would be looking to the Scottish Executive to provide strong encouragement. The question of enforcement without legislation from Westminster is a problem that would be on-going until that legislation was put in place.

**Murdo Fraser:** If the bill were passed, you would hope that—despite the fact that it would not be legally obliged to do so—the Scottish Executive would grant a holiday to its employees and encourage other public sector employers to do the same.

**Dave Moxham:** Absolutely.

**The Convener:** Of course, that is what we do in the Scottish Parliament.

**Christine May:** I note the points that all of you have made in your submissions and, like Murdo Fraser, I see where you are coming from. I want to put to you some points that have been made by others.



One point relates to the business about a bank holiday not necessarily being a public holiday. At present, there are discrepancies between the situation in Scotland and the situation in England, where public holidays and bank holidays tend to coincide. Could you comment on your perception of that issue and its impact on businesses and individuals?

**Fiona Moriarty:** As to how retailers would deal with that in Scotland, a person would have their annual leave entitlement as per their contract. On top of that, the majority of retailers will give an additional eight days. If the bill were passed, that would be an additional nine days. Scotland is unique in that, in pretty much every month from the beginning of March all the way through to September, there is at least one public or town holiday in any town or city the length and breadth of the country. There is a confusing scenario anyway with public holidays, bank holidays, town days and Victoria day, but retailers just get on with it. They start debates with their employees at the beginning of any year, they agree which days are statutory holidays and they agree additional entitlement over and above that as well as compensation in lieu of working on public or bank holidays.

**Christine May:** I will press you on that before I invite the others to comment. You are basically saying that, as long as there is an extra holiday and an opportunity for retail to cash in on that, it does not matter when it is. It is not necessarily relevant that the proposed holiday is on St Andrew's day; the issue is more that a holiday would give an increased opportunity.

**Fiona Moriarty:** Any bank holiday is good, as the figures in our submission show. We are particularly excited by the idea of a St Andrew's day holiday, because of everything that we could wrap around it. It could kick-start the Christmas shopping season. It could also be fantastic in relation to the synergy between retail and tourism for city breaks. It would be the right holiday sending the right message at the right time of the year.

**Christine May:** But only as long as it is on that day.

**Fiona Moriarty:** Our preference is that it should be on the last Monday of November so that it becomes part of the national psyche and so that we all know that St Andrew's day is celebrated on the last Monday in November.

**Christine May:** Do the others want to comment?

**Paul Jennings:** Again, I agree with Fiona Moriarty. Perhaps that is something to do with the similarity between our sectors—there is certainly some crossover.

I had a meeting yesterday with the director of Dundee Contemporary Arts and the Dundee Rep Theatre. We touched on the possibility of having a bank holiday on St Andrew's day and started to talk about how we might celebrate that. Running a science centre, we could celebrate the role that Scots have played in science, but, with the others, we could celebrate the role of Scots in the arts and theatre, too. The tourism sector is dominated by small businesses, but those business are entrepreneurial and so would seek to maximise the opportunities of having the bank holiday coincide with a chance to celebrate.

The proposal would probably have more impact if the day coincided with a public holiday, because that would increase the critical mass of tourists. Even without that, it would still have an economic benefit for the Scottish tourism industry.

**Dave Moxham:** I endorse the points made about the ability, for want of a better term, to market St Andrew's day as a holiday. Unlike most countries in Europe, we do not have a holiday—apart from the scattered ones that have been mentioned—between the end of September and 25 December. Apart from the fact that St Andrew's day is a good day in itself, it falls in a good period in which to have a holiday for a range of reasons.

**Christine May:** My second question is on the point in the Committee of Scottish Clearing Bankers submission that banking services would not necessarily be available to business on that day, which would mean that cheques might take longer to clear and that other cash facilities might not be available. Will you comment on that?

**Fiona Moriarty:** Not in any detail—I will leave that to Professor Munn. However, as long as our members had sufficient notice of when bank and public holidays fell, their business planning process would just kick in and their accounts departments would work around those set days as they would with bank holidays earlier in the year.

**Paul Jennings:** The tourism industry is used to dealing with bank holidays, so what you describe would not have a negative impact on tourism operators. The proliferation of cashpoints means that money would be readily available for tourists. We are used to dealing with bank holidays and another one would not cause the sector any problems at all.

**Christine May:** Dave, I will tweak the question ever so slightly for you. The clearing banks raised the issue of the additional effort and allied cost of changing banks automated clearing system payments for salaries and so on. Could you comment on that?

**Dave Moxham:** Not with any certainty, because it is not my background. However, there are other occasions during the year when similar problems

are dealt with and we are not aware of them causing inordinate difficulties. Given that we lag behind other successful European countries in the number of holidays that we have, we have to assume—without knowing the details—that the problems are surmountable.

**Susan Deacon (Edinburgh East and Musselburgh) (Lab):** In the STUC submission, the bill's explanatory note and elsewhere, references are made to work-life balance and general issues of improving our quality of life, addressing long hours and changing the working culture. I would like to explore that further, not with a series of specific questions, but by sharing some thoughts and asking you all to provide feedback.

Addressing those issues is a laudable objective, but I struggle to see how this one holiday would have a significant impact, particularly if it is not applied universally and does not become a school holiday. I would like you to share your thoughts on the importance of aligning school holidays with the St Andrew's day holiday and on how that might be done.

**Fiona Moriarty:** I do not have children and I am unfamiliar with when the school holidays are—I do not know whether St Andrew's day is near the mid-term break—so I am unable to comment on aligning school holidays. I do not know whether it is an option.

If St Andrew's day is made a holiday, that will take a while to bed down. There will be an organic process of growth year on year. We will be clear about what we are celebrating. There will be a snowball effect, similar to that experienced in Ireland with St Patrick's day, which 20 or 30 years ago was not celebrated with all the pomp and ceremony that we see now. On 17 March, Dublin, Galway and Cork are pretty much party towns. The issue is about growing the importance of St Andrew's day, which will not happen overnight. In time, as its importance grows, special days off for schoolchildren, for example, are likely to happen.

**Paul Jennings:** If the St Andrew's day holiday coincided with a school holiday, the impact of the day would be multiplied, especially because many visitor attractions are child oriented. At the meeting that I attended yesterday, a Scot said that they celebrated St Patrick's day more than they did St Andrew's day. That shows that there is an opportunity to build the momentum and significance of the day and in doing so build national pride, which should not be underestimated. In areas for which St Andrew has particular significance, such as Arbroath and Angus, the authorities might decide to grant a school holiday, which I encourage, if it is at all possible.

14:30

**Dave Moxham:** The STUC is responsible for introducing the issue of work-life balance, partly in anticipation of responses from some of our business colleagues, who will give evidence later. They suggest that the issue is about productivity and question whether any hours that are lost to the economy will be repaid in other ways.

We wanted to make it clear that, although no one day or piece of legislation can of itself sort out the long-hours culture and the large amount of pressure that parents and other carers are under in our society, the proposal can make a positive contribution. It recognises that people have a right to another day's holiday. Moreover, that holiday would sit in the period between September and December when people cannot have much expectation of many other holidays from work.

We believe that the proposal sends out a positive message and that there will be gains from adopting its general approach. The Federation of Small Businesses contends in its submission that Scots will have to show productivity gains before they get the holiday, but we believe that the relationship between employers and employees is more complicated with respect to the time that people are given at work to generate productivity.

The question about schools was well put. Many of our work-life balance assumptions are based on the hope—nay, the desire—that people will be able to spend their time with their families and will not have to worry about child care issues. I am not aware of what mechanisms might be necessary to effect the required change, but we are certainly in support of the proposal.

**Susan Deacon:** Does the STUC have any data on current choices and preferences? I recognise that the work-life balance is not simply about children, although parents find trying to be off work at the same time as the children to be a big issue. You are correct to say that there are no bank holidays between September and December, but there is of course the October week, when a great many parents want to try to be off. If they are to get extra time, they would probably like it to be then. Do you have any data about preferences for the future or about current practice in people's choices about when to take leave?

**Dave Moxham:** We do not have data on that, but anybody who inhabits a large city will notice that, during the October week and at other times of year, the city somewhat empties of cars—I can park outside my house during the October week, but can rarely do that at any other time of year. There is a raft of other important measures to achieve flexibility, but we do not think that they should be used as a counter-argument to the granting of a specific November holiday.

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I have a supplementary to Christine May's question. Paul Jennings mentioned the number of cash machines that exist. How many of the businesses that Fiona Moriarty and Paul Jennings represent bank online? I bank online, and it seems possible to pay bills, pay in cheques and move money any day, even on a public or bank holiday.

**Fiona Moriarty:** The majority of our larger members would not bank online, although some of our small members would. When I say "small", I mean one-man or two-man band retailers. Traditional convenience stores and other smaller retailers, for example, might bank online. The FSB might be better placed to answer that question, given its membership base. The vast majority of our retailers would not do any banking online.

**Mr Stone:** I am trying to get to the bottom of what we have been told in the written evidence. The banks are saying that transactions between banks would be delayed by one day. There are many reasons why the banks do not like the proposal.

**Fiona Moriarty:** I am sorry—I have perhaps misunderstood your question. I perceived your question as being about domestic banking online, with people logging on to their accounts. BACS and macro transactions would be affected, but Professor Munn is probably best placed to describe the sort of delays that would occur as a result of including the additional bank holiday.

I return to my original point. We manage eight other bank holidays throughout the year, and I really do not think that an additional bank holiday will rock the boat too much.

**Dennis Canavan:** I have only one question to ask. As you are probably aware, there is widespread support in the country and in the Parliament for a St Andrew's day holiday, but the business community seems to be divided—some people in that community are in favour of it, some are against it and some are sceptical. Do you have any suggestions to make about how to persuade the sceptics and opponents to see the proposal not as a threat to business but as a great opportunity, particularly for the retail trade, tourism and the hospitality, leisure and recreation industries? How can they be persuaded that the celebration of St Andrew's day and the St Andrew's day holiday could mean a great boost to Scottish business and the Scottish economy and could help to promote Scotland internationally?

**Fiona Moriarty:** In respect of retail and tourism, it is a no-brainer. We have shown in our written evidence that an extra bank holiday to celebrate St Andrew's day would be worth an extra £39 million for one day's trading. The suggestion is sensible and we whole-heartedly support it.

On getting other business organisations on board, I suppose that the day would give them a platform from which express everything that is important and Scottish about their businesses and that they should consider the benefits rather than the costs. The costs of introducing an additional bank holiday have been explored in the submissions that I have seen to date, but there has been limited analysis of what the benefits could be. Perhaps there should be a more detailed debate about the benefits. I am sure that the Confederation of British Industry Scotland and the FSB will be more than happy to enter into that debate later.

**Paul Jennings:** I can see where concerns may have arisen 40 years ago, but Scotland's industry base is becoming much more service oriented than manufacturing oriented and most organisations in the service sector would encourage having the holiday, which could be a great opportunity, particularly given the time of year and its proximity to the festive period. I think that the argument is swinging in our favour. Tourism currently contributes £4 billion to the Scottish economy and VisitScotland's target is to increase that figure by 50 per cent over the next 10 years. Days such as St Andrew's day are an ideal opportunity that can encourage us to work towards such targets.

**Dave Moxham:** The STUC will do its small bit by organising the St Andrew's day rally on the Saturday that falls closest to 30 November. That will bring a significant number of people into Glasgow to celebrate Scotland's multicultural make-up.

In more general terms, the word "self-confidence" could be used. I see the potential holiday as a day that could deliver enhanced self-confidence to Scotland as a result of celebrating its culture, creation and everything that it has achieved. Exactly where things stack up cannot tangibly be written on the balance sheet, but if the Irish and other successful models are considered, there is little doubt that self-confidence matters. The holiday would be a positive addition to Scotland's self-confidence and therefore its long-term performance.

**Fiona Moriarty:** Some of the most compelling evidence that I read last night in the papers that the clerks provided was from individuals who live outwith Scotland. The evidence was emotional, but those people clearly set down why they thought that having a day that recognises our national identity is important. The 10 or 15 papers that hit home for me personally—as opposed to in my capacity as the representative of an organisation—were those in which people explained why it is so important to be proud to be Scottish, to celebrate our past and to look forward

to the future. Those papers struck a chord with me.

**Paul Jennings:** The tourism market is becoming increasingly aggressive and new markets are coming online every day. Scotland has a great deal to be proud of, and wrapping that up in a day is a great opportunity that can send out a national as well as an important international message.

**Shiona Baird (North East Scotland) (Green):** My question follows on quite nicely from those sentiments. This is an important opportunity for us in Scotland to say what we believe in. It is vital that the day falls as near as possible to 30 November so that we can emphasise what we are celebrating on that day. You have all suggested that it would be preferable to have it on the Monday following or closest to the 30<sup>th</sup>. How disruptive would it be to have it on the 30<sup>th</sup> every year?

**Fiona Moriarty:** I do not think that it would be particularly disruptive; it would just mean that we would not be able to capitalise on it as much as if it was held on the Friday or the Monday. Leaving aside people who live and work in Scotland and how they want to celebrate the day—I will let Paul Jennings comment on that because it is his area—and considering people who come to Scotland from other parts of the UK and further afield, most people would come for a long weekend that encompassed a Friday or a Monday, but they would be less inclined to go for a city break if the holiday fell on a Wednesday or Thursday, as all the entertainment, support and excitement would not be attached to their weekend. However, if the holiday fell at the weekend, people would come to see Scotland and to enjoy St Andrew's day and the festivities around it.

**Paul Jennings:** The most important market for Scottish tourism is the Scots. Where we can, we ought to encourage mobility. People will not travel to Scotland if the 30<sup>th</sup> were to fall on a Wednesday. Therefore, while there would be every likelihood that visits to attractions would increase through the local and day-trip market, the accommodation base would not benefit in the same way. From a Dundee perspective—I mentioned Destination Dundee earlier—we are very clear that our major targets will be in Scotland, because that is a key market for us.

The international tourism sector is becoming increasingly vulnerable, given the events that have happened in recent years. In that sense, the domestic market is becoming increasingly important as it will be more resilient when such events occur. It is therefore extremely important that the day should fall on or around a weekend.

**Dave Moxham:** It is our view—this is evidenced by people taking short holidays—that employees

prefer to take a day or two that are next to the weekend. That seems fairly obvious.

I cannot provide evidence for this—it is only a feeling that I have—but I believe that business tends to handle more easily a day that sits next to the weekend rather than one in the middle of the week.

**Paul Jennings:** VisitScotland has moved away from marketing geography towards a portfolio approach, and many of those portfolios market themselves well to the Scots. Portfolios such as golf, genealogy and city breaks would benefit from the day being at a weekend.

**The Convener:** I want to ask about the international dimension. One of the things about St Patrick's day is its impact, particularly in the United States, and the way in which it raises the profiles of Ireland and Irish products. There is another dimension, in the sense that another four or five countries have St Andrew as their patron saint—Greece is one example—

**Dennis Canavan:** And Russia.

**The Convener:** Yes. We have concentrated on the domestic benefits but is there not an international dimension from an enterprise and culture point of view?

**Fiona Moriarty:** Most definitely. Some of the figures that we have collected during the past few years on spending patterns and what non-UK tourists are spending their money on show that 80 per cent of those who come to Scotland will spend a substantial amount on traditional Scottish produce such as whiskies, cashmeres and arts and crafts. If we could cleverly wrap that up into something that represents St Andrew and everything Scottish, we could market the day in the same way that Bastille day is marketed in France or St Patrick's day is marketed in Ireland. If we were to do that, major capital could be made of the day.

14:45

**Paul Jennings:** The international market is very competitive and many of the new European countries have a geography that is similar to ours. If there is any competitive advantage that we can work with, we should be doing that.

There is a bigger story that needs to be told about Scotland of which many people around the world are not aware. There is a great opportunity to tell that story and make a compelling case for people to visit Scotland.

**Dave Moxham:** My ears pricked up when you mentioned Greece, convener. It is one of the very few countries that also does not have a holiday between September and December. Indeed, it is

the only other European country whose workers work longer hours than people in the UK do. I see positive opportunities for Scotland to link up with Greece.

**The Convener:** It is an obvious link-up—Greece staged the Olympics, of course.

I thank the witnesses for their evidence, which was extremely helpful.

I did not realise that, although Easter Monday is a holiday south of the border, it is not a bank holiday in Scotland. That said, 2 January is a bank holiday in Scotland but not south of the border, and Northern Ireland has 10 bank holidays, including St Patrick's day and the day that marks the battle of the Boyne. There is a wide variation in the number of holidays.

**Murdo Fraser:** We need a political balance.

**Michael Matheson (Central Scotland) (SNP):** Some take one day and others take another one.

**The Convener:** I welcome our second panel, which comprises Alan Mitchell, head of policy at the Confederation of British Industry Scotland, Professor Charles Munn, chief executive of the Chartered Institute of Bankers in Scotland, and Niall Stuart, parliamentary affairs officer with the Federation of Small Businesses in Scotland. I invite panel members to say a few words by way of introduction, after which we will move to questions.

**Alan Mitchell (Confederation of British Industry Scotland):** The CBI represents businesses of all sizes and all sectors, including manufacturing, services and the retail sector. We understand the retail companies' perspective on an additional bank holiday.

We have consulted our membership twice on the issue: first when Dennis Canavan announced his proposal for the bill, and secondly when the committee invited us to submit evidence. On both occasions, the consensus was against the concept of an additional bank holiday.

Our members are not against the idea of celebrating St Andrew's day or of having a bank holiday that is timed to facilitate the celebration; they are against the concept of creating an additional bank holiday in order to do that.

**Professor Charles Munn (Committee of Scottish Clearing Bankers):** I am at committee today to represent the Committee of Scottish Clearing Bankers, not the Chartered Institute of Bankers in Scotland. The Committee of Scottish Clearing Bankers has the Bank of Scotland, the Royal Bank of Scotland, the Clydesdale Bank and Lloyds TSB Scotland as its members.

In some ways, I wish that there was a cross-bench on which to sit this afternoon. As we said in

our submission, we are not against the celebration of anything that enhances the international identity of Scotland or anything that contributes to the celebration of St Andrew and St Andrew's day. However, we have quite serious reservations about the concept of the celebration being a bank holiday.

The nature of a bank holiday has changed since I was a young bank clerk in Glasgow in the 1960s. In those days, the whole bank closed on a bank holiday and many other businesses also closed for the day. Very often, bank holidays occurred at the same time as a public holiday. There is a lot of confusion—or at least conflation of terms—in the papers that are in front of the committee. One of the previous speakers mentioned the contribution of people who live overseas. However, those people were referring to a national holiday, which may be thought of as something else again.

The Banking and Financial Dealings Act 1971 is the modern legislation that regulates what is and what is not a bank holiday and even allows banks to open on such days. The nature of the banking business has changed greatly since that legislation was passed, and it would now be impossible to close certain departments, such as internet banking, that customers expect to be available 24/7.

There is also a question about certain aspects of branch banking. The previous group of contributors said that shops would remain open and it appears that one of the great advantages of having a St Andrew's day holiday is that it would allow people to go shopping. Many of the banks feel that if shops have to open they would also have to open. Obviously, no decision has been made about that.

Some years ago, Scottish banks experienced some difficulties in their settlement business and in other areas, particularly because Scottish bank holidays are different to those in England. In order to introduce some conformity to the arrangement, parliamentary time was sought. That process began in 1987 and continued until 1996, by which point it was clear that parliamentary time would not be available—we have to remember that this was Westminster. The banks in Scotland then decided that their celebration of Scottish bank holidays should conform to practice in the rest of the UK, notwithstanding the fact that some of those days are not legally bank holidays in Scotland. For example, under the 1971 legislation, the first Monday in August is still legally a Scottish bank holiday; however, in order to conform to the rest of the UK, we celebrate it on the last Monday of the month.

As a result, the nature of a bank holiday is considerably different to what it used to be. It is not clear from the papers in front of us how the

creation of a bank holiday would contribute to the celebration of St Andrew.

**Niall Stuart (Federation of Small Businesses Scotland):** The FSB has no principled objection to a St Andrew's day public holiday. However, as our written submission makes clear, we would expect it to substitute for another public holiday. The Scottish Retail Consortium has said that having such a holiday would increase retail sales by £30 million a year. However, the bill's explanatory notes and the financial memorandum make it clear that the estimated cost of this proposal to the public sector alone is £42 million. We can only estimate the cost to the private sector, but I guess that it would be in the same region. As a result, we have to set the £80 million combined cost of the holiday to business and the public sector against the £32 million increase in retail sales. Because of the cost, we are opposed to an additional public holiday.

I realise that many tourism and retail businesses have spoken in favour of the holiday; however, after speaking to our members, I am clear that the majority of small businesses are against the introduction of an additional Scottish bank holiday.

**The Convener:** Professor Munn, instead of arguing against the specific proposal, are you not arguing against the whole bank holiday system? After all, we already have eight bank holidays. It could be argued that, given the changes since 1971, we should not have bank holidays; instead, we should simply have public holidays. However, given that we are dealing with the status quo—which is that we already have a bank holiday system—the argument should centre on whether St Andrew's day should be another bank holiday, not on whether there should be a bank holiday system at all.

**Professor Munn:** The whole bank holiday system has become confused and is confusing. I am not sure whether adding another bank holiday will lift any of that confusion.

**The Convener:** It might apply some pressure for change.

**Professor Munn:** The banks' position is that we are in the service sector of the economy and that our obligation to our customers is to provide them with the service that they need as and when they want it. That is what we are trying to do. If many of our customers decide to open on a supposed bank holiday, it is likely that the banks will open, which raises the question how any of that contributes to the celebration of St Andrew.

**Michael Matheson:** I will follow on from Alex Neil's comments. When I read the submission from the Committee of Scottish Clearing Bankers, I could not help but feel that it made the argument for having no bank holidays whatever. The reality

is that, despite the fact that some automated telling machines may get a bit empty and folk might not be able to get a cheque cashed for another day, most people and businesses adapt their lives around bank holidays. I hear the point that if the shops are open, the banks feel that they are under pressure to open as well, but there are already bank holidays on which the banks are closed and the shops are open. I do not understand why there would be additional pressure on banks to open on the proposed holiday just because shops were open.

**Professor Munn:** There would be additional pressure to open because that is what the customers want, and we are in the service sector of the economy.

**Michael Matheson:** At the moment, on some bank holidays, the shops are open, but the banks are closed. You have resisted the pressure to open until now, so why would that change?

**Professor Munn:** As you say, people adapt to the circumstances. The question is why we would want to create another situation in which inconvenience was caused.

**Michael Matheson:** I turn to the CBI's submission. The final paragraph of the first page states:

"Advocates of the Bill argue that UK workers compare unfavourably to their EU counterparts in terms of holiday entitlement."

The submission goes on to state that other countries have a significantly higher level of unemployment, the implication being that extra holidays may contribute to the level of unemployment. Do you have evidence of that?

**Alan Mitchell:** The list of the number of public holidays in European Union comparator countries is instructive. The countries whose totals are closest to those of Scotland and the UK, such as the Baltic states, Poland and Ireland, are the countries on which we seek to model our economic growth. I was not suggesting for a second that, by creating an extra day's bank holiday, we would automatically create X amount of unemployment, but the amount of holiday entitlement that we give the workforce is part of the overall labour market mix. If we get the wrong labour market mix, there is a chance that we will have higher unemployment. It is instructive to consider the EU countries that have the most public holidays: they are the larger economies in Europe and those that are in the greatest difficulty now.

**Michael Matheson:** Do you accept that there is no direct relationship between unemployment and the number of holidays that workers receive?

**Alan Mitchell:** Clearly, there is no direct link between creating one more day's holiday and generating X amount of unemployment. However, if we add additional holidays at a time when many businesses have to cope with other pressures on labour markets, ultimately, there will come a point at which unemployment will come about as a consequence. I do not suggest that that could be pinned down exactly to a St Andrew's day bank holiday, because business competitiveness and the creation and displacement of jobs are complicated and it is hard to suggest that one thing connects to another. However, it is clear that the accumulation of inflexible labour market policies will lead to higher unemployment—we are seeing that in France and Germany.

**Michael Matheson:** I turn to the FSB submission, which contains a section on international comparisons that refers to the fact that productivity in Scotland is low compared to that in countries such as England, France and Germany. The submission states that, perhaps once Scottish workers reach the productivity levels of their European counterparts, they can expect to get an equivalent level of holidays. Is it the FSB's suggestion that we should deduct holidays until workers become more productive?

**Niall Stuart:** No, absolutely not. We wanted to debunk a myth. A constant comparison is made between the number of holidays that Scottish workers have and the number that other workers have. However, there is a series of correlations and no one really understands the causes and effects. Workers in the United States have a smaller holiday entitlement than British workers have, but they are more productive. However, French workers have a larger holiday entitlement, but are, again, more productive. Therefore, there are no clear links.

The other thing to say about international comparisons is that I am not sure whether they include local holidays. Most employees in Scotland have the working time regulation entitlement of 20 days holiday a year. They also receive eight bank or public holidays and many also receive two or three local holidays a year—for example, the Glasgow fair Monday or the September weekend. Again, that makes international comparisons difficult.

15:00

**Michael Matheson:** Do you have any evidence that providing an extra day's bank holiday will actually reduce productivity in Scotland?

**Niall Stuart:** It will probably not reduce productivity per hour, but I think that it is common sense to believe that one day less at work will result in less output over the year for a typical Scottish business or Scottish worker.

**Michael Matheson:** But you have no direct evidence.

**Niall Stuart:** We have no scientific evidence.

**Susan Deacon:** I am finding this an interesting discussion and I thank all of you for doing exactly what we asked you to do, which was to assess Dennis Canavan's proposal and tell us what you think of it. However, with the greatest of respect to Dennis, I will park his bill to one side for a moment.

Given that all of you said that you are not necessarily against having another public holiday—although Professor Munn said that he wished he could sit on a cross-bench on the issue—if you had the chance to propose something tangible that the Parliament and the Executive could do to try to fulfil some of your shared ambitions for the promotion of Scotland around a specific day, the most obvious of which would be St Andrew's day, what shape or form would that take?

**Professor Munn:** I disagree with your final point about St Andrew's day being the most obvious day for a new public holiday. It seems to me that Burns night is the most obvious.

**Michael Matheson:** That is the next bill.

**Professor Munn:** Those of us who celebrate Burns night, of course, have grievous need of a holiday the next day.

**The Convener:** We would need to make it a week.

**Christine May:** Speak for yourself.

**Professor Munn:** At least in terms of the Scottish diaspora, Burns night is the most obvious choice. For example, my institute has a Burns supper in London every year that is attended by 1,000 people. It is a big event that puts Scotland on the map in London. English bankers vie with one another to get invitations to come along. I am sure that you know that Burns suppers are held all over the world. There is a case to be made for celebrating Burns. St Andrew, as you are probably aware, never actually made it to Scotland.

**The Convener:** Do you have a supplementary question on that, Susan?

**Susan Deacon:** I hate supplementaries. I will leave the debate about St Andrew versus Burns just for a second. I will stick with the approach of looking for solutions to achieve what I believe are shared objectives. I want to pick up on the issue of bank holidays. Again, I for one have certainly learned a huge amount about what bank holidays are and are not during this meeting and from reading the various papers on the issue.

I think that everyone—whether a bank or a customer—would agree that the current situation is a guddle, no matter how we look at it. I touched earlier on the relationship between bank holidays and school holidays. Again, in the spirit of seeking solutions, can the witnesses suggest what they think we as parliamentarians could do, with or without legislation, to address the inconsistency that we face at the moment, given that Westminster has not made the parliamentary time to do that in the past?

**Niall Stuart:** You are right. Having different local holidays throughout the country causes businesses problems. When we discussed the bill at our policy committee, the debate on the bill was hijacked by the debate on that matter. People complained that they never knew when places were going to be open and so on. However, I think that the bank holidays issue will be taken out of your hands because there is a proposal at Westminster to set the eight bank holidays in statute. I am not sure whether Westminster will set down dates for the eight days or leave that to local interests or consultations between local authorities, the business community, trade unions and so on. However, I imagine that before the next Westminster general election that matter will be taken out of your hands and that the eight public holiday days will be set in statute as an employee's right.

**Alan Mitchell:** One of the points that I made in our paper was that for those members who represent larger organisations the concept of the bank holiday is disappearing fast anyway. Staff will just have an annual holiday entitlement that they will take in agreement with their employer taking account of mutual needs. Therefore, to that extent, businesses with such arrangements would make their own judgments. When there are or are not bank or public holidays is not a key issue for them, because they will probably be open 24/7 for 365 days a year anyway and their staff will be able to take holidays as and when it suits them, as long as that fits in with the businesses' needs.

Therefore, for a large number of our members, confusion about public holidays and bank holidays will not be a huge issue, although it will be an issue for small businesses. When I was seeking views for this paper, I did not ask about that, so I am unable to give a definitive answer on that. From the point of view of those businesses that shut on bank holidays, as long as the bank holiday to celebrate Scotland is not an additional bank holiday, you could pick and choose between St Andrew's day, Burns night, or whatever.

**Susan Deacon:** I am genuinely confused about what the three of you are in favour of. I do not know whether you think that it would be a good or a bad thing to have a day on which there was a

pretty widespread closedown. Alan Mitchell talked about the distinction between large and small businesses but, as we heard from our previous witnesses, in some sectors, such as tourism and retail, it would not be sufficient for them to be able to choose to take that holiday. Indeed, the opposite is the case because, for them to flourish, they would require the rest of the country universally to take that day off.

Could you clarify whether, in principle, you think that the notion of having a day to celebrate Scotland that is not an additional holiday is a good idea, irrespective of whether legislation is involved?

**Alan Mitchell:** I think that a number of businesses would have a problem with the concept of being told that, on a certain day of the year, they had to shut. That is because those businesses are increasingly globally active and are trying to provide a 24/7, 365-days-a-year service to their customers. Christmas and new year, of course, are the one exception and some of those businesses might close then but, on all the other bank holidays, they will be open. If you were to say, "We are going to close every business in Scotland on this day in order to celebrate St Andrew's day," those businesses might have a problem. Some businesses might decide to do that because they believed that they could create some business opportunities by doing so, but others would not and would fall back on the system that they currently use, whereby employees are given their holiday entitlement and can take a bank holiday if they want to.

**Professor Munn:** We would have a similar problem. Quite large numbers of people working in the financial services sector in Scotland are providing services to other parts of the United Kingdom, principally England, but also Wales and Northern Ireland, as well as to the Republic of Ireland. Having a day on which there was a statutory requirement to close would produce enormous difficulties.

**Niall Stuart:** We can see the benefits of having a national day, such as St Patrick's day in Ireland. That is where I agree with the previous panel. I suppose that it is up to the people of Scotland to decide whether they want to have such a day and, if they do, what day they want that to be.

**Susan Deacon:** How would the people of Scotland decide that other than through this institution, given that, arguably, it is the closest that we will get to a place where we can give a voice to the aspirations of the Scottish people?

We should focus on ends rather than means for a minute. What ends should we be working towards? Niall Stuart seems to have parted company from the rest of the panel by saying that



having a day on which there is a pretty widespread closedown is not necessarily a bad idea and that he might even support it.

**Niall Stuart:** A national day can be a good thing if it delivers the kinds of benefits that St Patrick's day brings to Ireland, Bastille day brings to France and thanksgiving brings to America. It could reinforce national identity and be a day of celebration. We would not have a clear opinion about what day that should be. It could be Burns day, St Andrew's day or another day that might be suggested.

**The Convener:** We might eventually be able to make it independence day.

**Susan Deacon:** You could not resist, could you?

**Margaret Jamieson:** I will not go there, convener.

In the consultation that he undertook with his members, did Alan Mitchell ask them whether there were any areas in which having such a holiday would create opportunities for the growth of their business?

**Alan Mitchell:** I did not ask that specific question. The broad question that I asked my members was, "The proposal is for X. If it were implemented, what would be the implications for your business?" They were perfectly capable of coming back with, "We'd be for it because of X, Y and Z," or, "We'd be against it because of X, Y and Z." The majority who responded were opposed to the proposal for a variety of reasons. We did not pose the question in such a way as to say, "We're going to oppose this. What do you think?" Instead, we asked, "What line should we be adopting on this?" which is how we carry out our consultations. By and large, our members did not come back in favour and they certainly did not come back saying, "We are in favour because of X, Y and Z."

**Margaret Jamieson:** So they chose to consider the negative aspects of the proposal rather than the positives, which for larger businesses could include growth in their export market, particularly to areas where there are a significant number of ex-pat Scots.

**Alan Mitchell:** No. They chose to respond in terms of their informed assessment of what the provision would mean to their business. They are all perfectly capable of doing that, because they have to look for opportunities daily. That is how they are all surviving in an increasingly competitive world. They have considered the proposal and the additional cost implications and they have decided that the costs outweigh the benefits.

**Margaret Jamieson:** Did Niall Stuart get similar feedback from his members?

**Niall Stuart:** The trouble with this kind of proposal is that the costs will always be obvious to businesses. They know how much money their business generates in a single day's production or trading. What they are not sure about are the benefits of a greater sense of national identity, or whether people will spend more. Who is really sure what the benefits will be? We can guess that there will be some benefits, but they are intangible and unreal at this stage, whereas the costs are all too apparent and all too obvious to businesses.

**Professor Munn:** In considering the other side of that economic equation, no one has really addressed the question of where the additional income is to come from. Where is the additional income to be earned so that people have the money to spend in the shops and to go on the holidays? That is not addressed anywhere here.

**Margaret Jamieson:** The previous panel identified that, should the holiday be the last Monday in November, it would be in the lead-up to Christmas markets and that—although these words were not used—it would give people an opportunity to start their Christmas shopping. There would be an effect for the clearing banks because there would be greater circulation of money over that weekend.

Professor Munn, to take you back to your earlier points, particularly about bank branches, how can you balance your comments about people using branches against the fact that the number of branches is decreasing each year in Scotland?

**Professor Munn:** Although the number of branches may be declining, I am sure that you are aware that some banks have stated clearly that they do not have branch closure programmes. The facility for doing banking business is expanding through other channels, particularly through telephone banking, and through internet banking and the facilities opened by some banks through the Post Office. That is being addressed.

**Margaret Jamieson:** So you do not think that the reduction in the number of branches has an impact at all.

**Professor Munn:** No, I do not see that the issues are connected.

15:15

**Margaret Jamieson:** So if branches were closed for that day, there would be no impact. If the number of branches is being reduced, does that not turn on its head your argument that branches could not be closed for that one day?

**Professor Munn:** I did not say that we could not close branches. If St Andrew's day was a bank holiday, each bank would be entitled to make its own decision. They would ask, "Do we open our

branches or do we not? Do we open all our branches or do we not?" They would probably decide on a branch-by-branch or region-by-region basis, depending on their view of likely customer demand for their services.

**Christine May:** My line of questioning is allied to Susan Deacon's. For the avoidance of doubt, are you in favour of an additional national public holiday, whether we call it a bank holiday or not?

**Alan Mitchell:** No. The consensus view of the CBI's members was that if you want to create a holiday to replace one of the existing holidays, that is fine, but you should not create an additional day's holiday.

**Christine May:** Is that everyone's view?

**Niall Stuart:** Yes.

**Christine May:** I invite you to speculate slightly. If you were to have another day's national holiday, would the optimum date be a day at the end of November?

**Alan Mitchell:** There are so many different businesses with so many different requirements that there is no such thing as an optimum day. We have talked about festive spending, but for companies that supply the festive market the period from August through to November and even into December is their busiest time of the year, so any kind of closure during that period would cause major problems. The problems would not be the same for other businesses. There is no optimum time.

I return to the point that, increasingly, larger businesses would not take the bank holiday anyway. Frankly, I think that the majority of them would not take it as a designated bank holiday or day off but would have the normal arrangements whereby as many of the staff as possible who wanted to be off on that day could take the day off, either by using their annual leave or by swapping shifts and using the multitude of other informal ways that people can use to engineer their work time better around their family commitments. However, unfortunately, there is no optimum time to have a holiday, because there is no standard business.

**Professor Munn:** We would be keen to avoid a date at the end of the month because, as you are aware, that is when most people are paid. It is also when a lot of settlements for various transactions take place, including mortgages. Any closure or reduction of service at that point that might inhibit access would not be desirable.

**Niall Stuart:** If the purpose of the holiday is to have a Scottish national holiday, I do not think that there is any great difference between 30 November and 25 January. However, if you asked 100 businesses what the optimum day would be

for an extra holiday, you would get 100 different answers. There would be no consensus on what was a good day and what was a bad day.

**Murdo Fraser:** I have a couple of questions, the first of which is probably for Charles Munn. I am looking for clarity because, from teasing out your answers to Susan Deacon's and Christine May's questions, I think that two parallel discussions are going on. There is a discussion about whether a St Andrew's day holiday is a good thing, but the committee has to consider Dennis Canavan's bill, which is quite different. I would be grateful if you could confirm that you agree with my understanding, which is that Dennis's bill is permissive, and seeks to allow the banks to carry forward their business if they wish to close on the day.

**Professor Munn:** That is true.

**Murdo Fraser:** Do you therefore see any advantage in our passing the bill?

**Professor Munn:** If the objective of the legislation is to celebrate St Andrew and St Andrew's day, the answer is no.

**Murdo Fraser:** That is interesting. I have a second follow-on question for Alan Mitchell and Niall Stuart. Given what has been said, if the Parliament passes the bill, what do you think the reaction of your members will be? Will they be more likely to grant their employees a holiday?

**Niall Stuart:** Obviously, the point of passing the bill would be to give people the holiday. I think that the public sector would be more likely to take the holiday than the private sector, but there will ultimately be pressure on private sector employers to grant it. People will come to expect it in the same way that they have come to expect the existing eight bank holidays.

As I said at the start, we are against the holiday because the economics do not stack up. The costs would be around £80 million, but the perceived retail benefits would be around £30 million.

**Murdo Fraser:** Given that the proposed legislation is purely permissive, unless the Scottish Executive, for example, is prepared to give a lead and grant its employees an extra day's holiday, I presume that there would be no pressure on the private sector to do so.

**Niall Stuart:** Pressure would ultimately come from staff, the trade unions and so on. They would embrace the opportunity to have an extra day's holiday.

**Alan Mitchell:** The STUC's paper shows that the STUC would immediately campaign for the wide implementation of the bank holiday, if not through companies closing, through every employee getting an extra day's annual leave.

There will be internal pressure on business to respond to that campaign, but that pressure will be greater if there is a wider take-up of the holiday in the public sector. Most of our members fear that the holiday will be much more widely implemented in the public sector than in the private sector, which will inevitably create pressures for businesses to respond, simply because people who want to recruit and retain staff must offer competitive benefits packages. Holidays are one factor in such packages, although they are not the only factor. Therefore, there would be tremendous pressure on many businesses. It does not matter which way businesses go. If they give the holiday, they will take on the extra costs; if they do not give it, they will run the risk of losing key people. Neither approach will help businesses to grow.

**Niall Stuart:** In addition, there is uncertainty about the legal status of bank holidays in the light of the Government's manifesto proposal to enshrine them in statute, and the legislation may be worded in such a way that any bank holiday will be an automatic right. In that case, staff in Scotland will have an automatic right to nine bank holidays and staff in England will have an automatic right to eight.

**Murdo Fraser:** As there is uncertainty about what the bill's impact would be, it seems essential to me that we take evidence from the Executive to try to ascertain what its response would be to the legislation.

**The Convener:** We can certainly ask the Executive whether it wants to give evidence, but it would need to do so very soon because we are working to a timescale. Such evidence has not been volunteered so far.

**Dennis Canavan:** I want to pursue the point that Margaret Jamieson made. If I may say so, none of your submissions refers much to business opportunities that would arise from the creation of a St Andrew's day holiday; indeed, the submissions are so negative in that respect that they seem to display a Scottish business cringe mentality.

In contrast, I draw your attention to the policy memorandum that accompanies the bill, which quotes Lord Macfarlane of Bearsden, who is, as the memorandum states,

"widely respected for his business acumen".

He sees "enormous potential" in celebrating St Andrew's day and believes that the nation is not maximising its

"strong marketing assets adequately for the long-term benefits of Scotland plc".

He has said:

"I share the vision that the time has come to capitalise on these assets and make St Andrew's Day a focus for worldwide celebrations of Scotland and Scottish achievement."

Does none of you share that vision? Do you not see great business opportunities arising from the proposal, particularly for tourism, retail, hospitality, leisure and recreation? Do you not see that a holiday on St Andrew's day will give a huge positive boost to Scottish business and the Scottish economy and that it will help to promote Scotland internationally?

**Niall Stuart:** All those opportunities and benefits could be enjoyed simply by moving one of the existing bank holidays to St Andrew's day. That would mean that there would be no extra costs for business and that we would be able to embrace the opportunities that you have mentioned, which are outlined in the accompanying documentation.

**Alan Mitchell:** I take a similar view. Lord Macfarlane is obviously a well-known businessman. Equally clever business folk will look at the proposal and not see any great opportunity for their business; what they will see is extra costs that we cannot afford in a very competitive environment.

**Professor Munn:** I know Lord Macfarlane well, but I listen to and represent the views of other leading Scottish businessmen. You have already heard those views.

**The Convener:** We contacted Lord Macfarlane, but, unfortunately, although he was keen to give oral evidence he was unable to do so due to pressure of business.

**Dennis Canavan:** Professor Munn, you state in your written submission that a new bank holiday may not be observed and that there is no automatic connection between a bank holiday and a holiday for schoolchildren and workers, whether in the public or private sector. I cannot argue with that. However, do you not accept that in the UK a bank holiday is the only mechanism for declaring anything resembling a nationwide holiday?

**Professor Munn:** No. The holidays that are celebrated widely are public holidays such as Christmas and Easter.

**Dennis Canavan:** Christmas is a bank holiday too.

**Professor Munn:** That is true, but that is an historical accident. I am suggesting that bank holidays are not in the vanguard of what creates the kind of holiday that you are trying to achieve.

**Dennis Canavan:** Can you name anything resembling a nationwide holiday that is not a bank holiday?

**Professor Munn:** No.

**Dennis Canavan:** No. My next question is about the issue of uniformity throughout the UK. It, too, is specifically for Professor Munn. You state in your written submission:

"The creation of a new bank holiday on 30 November would therefore run contrary to the stated objective of the banks which was to have a standard practice throughout the UK."

The fact is that banking practices vary from one part of the UK to another. For example, there are different banknotes—I applaud your efforts to retain them. Similarly, there is no standard practice on bank holidays throughout the UK. Scotland is unique in having a holiday on 2 January; England and Wales and Northern Ireland have Easter Monday, but we do not; Northern Ireland already has two additional bank holidays, 12 July and St Patrick's day; and, of course, St Patrick's day is also a bank holiday in the Republic of Ireland. Do you not agree that it would be preposterous to suggest that a St Patrick's day bank holiday is somehow bad for Irish banking, bad for Irish business, and bad for the Irish economy?

**Professor Munn:** That is not what I am suggesting. As I said in my opening submission, Scottish banks decided some years ago to conform to UK practice in observing bank holidays, even though the Banking and Financial Dealings Act 1971 decrees which days are bank holidays in Scotland. I agree that the position is confused. We observe bank holidays on days that are not legally bank holidays.

**Dennis Canavan:** Do you not agree then that that lack of uniformity throughout the UK is not necessarily bad for banking, bad for business and bad for the Scottish economy?

**Professor Munn:** What I am saying is that we now have uniformity because of how we observe bank holidays.

**Dennis Canavan:** But we do not. The second of January is a bank holiday in Scotland but not south of the border.

**Professor Munn:** But it is not observed in Scotland. That is my point.

**Dennis Canavan:** It is observed by a huge section of the workforce. The purpose of the bill is to create a climate in which an increasing number of employers will enter into serious negotiations with their employees to grant the St Andrew's day holiday.

**Professor Munn:** The point that we have been making is that there is no automatic connection between the creation of a bank holiday and the follow-on effects that you are hoping for.

**Dennis Canavan:** Yes, but do you not agree that Parliament has no other mechanism to create anything resembling a nationwide holiday?

**Professor Munn:** I am unaware of the powers of Parliament in that regard.

**Dennis Canavan:** You refer in your written submission to the wider detrimental impact of the bill, including disruption to bank services, transaction delays, extra charges and late charges. Frankly, I am amazed that the banks seem to be using bank holidays to rip off their customers with additional charges, if that is what they are doing. That seems to go against the spirit if not the letter of the legislation that established bank holidays so that banking transactions could be delayed until the next working day without penalties being incurred. Even if such charges are permitted under law, surely the problems to which you refer would apply to any bank holiday. If the banks and their customers can overcome those problems on existing bank holidays, why on earth can they not overcome them on St Andrew's day?

15:30

**Professor Munn:** I do not think that anyone is suggesting that the problems could not or would not be overcome.

**Shiona Baird:** Most of the points that I was going to make—particularly about penalties—have been made already by Dennis Canavan. There seems to be a contradiction between what we are being told is the purpose of a bank holiday and your submission. I would like to hear a few more comments on that. Also, I wonder whether the negative reaction to the proposal is based on the fact that we use gross domestic product as the indicator of economic welfare in Scotland. If we used a different economic indicator we might get a different response from you. However, perhaps you could address the point about penalties.

**Professor Munn:** What was the specific question?

**Shiona Baird:** In the policy memorandum to the bill, we are told:

"The purpose of legislative provision is to allow banks to suspend financial and other dealings on bank holidays so that no penalties are incurred for payments delayed as a result of closure."

Yet you specifically listed points—

**Professor Munn:** I understand. The point that we were trying to make is that, if a customer was not able to make a deposit because the bank was closed on a particular day, that would be an inconvenience to the customer. They would have to pay in the deposit on the following day and they would thereby lose a day's interest on it.

**Shiona Baird:** So it is more about interest than about penalties.

**Professor Munn:** If, for example, someone wanted to pay a credit card bill that was due on a Monday but they were unable to do that because their bank was closed and they did not have

access to any other way of paying the bill, they may well incur penalties. As Mr Canavan says, that is something that we would have to work our way around.

**Mr Stone:** I would like to clear the decks a little. To follow Susan Deacon's line of questioning, is it not fair to say that a lot of the discussion about bank holidays and the effects that they have is increasingly less relevant? When it is Monday in Scotland it may be Sunday in Delhi. When one rings up the bank, one might find oneself talking to a call centre in Delhi, where it is a different time of day.

As I said to the previous panel, I never go into a bank. My credit card is paid automatically. It is a fact that fewer and fewer customers go into bank branches and there are not many branches in which people can see their bank manager. In a global context, is not the concept of a bank holiday a complete anachronism? That might not be true for my mother's generation, but it will be true within 10 to 15 years. In a global banking world, we will not have bank holidays.

**Professor Munn:** That might well be the outcome.

**Mr Stone:** Is that not pertinent to today's discussion? Are we not discussing the merits or non-merits of the matter on the wrong foundations?

**Professor Munn:** We are not suggesting that bank staff will get fewer holidays. Indeed, bank staff are, for the most part, treated moderately generously when it comes to holidays. However, we now operate in a global business environment and, as we have heard several times this afternoon, we are expected to be available to our customers wherever they may be. We now have customers not just in Scotland but all around the world and anything that limits our ability to do that business will probably be considered unhelpful. To return to the original point, I cannot see how the Parliament would expect a bank holiday, nebulous as the concept might be now, somehow to change into a major celebration of St Andrew.

**The Convener:** That concludes a robust and enjoyable evidence session.

## European Union State Aid Inquiry

15:35

**The Convener:** Item 3 is our inquiry into European Union state aid. Members will recall that, before the recess, we considered a paper resulting from the visit to Brussels by me, Christine May and Mike Watson, along with Seán Wixted, to examine the EU review of state aid. Colin Imrie was also there, but gives his apologies: he is overseas today, and is unable to be with us. In light of the comments that have been made, we now have before us a revised draft of our proposed submission to the European Commission on its review of state aid. It is consistent with much of the input from the Scottish Executive, which has expressed to the Commission similar concerns to ours.

**Mr Stone:** We spoke about this matter prior to the start of the meeting. I was not party to the earlier stages of the process behind the paper that we now see before us, as I was on a remote island called the Justice 1 Committee for a period of time. I am, however, duty bound to raise an issue with you, convener. I seek your and the clerks' advice on a matter that is red-hot in the Highlands and Islands: the fact that, some years ago, when we applied for a renewal of objective 1 funding, we lost it. The reason was that our gross domestic product—our wealth—was deemed to be above the line where the funding would have kicked in.

The reason why we were above that line was that the city of Inverness, as it now is, was included in the bid to the EU. The tragedy was that parts of my constituency and other parts of the Highlands and Islands and of George Lyon's constituency fell well below the line. There was a deeply felt need to draw those lines in different ways. Wales has done things differently, yet there has been a refusal to do likewise here. That is a running sore. There are places in the Highlands and Islands that are desperately poor. Because of the Inverness effect, the situation is skewed.

You nod in agreement, convener, and I am grateful for that. I seek your advice. The matter before us under this agenda item is not quite what I am talking about, but it is a parallel issue. Given the importance of the matter, I wonder if the committee would consider including in its submission a short paragraph on the subject. We talk about new money and targeting that money more accurately—that is precisely what I am on about. If the committee agreed, would you consider writing to the new Minister for Enterprise and Lifelong Learning, Nicol Stephen, asking where the Executive stands on the issue? It is as simple as this: if the problem is not tackled, it means that some of the least well-off people in the

most remote parts of Scotland are being disadvantaged quite unfairly.

**The Convener:** Jamie Stone makes a fair point. When we were in Brussels, we received some information about the parallel review of the structural funds. That is being done in parallel with, but separately from, the review of state aid. For us to include a reference to the structural funds in our report would be largely redundant, as the process relating to state aid will not touch the people in Brussels who are dealing with structural funds. I suggest that it would suit our purposes in trying to ensure that the Highlands and Islands get a fair deal if we keep the two issues separate, as they are dealt with separately in Brussels. I am personally sympathetic to the idea of writing to Nicol Stephen initially to establish the Executive's position, so that the committee can consider its reply. We can then decide—perhaps with the aid of a background paper from the clerks on the structural funds review—whether we wish to pursue that matter any further.

**Christine May:** I agree with the point about the structural funds and the argument with respect to the objective 1 transition in the Highlands and Islands, which is the same as the argument with respect to the objective 2 transition in central and lowland Scotland. The unit of measurement that was used for that took no account of the deprivation that might occur in areas adjacent to areas of significantly high incomes, so the picture was skewed. That is what happened in the case of the Highlands, on a much larger scale.

What we should ensure is that nothing in the submission means that state aid regulations exclude any area from consideration for structural funds. Although state aid and structural funds are two separate matters that are considered by two separate departments, or directorates, they are linked in that eligibility for the one may mean eligibility for the other. Or it may mean—as I think was explained to us in Brussels—that if you are in an area that is eligible for state aid, additional funding could be attracted to an application via structural funds or other funds. I am an anorak on the subject and I know quite a lot about it, but I am not entirely sure that the wording in our submission meets those criteria. I seek guidance from the clerks as to whether we can get some urgent advice on that.

I also have issues about the Highlands and Islands Enterprise submission in respect of state aid, but I will come back to those.

**The Convener:** We retain the services of Colin Imrie, who is the specialist adviser on the matter until the exercise is complete. I suggest that as a matter of urgency we contact him. Perhaps Christine May can brief the clerk on the precise points that she wants to raise. Is that agreed?

**Members indicated agreement.**

**The Convener:** The second point about building into the submission a cross-reference on the structural funds is fair enough and relevant. I take it that we are agreed on that.

**Members indicated agreement.**

**The Convener:** Are we also agreed that we take up Jamie Stone's suggestion of initially writing to Nicol Stephen and in the meantime getting a briefing from the Scottish Parliament information centre and the clerks on the background to the structural funds review, which is about not only objective 1 but objective 2 funding, and that we consider Nicol Stephen's reply along with the background paper before we decide what further action we want to take?

**Christine May:** I have one caveat. The European Committee is looking at the structural funds issue, so we might want to let its convener know that we are doing this.

**The Convener:** Yes.

**Mr Stone:** So you will let the new convener of the European Committee, Linda Fabiani, know.

**The Convener:** That will be done through the clerk.

**Mr Stone:** I am very grateful. I must express that, because a lot of people are feeling the wind unfairly and they will be deeply appreciative of that move.

**The Convener:** Is everyone happy with that? That seems a fair point to raise.

**Members indicated agreement.**

**The Convener:** Christine May has other points on the submission.

**Christine May:** I apologise for not raising these issues when the paper was initially circulated, but family issues meant that I could not do so.

We are asked, on page 3 of the proposed submission paper, to take a view on a number of points that HIE has raised. Paragraph 8 says that HIE is concerned about the differential aid rates between rich and poor regions and suggests that that proportionate element should be sustained. I want to be sure that that is compatible with the objectives of encouraging innovation and the other horizontal themes that—I believe—the committee wants its submission to concentrate on. The committee wants funding to be available where need is greatest, regardless of where in Scotland that is. I have some difficulty in saying whether I agree with HIE. I would not blame the rest of the committee for looking at the suggestion and thinking, "I haven't got a clue."

**The Convener:** I will give a specific example. I know of a biotech company outside Edinburgh, in the Midlothian area, just outside a regional selective assistance area. Because it is outside that area it does not qualify for regional selective assistance. I know that in that instance—I am talking about a fairly substantial company—the lack of availability of regional selective assistance could make the difference between its staying in Scotland or moving to Ireland.

The key point is that we need a balance. There is a difference between the so-called vertical and horizontal funds. If funds were horizontal, every part of Scotland would get access to assistance. The question is whether we want differential assistance for companies in particularly deprived areas. Generally speaking, the kind of companies that look for research and development funding tend to be concentrated in the more prosperous areas around universities and the like. The fundamental issue is whether we want a differential to be applied or whether, no matter where companies are in Scotland, they should get the same level of assistance. That is a catch-22 situation.

15:45

**Christine May:** My instinct is to say that I do not agree that all areas should receive the same assistance, because that is not compatible with the objectives, although I would be grateful for some advice on the matter if anyone has any.

**The Convener:** I suggest that we go through the issues and then seek Colin Imrie's advice. As we are not up against a particularly tight timetable, we have time to revisit the paper, with Colin's advice, before we have to submit it. We will try to get external advice before we make a decision.

Let us move on to the next point, which is paragraph 10.

**Christine May:** Yes. HIE wants aid to be allocated

"at the level of the larger NUTS 2 statistical areas",

which makes sense. Again, we should seek Colin Imrie's advice on whether that would be compatible with the objectives of encouraging innovation, equality and environmental sustainability. If it is, I have no problem with including the suggestion in our submission; if not, I suggest that we do not include it.

**The Convener:** To cut a long story short, I suggest that, where the draft submission asks whether the committee agrees, we will take Colin Imrie's advice before we complete the final version. Is that okay?

**Christine May:** I think so.

**The Convener:** I am told that we have only one week before we submit the paper. The papers for next Tuesday's meeting have been sent out and we have a full agenda for the following week's meeting. Given that Christine May, Mike Watson and I went to Brussels would members be happy—perhaps you are desperate—to remit the final draft to Christine, me and the clerks?

**Members indicated agreement.**

**The Convener:** That is very kind of you.

**Shiona Baird:** I am grateful that Christine May is here as an anorak to keep us on the right track, but I have a comment about paragraph 11, which states:

"HIE therefore suggest that the correct policy is to argue for and challenge all such subsidy through the World Trade agreements."

As members will appreciate, whenever the World Trade Organisation is mentioned, the Greens start jumping up and down, but from a practical point of view, is that a feasible course of action and would it be beneficial? My feeling about the WTO is that it has its own agenda, which is generally pretty negative in relation to deprivation—the WTO does not exist to help disadvantaged areas. Should we be concerned about that, or will you consider the issue when you draw up the final version?

**Christine May:** I hope that we will consider that—I would be reluctant to include anything about the WTO unless somebody twisted my arm behind my back and made me do it.

**The Convener:** We will consider that before we submit the final draft.

**Shiona Baird:** Great. Thanks.

## Work Programme

15:49

**The Convener:** The final agenda item is on our work programme, which of course kicks off tonight with the business in the Parliament conference. I remind members that from 6.30 until 7.15 we will be with Adam Crozier, the chief executive of the Royal Mail, after which there is a reception and a full-day conference tomorrow.

We have circulated a summary programme of our work between now and Christmas. There is a fairly full agenda. Is everybody happy with it?

**Murdo Fraser:** I have a comment on the St Andrew's Day Bank Holiday (Scotland) Bill. In addition to my earlier comment that we should at least invite the Executive to respond to the bill—given that its view is crucial to deciding whether, with respect to Dennis Canavan, there is a point to passing the bill—it would also be helpful if we got a legal opinion on the legal effect of bank holidays. From the evidence that we have heard, that is unclear.

**The Convener:** I have asked the clerks about that, on both counts. We agreed earlier that we would approach the Executive without prejudice to our own timetable, because I am anxious that we clear as much as we possibly can before we go on to the Bankruptcy and Diligence etc (Scotland) Bill. In fact, since the paper was circulated, we have had approaches from other committees about taking on additional work, specifically in relation to the proposed legislation on lawyers and the football aspects of the proposed police, public order and criminal justice bill. No agreement has been reached in the Parliamentary Bureau as to whether we will become a secondary committee, or indeed a lead committee, for any of that work, but even if we do not get those bills, the Bankruptcy and Diligence etc (Scotland) Bill will be a highly technical and substantial piece of legislation.

**Christine May:** We are already being lobbied on it.

**The Convener:** Absolutely. That is why I want to clear as much of our workload as I possibly can. I do not want to prejudice the timescale for the St Andrew's Day Bank Holiday (Scotland) Bill.

**Susan Deacon:** I have a couple of points that follow from your comments, convener, and from Murdo Fraser's comments. First, I agree with Murdo—those words stick in my throat—about clarifying, in some shape or form, not so much the Executive's position but certainly issues to do with the powers of the Executive. There is a wider question at issue and, as Murdo suggested, it boils

down to getting some legal guidance on bank holidays. Niall Stuart also raised a point about proposed Westminster legislation. As I indicated in my line of questioning, I think that there could be areas of agreement on what people want to achieve, so what we need to understand are the mechanisms that are available.

Secondly, you mentioned that other committees want to give us parts of bills. Just for the record, I found the way that that worked for the Transport (Scotland) Bill wholly unsatisfactory, not least because we were unable to have any kind of strategic context within which to consider a couple of detailed aspects of the bill. I am happy to defer to others in the Parliament who examine such things in more depth to decide how else those matters can be handled, but if that is typical of the way that the process works I would have serious reservations about the committee playing such a role again.

**The Convener:** What you have said includes a number of the points that we have made to the Parliamentary Bureau, which is considering the matter. At the end of the day, the decision is not for the committee but for the bureau, which decides the lead committee and the secondary committees. The other point that I have made is that, if the Executive's timetable for the Bankruptcy and Diligence etc (Scotland) Bill is as tight as I think it may be, there is no way that we could take on that additional work on top of what we are already scheduled to do. My guess is that the likelihood is that we will not end up with either of those pieces of legislation, but things can change. I can assure you that we are making all those points very strongly, because handling the Transport (Scotland) Bill was not a happy experience.

We are all agreed that we should contact the Executive and ask it for its position on the St Andrew's Day Bank Holiday (Scotland) Bill. I have already asked the clerks to obtain the necessary legal advice on a number of the points that were raised in evidence today. Is that agreed?

**Members indicated agreement.**

**The Convener:** I think that Murdo Fraser had another point.

**Murdo Fraser:** I have another point, but it is nothing to do with what we have been discussing. You might remember that at the last, or perhaps the second-last, meeting before the recess we considered a statutory instrument about increasing the level of planning fees payable for small-scale hydroelectric power schemes. At that time, we questioned Executive witnesses and expressed our concerns about those increases, and they gave an undertaking that they would come back to us after the recess, having reviewed the position



to see what impact the increase in fees might have on the industry.

During the recess, a letter came in from the Deputy Minister for Enterprise and Lifelong Learning, Allan Wilson, saying—I précis from memory—that notwithstanding the commitments given by officials, the timescale that had been proposed was unrealistic and he would require much longer to respond. As I recall, he said that it would be much later in the year before he could come back and respond to our concerns.

Since then, I have had representations from hydroelectricity developers who are in the process of preparing planning applications. We are talking about substantial hikes of more than £10,000 in the planning fees, which might jeopardise some of those schemes. My view is that we should invite the minister to respond much earlier, in line with the original undertaking from his officials.

**The Convener:** I suggest that we ask the clerks to establish, through the minister's office, what timescale he is currently working to. We can feed that back to the committee and decide within the next couple of weeks whether it is an issue that we want to take up. Is that agreed?

**Members** *indicated agreement.*

**The Convener:** We were all anxious about the timescale for that.

With that, I thank all members of the committee, and I look forward to seeing you again on Tuesday.

*Meeting closed at 15:55.*



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