

# **ENTERPRISE AND CULTURE COMMITTEE**

Tuesday 7 November 2006

Session 2

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## ENTERPRISE AND CULTURE COMMITTEE

26th Meeting 2006, Session 2

### CONVENER

\*Alex Neil (Central Scotland) (SNP)

### DEPUTY CONVENER

\*Christine May (Central Fife) (Lab)

### 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)

\*Karen Gillon (Clydesdale) (Lab)

\*Mr Stewart Maxwell (West of Scotland) (SNP)

\*Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD)

### COMMITTEE SUBSTITUTES

Mark Ballard (Lothians) (Green)

Donald Gorrie (Central Scotland) (LD)

Fiona Hyslop (Lothians) (SNP)

Margaret Jamieson (Kilmarnock and Loudoun) (Lab)

David McLetchie (Edinburgh Pentlands) (Con)

\*attended

### THE FOLLOWING ALSO ATTENDED:

Dennis Canavan (Falkirk West) (Ind)

Tom McCabe (Minister for Finance and Public Service Reform)

Allan Wilson (Deputy Minister for Enterprise and Lifelong Learning)

### CLERK TO THE COMMITTEE

Stephen Imrie

### SENIOR ASSISTANT CLERK

Douglas Thornton

### ASSISTANT CLERK

Nick Hawthorne

### LOCATION

Committee Room 4



## Scottish Parliament

### Enterprise and Culture Committee

*Tuesday 7 November 2006*

[THE CONVENER *opened the meeting at 14:01*]

### Interests

**The Convener (Alex Neil):** As it is now 1 minute past 2, I welcome everyone to the 26<sup>th</sup> meeting in 2006 of the Enterprise and Culture Committee and ask you all to switch off your mobile phones. We have received no apologies.

Item 1 is a declaration of interests. I welcome to the committee Stewart Maxwell, who replaces Michael Matheson. At this point, I should, on the committee's behalf, pay tribute to Michael's valuable contribution to the committee's work.

I ask Mr Maxwell to declare any interests.

**Mr Stewart Maxwell (West of Scotland) (SNP):** Thank you for that welcome, convener. Although I have no relevant interests to declare, I point members to my declaration in the register of members' interests.

**The Convener:** I should also tell the committee that one of our advisers from the Scottish Parliament information centre, Stephen Herbert, has been recovering from a serious stabbing incident that happened while he was overseas for a football match. I am sure that every member of the committee sends their best wishes to Stephen, who is a very valued contributor to the committee's work.

## Bankruptcy and Diligence etc (Scotland) Bill: Stage 2

14:02

**The Convener:** The second item on the agenda is what should be the final session of our stage 2 consideration of the Bankruptcy and Diligence etc (Scotland) Bill. I welcome to the meeting the Deputy Minister for Enterprise and Lifelong Learning, Allan Wilson, and his team. We will go through the amendments as set out in the marshalled list.

*Section 193 agreed to.*

### Section 194—Abolition of sequestration for rent and restriction of landlord's hypothec

**The Convener:** Amendment 487, in the name of the minister, is grouped with amendments 488 to 491.

**The Deputy Minister for Enterprise and Lifelong Learning (Allan Wilson):** The bill abolishes the common law diligence of sequestration for rent. Such a diligence has nothing to do with bankruptcy. Indeed, it works in much the same way as the old diligence of pouncing, except that, in practice, it is much worse than pouncing ever was. It is used by landlords to recover unpaid rent by selling certain types of goods kept in leased property.

Sequestration for rent allows landlords to get into property without giving notice to tenants; to sell the goods that they find there, even if they belong to someone other than the tenant; and to have tenants ordered to refurnish the property so that the whole process can start again. Such a mechanism has no part to play in a modern enforcement system, not least because a landlord is able to use other diligences to recover unpaid rent, such as attachment, which we have discussed at length.

Sequestration for rent can be used to sell only goods that are secured by a right known as the landlord's hypothec, which arises automatically whenever there is a qualifying lease. The bill makes some changes to the hypothec, even though it is not a diligence. For example, it completes the process of abolishing the hypothec over goods in dwelling-houses that was initiated by the Debt Arrangement and Attachment (Scotland) Act 2002. It also abolishes the hypothec over goods owned by a third party.

The amendments in the group are intended to clarify the effect of abolishing sequestration for rent and restricting the application of the hypothec. Amendment 487 clarifies that the bill does not create any new preference for the landlord when

competing claims are ranked, and has the effect of giving landlords preference only in a bankruptcy or a similar process that follows from the fact that the hypothec continues as a security.

Amendments 488 and 489 clarify the effect of the transitional arrangements in sections 194(10) and 194(11) that are needed as a result of the changes made by the bill. Amendment 490 makes a small change that is needed to reflect the fact that the hypothec is not created by the parties to a lease but arises by operation of law. Finally, amendment 491 clarifies that the hypothec does not arise over any part of a dwelling-house, including a garage or any outbuildings.

I move amendment 487.

*Amendment 487 agreed to.*

*Amendments 488 to 491 moved—[Allan Wilson]—and agreed to.*

*Section 194, as amended, agreed to.*

*Section 195 agreed to.*

#### **Before section 196**

**The Convener:** Amendment 492, in the name of the minister, is grouped with amendment 493.

**Allan Wilson:** The debt arrangement scheme is a groundbreaking new debt tool that was created by the Debt Arrangement and Attachment (Scotland) Act 2002. At the moment, the Executive supports 80 DAS-approved money advisers, who cover most of Scotland and help 190 people to manage debts amounting to £2,867,000.

As we know that the DAS can work, I want to go further and make it even better. One way to do that—and one way to address one of the money advisers' main concerns about the scheme—is to stipulate that the debts in a debt payment programme do not need to be paid in full. At present, during a programme, creditors can apply interest and charges to the debt. However, the debtor's payments may not be enough to cover accrued interest and charges, which means that they can complete a programme and still be in debt. As that makes no sense, there is a strong argument for freezing interest when a programme is approved.

We could go further and cancel part of the debt. For example, someone with a debt of £10,000 who pays £150 a month over five years will repay a total of £9,000. I am sure that members will agree that five years is a long time, and that perhaps a person in that situation should not have to pay the last £1,000.

The best way forward is to introduce a new enabling power under the 2002 act. Regulations could then sort out the many technical details that

will need to be resolved if the principle of having debt relief in the DAS is agreed. Amendment 492 seeks to give the Scottish ministers a new power to provide for debt relief, which will supplement the existing regulation-making power in section 7 of the 2002 act.

Debt relief raises important issues, not least of which is the impact on creditors' rights, and the committee rightly has an interest in the detail of what the Executive would do with this power. As a result, amendment 492 provides for the use of the power to be subject to affirmative procedure. If the amendment is agreed to, I plan to use the new power and to come back to the committee next year to ask it to approve regulations that will enable interest and charges to be frozen.

If the freezing of interest is successful—as I believe it will be—I will consider using the power to cancel debt. Any such move will need careful consideration, as one of the major advantages of the DAS for debtors is that they can keep their homes and other assets. Indeed, we have discussed that matter at length. I will therefore continue to work with stakeholders to ensure that the DAS is an effective debt tool.

Amendment 493 makes a minor change to section 196 that will be needed if amendment 492 is agreed to and a new section is inserted before section 196. As that new section will make the first amendment to the 2002 act, section 196 should be read as making further amendments to that act.

I move amendment 492.

**Christine May (Central Fife) (Lab):** I am sure that the committee welcomes these amendments. After all, we recommended the same measures in our stage 1 report and were particularly anxious that the Executive should implement them. However, subsection (3) of the proposed new section states:

“The Scottish Ministers may, by regulations, make such further provision as they think fit”.

The word “may” expresses doubt—something may happen only if somebody has the will to do it. Will you reassure us that regulations will, rather than may, be made?

**The Convener:** We will need to refer the bill as amended to the Subordinate Legislation Committee, because a new power to make subordinate legislation is involved. The fact that we must do that almost goes without saying.

**Allan Wilson:** I have made clear this minister's intent to crystallise the debt and provide for debt relief in the future. The word “may” is a technical drafting term that is common to most, if not all, such legislation. We intend to come back to the committee next year with regulations to freeze

debt interest. On the basis of the outcome of that process, we will consider introducing debt relief.

*Amendment 492 agreed to.*

### **Section 196—Amendments of the Debt Arrangement and Attachment (Scotland) Act 2002**

*Amendment 493 moved—[Allan Wilson]—and agreed to.*

**The Convener:** Amendment 494, in the name of the minister, is grouped with amendment 495.

**Allan Wilson:** An application to a debt payment programme must be made through a DAS-approved money adviser. The DAS is being delivered in partnership with the money advice sector and the sector, rather than the Executive, trains and accredits money advisers for the DAS.

The Executive agreed with our partners in the sector that 150 approved money advisers would be accredited to provide the DAS when the scheme went live in November 2004. That was a sensible target then and is still sensible now, as it will provide full coverage throughout Scotland. The DAS has been working for two years and there are 80 approved advisers. That is disappointing, although progress is being made. More worrying is the fact that of those 80 advisers, only a third have put a client forward for the DAS.

Money advisers need to learn new skills to provide the DAS. Leaders in the money advice sector have welcomed the DAS for the very reason that it is helping to improve skills throughout the sector. Change is a challenge, and some people always resist new ways of working. The Executive acknowledges that and is looking for ways to improve the DAS for front-line advisers and their clients. Enabling debt relief, which we have discussed, is a key improvement.

The Executive is strongly committed to working with the sector to spread the benefits of money advice through the DAS and through other means, such as the debt advice and information package. I expect those efforts to improve the take-up of the DAS by money advisers and their clients. However, it may become clear that too few money advisers are willing to offer or use the DAS. The DAS does not have to be run through a money advice gateway, and other measures may be needed to ensure full national coverage for the scheme. The 2002 act needs to change if that is to prove possible. The amendments in the group will make the changes that are needed and will enable further improvements to the DAS.

Amendment 494 provides that the requirement in section 3 of the 2002 act for a debtor to obtain money advice is subject to any contrary provision in regulations. Amendment 495 extends the

regulation-making power in the 2002 act so that other approved intermediaries can offer money advice, debtors can apply without an adviser or intermediary and applying under the DAS can stop a creditor taking action against a debtor.

If the amendments are agreed to, I plan to amend the Debt Arrangement Scheme (Scotland) Regulations 2004 next year to provide that applying for a programme stops enforcement. Money advisers and the committee have asked for that, and I agree that it will make the DAS a better debt tool.

I move amendment 494.

14:15

**Murdo Fraser (Mid Scotland and Fife) (Con):** Amendment 495 refers to approved intermediaries. In order to get some clarity, I ask the minister to explain what sort of people would be approved intermediaries rather than money advisers. Given that money advisers have to go through a period of training and gain a qualification before they can give advice to debtors, who will be approved intermediaries?

**Allan Wilson:** The term is drawn particularly widely. It could include insolvency practitioners or a new agency or commission that is charged with taking the reform forward. We are stating a policy intent. We want the DAS to work, as I suspect you do, and we want the benefits to be extended more widely to debtors and consequently to creditors. The term is drawn widely, but I have given some examples. We envisage that the change will broaden the scope if the existing money advice provision does not pick up as a consequence of the changes in the way that we hope.

*Amendment 494 agreed to.*

*Amendment 495 moved—[Allan Wilson]—and agreed to.*

*Section 196, as amended, agreed to.*

*Section 197 agreed to.*

### **Section 198—Information disclosure**

**The Convener:** Amendment 496, in the name of the minister, is grouped with amendments 497 to 502 and 504.

**Allan Wilson:** A key objective of the bill is to improve the quality of information in the enforcement system. Section 198 will help to deliver that by making it possible for the Scottish ministers to make regulations that provide that the courts may obtain information about debtors and disclose that information to creditors. The aim is to enable creditors to target enforcement to good effect. For example, a creditor could arrest a

debtor's earnings if they have their employer's details.

Much useful information is held by United Kingdom Government departments. With that in mind, the Executive is working with the UK Government to extend a national information disclosure scheme to Scotland. The committee welcomed that approach after hearing evidence from organisations that have an interest in the matter, such as Citizens Advice Scotland. The bill deals with the information order element of the scheme for Scotland and regulations will provide for applications to our courts, the processing of information by the courts and similar matters.

A tribunals, courts and enforcement act will create a framework for obtaining information from UK Government departments such as the Department for Work and Pensions. That element of the framework will be replicated for, or extended to, Scotland. The UK Government published the draft Tribunals, Courts and Enforcement Bill in July and it will be introduced to Westminster as soon as is practicable. The amendments in the group make the changes that are needed to ensure that the Scottish order-making part of the scheme remains in step with what our UK partners are doing.

Amendment 496 is a minor amendment for consistency. Amendments 498 and 499 slightly extend the scope of the powers in section 198. Amendment 497 extends the power to make regulations in section 198 so that it covers the functions of a sheriff under the scheme, to the effect that regulations will be able to make provisions on the powers and duties of the sheriff.

Amendments 500 to 502 have the effect that regulations made under section 198 may provide for an offence of unauthorised disclosure or use of information. That will keep the bill aligned with the draft Tribunals, Courts and Enforcement Bill. Information will be disclosed only for the purpose of enforcing payment that is due under a decree or document of debt.

Amendment 504 makes section 198 consistent with other parts of the bill by providing that the Scottish ministers may modify the meaning of "decree" and "document of debt" for the purposes of that section so that future types of decree and documents of debt can be included within the scope of the information disclosure regime.

I move amendment 496.

**Christine May:** I welcome the Executive's amendments, but I wonder what discussion, if any, has been held with the DWP, the speed of whose response is not always what we would want. In the sort of case that we have been talking about, a fairly speedy disclosure of information would be

sought. Perhaps the minister could deal with that point when he responds.

**Allan Wilson:** I can write to the committee about that. I obviously do not know what is in the Queen's speech, but all will be revealed in due course, and I will be able to respond more directly to Christine May's point in that context.

*Amendment 496 agreed to.*

*Amendments 497 to 502 moved—[Allan Wilson]—and agreed to.*

**The Convener:** Amendment 503, in the name of the minister, is grouped with amendments 505 and 506.

**Allan Wilson:** The amendments in this group make changes—principally sought by the committee—to the regulation-making powers in the bill. There is some duplication between sections 198 and 201, both of which refer to information disclosure regulations under section 198. Amendments 503 and 505 therefore amend section 198 to take out that duplication, and amendment 506 moves the reference to the first regulations that are made under section 198(1) being subject to affirmative parliamentary procedure to the appropriate part of section 201. It also sets out the other regulations that I propose should be subject to affirmative parliamentary procedure.

Four other regulation-making powers will be affected if amendment 506 is agreed. The first is the power to confer, remove or modify the functions of the Scottish civil enforcement commission, as recommended by the committee in its stage 1 report.

The second is the power to change the £3,000 minimum sum that must be due to a creditor before the creditor can attach land. As I said when the committee agreed that there was a need for an amendment to introduce that minimum sum, I recognise that the Parliament should have a high level of scrutiny over any changes to that provision, and I agreed to lodge an amendment to make the power subject to the affirmative procedure.

The third is the power to change the £3,000 minimum sum that must be due to a creditor before they can ask the court for a warrant to sell attached land. Again, when the committee agreed that that amendment was necessary, I made a commitment to lodge an amendment to make the power subject to the affirmative procedure.

The fourth is the power to change the £1,000 minimum sum or the 10 per cent figure that the court must take into account when deciding whether it must refuse to grant a warrant for sale of attached land on the ground that the likely net sale proceeds are too low to justify such a sale.



That is the so-called not-worth-it test, which we discussed previously.

I move amendment 503.

*Amendment 503 agreed to.*

*Amendment 504 moved—[Allan Wilson]—and agreed to.*

*Section 198, as amended, agreed to.*

### **Section 199—Interpretation**

*Amendment 220 moved—[Allan Wilson]—and agreed to.*

**Christine May:** Convener, I am not sure that we have agreed sections 196 and 197.

**The Convener:** We agreed those sections earlier.

**Christine May:** I beg your pardon.

*Section 199, as amended, agreed to.*

### **After section 199**

**The Convener:** Amendment 485, in the name of the minister, is in a group on its own.

**Allan Wilson:** Amendment 485 relates to the implementation by Registers of Scotland of the automated registration of title to land project, which is a major new e-government service that will make it possible for deeds and securities to be created electronically and to be registered in the land register of Scotland electronically. The ARTL system will enable solicitors, mortgage lenders and the keeper of the registers of Scotland to work more efficiently, and so make it possible for clients and customers to benefit in terms of time and money saved.

Any mortgage lender using the new system will, however, want to have the same rights to enforce payment under their securities as they have under the current paper-only system. One right of enforcement that lenders have is the right to use summary diligence, although that is possible only if the security is registered for enforcement in the books of council and session or in the sheriff court books. Currently, only original paper documents can be registered in those books. In order to enable enforcement by summary diligence of an electronic standard security, provision is needed to enable a paper copy of that document to be registered.

The amendment makes that change by introducing a new section 6A of the Requirements of Writing (Scotland) Act 1995. It will allow a paper copy of the electronic deed, known as an office copy and issued by the keeper of the registers of Scotland, to be registered for enforcement by summary diligence. That will give the lender a

quick route into enforcement should the debtor fail to pay as set out in the standard security.

I move amendment 485.

**Murdo Fraser:** I used to earn my living from standard securities.

**The Convener:** I thought you were going to stop at saying that you used to earn your living.

**Murdo Fraser:** It was an honest living. I have forgotten my question.

Although I can see the logic of amendment 485, which seems eminently sensible, it seems rather daft to say that, in electronically registering a standard security, someone has to print off a paper copy and present it for registration. Has the Executive given any thought to how the process of removing paperwork might be extended? Currently, electronic copies can be placed in the land register, but one cannot go beyond that in terms of diligence. Is there any thinking about a logical extension of that process?

**Allan Wilson:** I have a man here to advise me on that very issue.

**The Convener:** While the minister is being briefed, does any other member wish to ask a question?

**Members indicated disagreement.**

**The Convener:** Back to you, minister.

**Allan Wilson:** I am reliably informed that that has to be made electronically as well, but that is a longer-term project than this change.

*Amendment 485 agreed to.*

*Section 200 agreed to.*

### **Section 201—Orders and regulations**

*Amendments 505 and 506 moved—[Allan Wilson]—and agreed to.*

*Section 201, as amended, agreed to.*

*Sections 202 and 203 agreed to.*

### **Schedule 5**

#### **MINOR AND CONSEQUENTIAL AMENDMENTS**

*Amendments 29 and 221 to 227 moved—[Allan Wilson]—and agreed to.*

*Amendment 444 not moved.*

*Amendment 228 moved—[Allan Wilson]—and agreed to.*

**The Convener:** Amendment 507, in the name of the minister, is grouped with amendments 508 to 523 and 526 to 528.

**Allan Wilson:** The bill makes many changes to the laws of diligence. For example, it introduces the new diligences of money attachment, land attachment and residual attachment. It also creates a new right of automatic release of attached funds for arresting creditors. The reforms that will be brought in by the bill will affect other legislation. The amendments in this group make changes that are needed to bring the time-to-pay arrangements in the Debtors (Scotland) Act 1987 up to date. The two time-to-pay arrangements are a time-to-pay direction on granting decree and a time-to-pay order after decree is granted.

14:30

Amendments 507 and 515 have the effect that either of the time-to-pay arrangements will stop the new diligences of money attachment, land attachment and residual attachment.

Amendments 508, 509, 513, 514, 518, 520 and 522 have the effect that either of the time-to-pay arrangements will suspend the automatic release of arrested funds and that the 14-week period for automatic release will not run when an arrangement is in effect.

Amendments 511 and 512 have the effect that it will not be competent to apply for a time-to-pay order when a money attachment has been executed, when the court has granted a warrant to sell attached land or when the court has granted a satisfaction order in respect of property that is subject to a residual attachment.

Amendment 514 provides for the effect of an interim order sisting diligence. The sheriff may make such an order when a time-to-pay order is applied for.

Amendments 516 and 517 have the effect that the making of a time-to-pay order shall stop the creditor completing a land attachment or residual attachment where such an attachment had been started when the order was made. A creditor will, however, be entitled to retain the security over land or property that is obtained as a result of those diligences.

Amendment 523 is a minor amendment to replace outdated references to "poinding" with references to "attachment".

Amendments 519, 521, 526, 527 and 528 make minor consequential changes.

I move amendment 507.

*Amendment 507 agreed to.*

*Amendments 508 to 523, 484, 229 and 230 moved—[Allan Wilson]—and agreed to.*

**The Convener:** Amendment 440, in the name of the minister, is in a group on its own.

**Allan Wilson:** Section 221 of the Criminal Procedure (Scotland) Act 1995 lists the types of diligence that can be used to recover fines that are imposed by the criminal courts. The bill introduces the new diligence of money attachment. It is therefore sensible to enable money attachment to be used to recover fines if the court decides that diligence should be used. Amendment 440 amends the 1995 act to add money attachment to the diligences that can be used to recover those fines.

I move amendment 440.

*Amendment 440 agreed to.*

*Amendments 272, 441 and 442 moved—[Allan Wilson]—and agreed to.*

**The Convener:** Amendment 524, in the name of the minister, is grouped with amendments 525 and 486.

**Allan Wilson:** These are minor and technical amendments. Amendment 524 is a minor amendment that will improve the wording of section 34(1)(b)(ii) of the Debt Arrangement and Attachment (Scotland) Act 2002, which deals with third-party claims on attached property. It will clarify the effect of the section by making the wording consistent with new section 9J(1) of the 2002 act as inserted by section 160 of the bill, which sets out an equivalent for third-party claims in interim attachment.

A new power to regulate the fees and charges of judicial officers is conferred on the Scottish ministers by section 55(2)(d) of the bill. Amendment 525 is a consequential amendment that repeals an existing provision to set fees for sheriff officers and messengers-at-arms in the Sheriff Courts (Scotland) Act 1907. The existing provision will not be needed once the new power in the bill to set fees comes into force.

Section 201 makes general provision in relation to the Scottish ministers' making orders and regulations under the bill. It also provides for the appropriate parliamentary procedure to be adopted for each particular instrument. Section 202 gives the Scottish ministers a power to make ancillary provision by order. Amendment 486 will bring those two sections into force on royal assent, as is usual for bills.

I move amendment 524.

*Amendment 524 agreed to.*

*Amendments 231 and 232 moved—[Allan Wilson]—and agreed to.*

*Schedule 5, as amended, agreed to.*

## Schedule 6

### REPEALS AND REVOCATION

*Amendments 31, 525, 88, 89 and 526 to 528 moved—[Allan Wilson]—and agreed to.*

*Schedule 6, as amended, agreed to.*

### Section 204—Short title and commencement

*Amendment 486 moved—[Allan Wilson]—and agreed to.*

*Section 204, as amended, agreed to.*

### Long title

*Amendment 233 moved—[Allan Wilson]—and agreed to.*

*Long title, as amended, agreed to.*

**The Convener:** That ends stage 2 consideration of the bill. I extend the committee's thanks to the minister and his team, especially for accepting the vast bulk of the recommendations that we made in our stage 1 report. I thank Nicholas Grier, who was the professional adviser to the committee on the bill, as well as our clerking team. I hope that no member of the committee ever needs to use the provisions of the bill.

The next item on our agenda is consideration of the St Andrew's Day Bank Holiday (Scotland) Bill. We are still waiting for the minister, so I suspend the meeting for five minutes.

14:37

*Meeting suspended.*

14:40

*On resuming—*

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

**The Convener:** Item 3 is consideration of the St Andrew's Day Bank Holiday (Scotland) Bill. Before we consider the bill formally at stage 2, I welcome Tom McCabe, the Minister for Finance and Public Service Reform. We are also expecting Ian Donaldson, head of the international strategy and co-ordination team at the Scottish Executive Financial and Central Services Department, who has just arrived. I welcome him, too, and hand over to the minister.

**The Minister for Finance and Public Service Reform (Mr Tom McCabe):** Thank you, convener. I am glad that we are meeting all your expectations.

I thank the committee for giving me the opportunity today to restate the Scottish Executive's position on the bill. We are in a slightly unusual position this afternoon, in that there are no amendments to be considered at stage 2 of the bill. On 28 September I said that the Scottish Executive subscribes fully to Dennis Canavan's aim for the bill, which is to facilitate the creation of a national holiday to celebrate Scotland and its people. The joint statement by the First Minister and Dennis Canavan addressed our concerns about what the bill can do and made it clear that the bill's purpose is to create a legal framework that will encourage employers and employees to substitute a national St Andrew's day holiday for an existing local holiday. The bill will not create a national holiday, but it is symbolic and signals greater celebration and awareness of St Andrew's day.

The bill represents an important contribution to the on-going celebration of our national day. As part of that, the Scottish Executive is taking other initiatives to highlight and celebrate St Andrew's day. In 2006 we are supporting a range of St Andrew's day events under the banner of one Scotland, many cultures. Those events have a strong emphasis on young people. Today we are announcing details of St Andrew's day events that will be held in Edinburgh, Glasgow, Inverness and Stirling—in fact, the biggest celebration of St Andrew's day yet. The website [scotlandistheplace.com](http://scotlandistheplace.com) gives details of the events that are being held. Those events will spearhead the national and international celebration of St Andrew's day.

It is imperative that we allow our young people to become involved in the celebration of our

national day. To that end, we have sent education packs to schools across Scotland, to encourage them to celebrate St Andrew's day and to share with us what they plan to do on the day. Responses so far have been extremely positive, and I know that a range of events are planned in schools across the country.

Other events will take place across the world. Next week I will attend a St Andrew's day ball in Warsaw, as part of a wider visit to Poland, and we will distribute 86 event packs to Foreign and Commonwealth Office overseas posts, to help them to celebrate the day. Once again, the First Minister will send a message around the world to be used at St Andrew's day events. More than 70 countries will fly the saltire or will host balls, ceilidhs or receptions.

I am sure that the committee will join me in wishing success to all St Andrew's day events in Scotland and around the world. The Scottish Executive is enthusiastic about greater celebration of our national day. We all have a part to play in achieving that. I confirm again that, on the basis that I have outlined, we support the bill at stage 2.

**The Convener:** I welcome Dennis Canavan, the sponsor of the bill, to the committee for this item. I invite him to ask the minister some questions or to say a few words.

**Dennis Canavan (Falkirk West) (Ind):** I thank the minister very much for his helpful statement and warmly welcome the various initiatives and events that he has announced on behalf of the Executive. I am very pleased that the Scottish Executive has been persuaded to support the general principles of the bill.

The convener may recall that at a previous meeting of the committee I described the minister as Thomas the doubter, because of his sceptical attitude to the bill. I now withdraw that description unreservedly. If I may use another biblical expression, I warmly welcome his Pauline conversion. I do not know exactly what happened on the road to Damascus, but it was truly miraculous and very enlightening. I hope that the committee will deal expeditiously with stage 2 consideration of the bill, so that it can proceed to stage 3 and, I hope, receive full parliamentary approval before St Andrew's day at the end of the month.

14:45

**The Convener:** The provisional date for stage 3 is 29 November. Minister, did you want to respond to Dennis Canavan?

**Mr McCabe:** At the risk of breaking up this warm consensus, I quite like Thomas the doubter.

**The Convener:** Does any other member want to speak, or to question the minister?

**Susan Deacon (Edinburgh East and Musselburgh) (Lab):** I want to reiterate a question that I have asked at other stages: what measures will be taken to ensure that there is widespread understanding of what the bill will mean? I am conscious that the continuing various commentaries in the press show that there are different appreciations of what has been proposed to Parliament.

**Mr McCabe:** We all hope that people listen to the words that we say and take them at face value as much as possible. As I have done previously, I am doing my best this afternoon to explain how we see the bill and the impact that it will have. I have made it clear that we do not think that the bill, in itself, automatically creates an additional holiday for anyone. However, it is important to be clear that, as far as the Scottish Executive can—including with both its own employees and other employees in the public service—we will encourage employers to engage with their employees and ask them to consider how they could better celebrate St Andrew's day and whether they would consider moving an existing holiday to that day. We will do our best on every occasion to explain the practical effect to people.

It is also important for the Executive as a whole to demonstrate our sincerity when we say that we will genuinely encourage people to consider the issue and how they could improve their own celebration of St Andrew's day.

**The Convener:** I thank the minister and Ian Donaldson.

## St Andrew's Day Bank Holiday (Scotland) Bill: Stage 2

14:47

**The Convener:** Agenda item 4 is the formal stage 2 of the bill, and it is fairly formal because there are no amendments.

*Sections 1 and 2 agreed to.*

*Long title agreed to.*

**The Convener:** That ends stage 2 consideration. I congratulate Dennis Canavan on the achievement.

## Budget Process 2007-08

14:48

**The Convener:** Agenda item 5 is an open discussion of the issues that have come up in our interviews with various bodies in the past few weeks on the budget process for 2007-08. A paper has been circulated by the clerks, and the purpose of the discussion is to highlight the issues that members would like to be included in the report, which we have to agree next week.

We have been sent some follow-up information. From Highlands and Islands Enterprise, we got some information about the costs and potential economic impacts of other projects that it requires and suggests should be included in wider economic development. It has given high priority to the A9 in particular, but it has also considered other issues such as what will happen in the local area post-Dounreay. It is fair to say that we did not get that wider perspective from Scottish Enterprise, particularly in answer to questions from Karen Gillon. We have raised this point before, and we should highlight the need for us to encourage Scottish Enterprise to take a wider view, particularly when we are considering where to maximise the spend on economic development. At the end of the day, that is primarily what the committee is all about.

**Shiona Baird (North East Scotland) (Green):** Are different remits attached to Highlands and Islands Enterprise and Scottish Enterprise?

**The Convener:** Yes.

**Shiona Baird:** Do we appreciate the differences between the two remits? Perhaps we are asking the same questions of the two different organisations and it is not appropriate for us to do so. I do not know the answer to that.

**The Convener:** The answer to the question goes right back to 1965, when the Highlands and Islands Development Board was established. In addition to having a remit for economic development, it was given a social remit for the development of local communities. The board's remit was carried on into its successor organisation, Highlands and Islands Enterprise, which was established under the Enterprise and New Towns (Scotland) Act 1990. In 1975, when the Scottish Development Agency was established, it was given only an economic remit; it had no social remit. That remains the case with Scottish Enterprise. Its remit is entirely economic; it has no social remit.

**Karen Gillon (Clydesdale) (Lab):** It does, however, have a remit for regeneration.

**The Convener:** Yes.

**Karen Gillon:** That, of itself, gives Scottish Enterprise a social as well as an economic remit.

**The Convener:** We are getting into the realms of semantics.

**Karen Gillon:** Absolutely.

**The Convener:** Highlands and Islands Enterprise can legitimately put money into community development projects—the sort of project that leads to capacity building in a community—but that is outwith the scope of Scottish Enterprise's remit. In this case, what we are asking Scottish Enterprise to do, which is to take a wider view on where it could do more or prioritise projects in terms of their economic impact, is a legitimate question. That is entirely within the remit of Scottish Enterprise.

**Christine May:** The clerks have done extremely well in encapsulating the major issues. My first point is on the first bullet point under the "Tourism, Culture and Sport" heading:

"Scope for a ring-fenced budget for Scottish screen within Creative Scotland".

I accept that the question was raised, but the bullet point should be rephrased to include the benefits or disbenefits of doing that. The trouble with hypothecated budgets is that they are seen as a spending limit. Any opportunities that may otherwise have arisen to spend more money, if that is warranted, or use the money for other things if insufficient projects come forward, is lost. We should rephrase the bullet point to take account of that.

I turn to qualitative measurement, which Susan Deacon has raised on a number of occasions. I am still struggling, like members on other committees, to find a way of seeing the impact of the budget across the range of Executive priorities. I am happy to bang on about that again. What contribution does qualitative measurement make to health improvements, for example? I am thinking of the impact that jobs or better skills make. I would like to see the Executive's key priorities under its umbrella strategy being measured in that way.

My final point relates to a bullet point under the "Enterprise and Lifelong Learning" heading:

"Levels of expenditure on regeneration activities, including that in communities outwith national priority areas".

The point is connected to my concern about the roll-out of the metro regions. For me, those two points are linked and should be identified as such in our report.

**Susan Deacon:** In relation to sport and culture, I will pick up on what Christine May touched on about the wider benefits of spend across the

Executive. I am conscious that, almost since the inception of the Parliament, a search has been under way for the holy grail of measuring spend on cross-cutting issues. In the evidence that the minister and his officials gave, I was struck by the fact that they said that they had been able to capture some of that in relation to the spend on arts and culture. We have not quite caught that point in the key themes. Perhaps we could.

I turn to the bullet points under the "Scottish Enterprise" heading. In the final report, I would like to see a joining up in some way of the third-last and last bullet points about transport. The third-last bullet point mentions the

"Lack of explicit transport priorities within SE"

and the final bullet point is about linkages across the agency. There are, however, other questions about linkages, particularly between Scottish Enterprise and the strategic transport agency. I suggest that we encompass those questions in this section of the report.

**The Convener:** Is everyone happy with that?

**Members indicated agreement.**

**The Convener:** Before Murdo Fraser speaks, I assure Shiona Baird that we have quite a lot of time for this open discussion so she will be able to make a further contribution.

**Murdo Fraser:** I want to add one small point. Although this issue did not come up in last week's questions on the lifelong learning budget, we should flag up in the report that, further to Andrew Cubie's remarks last week, we are aware of the funding situation for Scotland's universities. We perhaps need to put down a marker on the need for Scottish higher education to compete with the universities in England, given the situation on top-up fees. It might be worth while stating in the report that the committee will keep a watching brief on the issue in future years to ensure that no budgetary disadvantage creeps in.

**The Convener:** Is that agreed?

**Members indicated agreement.**

**Shiona Baird:** Another cross-cutting issue on which our report should comment is sustainability. I only touched on the issue in my questions to the minister but, in light of the Stern report's emphasis on the economic impact of climate change, can we ask that the draft budget places greater emphasis on the aspects of sustainability that can be highlighted and identified?

Returning to the convener's comment on Scottish Enterprise, I think that there is much more understanding that sustainability involves a three-pronged approach on economic, social and environment issues. Somehow or other, that does not come across in the budget documents. We

need to start considering how we can ensure that we include all three elements. However, that might be more for a legacy paper.

My final point—this may or may not have been mentioned at a previous committee meeting—is that I am conscious of the fact that we are always looking forward to the budget for the next year but we never seem to have the opportunity to look back and assess how well the previous budget delivered. We keep on putting money into various portfolios without finding out whether the money is just going into a huge pot without actually delivering. Is there any way in which that can be addressed?

**The Convener:** Again, the committee might consider that issue as more appropriate for a legacy paper. Given the tight timescale for the normal budgetary process, it is difficult for us to look back in detail. As Susan Deacon pointed out, we also need to consider how much money was invested and what outputs came out on the other side.

**Murdo Fraser:** Convener, is that not part of our remit already? The Finance Committee receives reports from its adviser that look back at the previous year's spend as well. I can quite understand that there might be scope to widen or extend that role, but such exercises are already carried out.

**The Convener:** The reports show the spend but they do not necessarily show the outputs or the association between the two. Perhaps that needs to be considered further. However, the Parliament has been grappling for six years with that question, to which there is no easy answer.

On presentation, although Stephen Imrie and his team would no doubt do this anyway, I suggest that our report needs separate chapters—one for tourism, culture and sport and one for enterprise and lifelong learning—for the two different portfolios. Also, last week we deliberately split the panels between enterprise and lifelong learning. Obviously, we recognise the compatibility between the two elements of Nicol Stephen's portfolio, but we raised some specific issues on lifelong learning that we would not want to be lost by being mixed in too much with enterprise issues.

I suggest that our report should also highlight two other issues that need to be addressed. First, the Executive needs further to consider part-time student support. That perhaps ties in with Murdo Fraser's point, but the issue affects both the further education and higher education sectors. Secondly, the Executive needs to continue to monitor the international competitiveness of our offer to industry—such as regional selective assistance and so on—to ensure that we do not lose companies. As Jack Perry rightly said, the

issue needs to be looked at to ensure that we stay ahead of the game. I am not saying that we are not ahead of the game but, given some recent events, the issue certainly needs to be examined.

15:00

**Richard Baker (North East Scotland) (Lab):** Another lifelong learning issue that we flagged up is the role of the Scottish Further and Higher Education Funding Council and whether, when it allocates funding to FE and HE institutions, it incentivises efficiency in future years. The Minister for Enterprise and Lifelong Learning said that he would raise the matter with the funding council and get some further information. I wonder whether the matter could be flagged up in our report. Another issue is whether the funding council uses its funding formulas to help institutions to deal with rurality. The minister could not respond directly on that because it is the responsibility of the funding council, but it is still worth raising.

**Christine May:** The point that we made about Careers Scotland should also be included in the report.

**The Convener:** Yes, and we should include Christine May's point about the balance in Scottish Enterprise's budget between the centre and the local enterprise companies.

**Mr Maxwell:** I have a question. Obviously, I was not here for the previous committee meetings, but I see no references in the paper to the formation of creative Scotland, apart from the point about the scope for a ring-fenced budget for Scottish Screen within creative Scotland. A lot of questions are being asked about the setting up of creative Scotland and the bill that will establish it. I wonder whether it would be worth while to flag that up as something that must be examined in the future.

**The Convener:** We could include a reference to that. We asked the Minister for Tourism, Culture and Sport whether Scottish Screen's budget will be ring fenced within the budget of the new organisation. The gist of her reply was that, because more money will be available for the new organisation than is available to the two separate organisations—the Scottish Arts Council and Scottish Screen—there should not be a problem. However, it is fair to say that the position should be monitored.

In January, we will have a round-table discussion on creative Scotland with all the key players. We do not have time to hold a full inquiry, but we will have that session and we will want to raise the issues then. It is clear from what Patricia Ferguson said that a lot of the questions are still unanswered.

**Mr Maxwell:** I raise the matter only because we should be aware of it and monitor it.

**The Convener:** As there are no other points, is everyone happy with that?

**Members** *indicated agreement.*

**The Convener:** The clerks will use the feedback to prepare our draft report, which we then need to finalise next week.

## **Business in the Parliament Conference 2006**

15:03

**The Convener:** We thought that it would be useful to go round the table and get some feedback on this year's business in the Parliament conference while it is fresh in everyone's minds. It was the third business in the Parliament conference and delegates attended from more than 200 businesses. Over the piece, 40 to 50 MSPs attended, and at least half of the Cabinet attended at some point on the Thursday evening or the Friday. That is probably the best turnout—of both businesses and politicians—that we have had.

The feedback that I received from members of the business community was that, almost universally, they would have liked more time in the break-out groups and fewer speakers on the Friday morning. Also, they suggested that it would have been better to have one theme rather than trying to cover so many things. We organise the conference jointly with the Scottish Executive, so we need to talk to it about the feedback.

My view is that, next year, it would be worth while to have a theme, such as the effect of climate change on business in Scotland—that is a big subject and we could make it the key theme of the conference. Given the economic implications of the Stern report, businesses will be concerned about the matter. I am not saying that that should be the theme, but with a theme like that we could easily get six break-out groups and lots of feedback on renewable energy and so on. We have had three conferences that covered a wide range of issues and I think that, in future, we should cover fewer issues but in more depth. I have to say that the feedback that I received from the businesses that attended was that this year's conference was the best so far, but there is still a lot of room for improvement.

Before I open the subject for debate, I want to put on record—and have done so in writing as well—my congratulations to all the Parliament staff involved, ably led as usual by Stephen Imrie and Douglas Thornton. By all Parliament staff, I mean all the clerking teams, the official report, security and the broadcasting unit. As they usually do, they all went out of their way to make a success of the event, as did the Executive staff. Congratulations all round on the first-class staffing support and to the participants. Tom Farmer and the four speakers on Friday morning were all very good indeed.

I will now go round the table to see what people thought. There is also a formal feedback system—



we will ask for feedback from all the participants, including MSPs, and a detailed report will be sent out to them, which will include what happened in each of the groups.

**Karen Gillon:** The event was very good. I concur that there were too many speakers in the morning. That session was especially long and there was little for the small business sector. We could perhaps have done with only two of the four speakers.

The break-out groups worked well, but again the feedback was that there was not enough time. If we were looking for a theme next year, we could perhaps gear some of the break-out groups towards the different business sectors in Scotland and allow each area to be explored in more detail.

All in all, it was a worthwhile event, and my constituent certainly enjoyed it.

**Murdo Fraser:** I jotted down four brief points based on both my observations and those of people who attended and whom I spoke to either on the day or subsequently.

First, on the structure, we deliberately reorganised the Friday session to end at lunch time to encourage more MSPs to attend. I still thought the MSP attendance on Friday was disappointing. I do not know how many were there, but I would have guessed that, out of 129, there cannot have been more than 20 on the Friday. I know that that is a lot to us, but the people from the business community, whose representation was wide, thought that it was pretty poor. Stephen Imrie is no doubt updating you on the exact figure, convener.

**The Convener:** There were 35 MSPs.

**Murdo Fraser:** Perhaps they were keeping quiet—it did not look like that many.

Secondly, I agree with what Karen Gillon said about the structure. To sit through six speeches in the first hour—although some were of high quality—was too much, as people were shuffling and getting a bit cheesed off. A bit more engagement would have been better early on Friday.

Thirdly, I thought that the event lacked a spark, certainly compared with last year. Last year, whether you agreed with what Janette Anderson and Iain Graham had to say or not, you had to admit that they gave the event a buzz, something for people to talk about during the coffee break, and something for Nicol Stephen to respond to. This year that spark did not seem to be there. There was no burning issue that everyone was talking about, which last year was procurement. I am not sure how that can be generated, but thought needs to be given to creating a focus.

That ties into my fourth point, which was that there was not a single focus to the conference. It all seemed rather disparate. That was not necessarily intentional, but last year's event ended up with a strong focus on procurement and people from the business community whom I spoke to were pleased with that. They talked about procurement spontaneously, Nicol Stephen listened to them and set up the McClelland report, and they saw some progress in the intervening 12 months. That worked well, and part of the problem this year was that no single issue caught the imagination. I tend to agree that, if we are to hold the event again, we need to find a focus.

We should consult business on that. I remember talking about the agenda in a meeting some months ago and saying that we should ask the business community about the issues that it wanted to talk about. I am not sure to what extent that was done and how that was fed into the agenda, but trying to find a central theme is important.

Finally, I echo the convener's remarks: the way in which the event was managed was excellent, the catering was excellent and people were well looked after. Everyone had a very good impression of the building and of the Parliament's and Executive's administrative staff, who made the event work. People were very content with that.

**The Convener:** I ask Stephen Imrie to respond briefly to the factual points that you raised.

**Stephen Imrie (Clerk):** Members can rest assured that all five main business organisations and the Scottish Trades Union Congress were fully consulted on both the theme and the format of the conference, and consequently some elements of the draft programme were changed. If the committee and ministers decide to hold a similar conference next year, my intention will be to arrange meetings with those organisations within the next few weeks both to get formal feedback from them on this year's event and to ask for their ideas for the theme and format of any subsequent event. Although the event is organised by the Executive and the Parliament, the people who shape and run the event are informed by a third strand comprising the business organisations and the STUC.

**Murdo Fraser:** I have one further question. Did 35 MSPs actually attend the event on Friday or is that the figure for the number of MSPs who were expected to turn up?

**Stephen Imrie:** On the Friday, I counted 35 MSPs in the chamber and in the gallery when I did a rough head count to inform the Presiding Officer.

**The Convener:** I think that not all of them participated in the working groups. Perhaps that is

why people gained the impression that a lower number of MSPs were present.

**Susan Deacon:** I agree with everything that Murdo Fraser said, which is a cause of some concern to me—

**Murdo Fraser:** And to me.

**Susan Deacon:** Fair enough.

I will race through the six points that I noted down. First, on MSP attendance, we should be prepared to acknowledge that attendance was good and we should feed that back. I appreciate that other guests at such events might expect most of the 129 MSPs to be present, but we know that MSPs have many calls on their time and are in demand in their constituencies on Fridays. It was good that 35 MSPs attended. As I recall, we also had a good spread of MSPs from across the parties. That was a positive.

**The Convener:** It was also good that half of the Cabinet attended on the Thursday night.

**Susan Deacon:** All of that signifies that the event is being taken seriously and has become firmly established, which is very positive.

On the length of the event, I think that the lunch-time finish was right. That was much better than ending up with a creeping death in the afternoon,

The balance between the plenary sessions and workshops was definitely out of sync, but the problem was not just the length of the plenary sessions compared with that of the workshop sessions but the lack of—Murdo Fraser used the word “spark” but I will use a different term—focus and challenge. I certainly picked that up from speaking to people who had attended both last year’s event and this year’s event, although I appreciate that such impressions can depend on the individual. I am surprised that the feedback that the convener picked up was that this year’s conference was the best so far. Those to whom I spoke who had attended both events said that, although they still valued and benefited from this year’s event, they had not found it as rewarding or as productive as the previous year’s conference.

During the lunch-time chatter, some people said explicitly that they were strongly aware that many people had just played safe because of the media coverage of last year’s event. That raises some issues. I hope that future events include within their design—as I think happened last year—an element of asking speakers to be challenging. I do not know to what extent last year’s success was due to accident or design but people certainly got that sense. We need to be willing to have an element of being challenged, not for the sake of it but because we want to provoke a higher level of engagement and the action that flows from that.

Finally, I feel that the discussion groups needed not just more time but better processes for getting more focused outcomes and, in turn, a more structured process of follow-through and feedback. Techniques and methods could be applied to make that happen.

Without question, the conference is now an established event. The important thing is to ensure that it continues to be dynamic and to move and develop. It must not become too cosy and complacent, with people just going through the motions. There is a danger of that, but I hope that it will not happen.

15:15

**Mr Maxwell:** I do not have much to add to what has been said. I was there on the Friday because there were some people from my region there and I talked to them during the breaks, although I was not in the actual sessions. The feedback that I got from two or three other MSPs who were there, rather than from the businesspeople, was that there were too many speeches and they were too long. They would have preferred a small number of keynote speeches that set the agenda and allowed the event to move on from there. That chimes with what some of the businesspeople told other members.

**Christine May:** I agree that the spark that we got from last year’s utterly unscripted intervention by Janette Anderson was missing. I will come back to the important theme that came out of my workshop and the one that my guests attended.

The attendance was good from ministers, MSPs and parliamentary staff. I recognised a lot of people around the building mingling with our guests. We need to consider the balance of time because there is not enough networking time—that is, time when our guests are not in plenary sessions or break-out groups and they have the opportunity to meet people from other businesses.

The speeches and the balance of the plenary sessions have already been covered.

I received the guest list on the day before the event. It would be useful for members to have it before that—even if on the basis that the list is only a draft—so that they can see who is coming and decide who they particularly want to talk to.

For me, the most important theme that came out of the event was skills. Perhaps it did not have the same spark as last year’s theme of procurement because it has been flagged up in other places. For example, I heard Murdo Fraser talking about it on the radio this morning. However, we heard in particular about the need to accelerate the work on science, engineering and technical skills.

I cannot remember the name of the speaker who talked about the ability to sell and to market—the lady in the black jacket with the cat brooch.

**The Convener:** Where was she from?

**Christine May:** I will go and check. Anyway, I have heard her speaking on the subject before and she is right. For every graduate, we allegedly need seven other people to back them up. Our ability to market ourselves and to sell was flagged up as a barrier by many businesses, including people who have started their own business. It is perhaps unfortunate that that point resonates with many other things that have come out about skills shortages in the past few weeks, so that it was not the big hit that it might have been, but it was certainly an important theme of the conference.

**Richard Baker:** The event was good and I congratulate all those who worked to organise it. However, the format seemed quite similar to those of the previous two conferences and there is a sense that the event needs to evolve and to have a greater focus.

I agree with the comments that were made about the balance between speeches and group work. The delegates from the business community want to feel more involved in the event. We must be careful about what feedback the delegates get. A couple of people said, "What are we getting out of this?" For some people, there is still some persuasion to be done on the event. I agree with Murdo Fraser's suggestion. If we are thinking about having a focused theme for the conference, it should come from the business community rather than from the Parliament because it is important to get buy-in from the businesspeople.

I also agree with Karen Gillon's point that it would be useful to have sectoral groups. There are so many people with different experiences in the groups and, because the groups are big, people might feel that they cannot get as involved as they would like. Perhaps it was because the groups were so big that people did not feel that MSPs were there. I certainly did not want to contribute in my group, because I realised that that would take away the chance for one of the businesses to contribute. About half the people did not have the chance to speak, so Susan Deacon's point about looking at how the groups work is pertinent. There should be either smaller groups within a larger theme or smaller groups overall. I do not know exactly how that could happen, but there needs to be more chance for everyone to contribute.

The final point is on the structure of the day. The businesses that I nominated came from the north-east and would happily have stayed longer than half a day, although I take Susan Deacon's point that we do not want a creeping death in the

afternoon. The issue could perhaps have been resolved with a better balance between group work and speeches in the morning session.

My overall point would be to look to business. A focus or theme is a good idea and we should see what we can do to maximise the potential for delegates to have their say. We also need to ensure that we feed the outcomes back to them, as that is key in retaining their commitment to an annual event.

**Shiona Baird:** I will try to be brief. I thought that the conference was extremely well organised. Everything ran so smoothly, which is a credit to the Parliament and the team. My guest was very impressed and thoroughly enjoyed the whole experience.

From the workshop that I was in, I agree with much of what Richard Baker was saying. I do not know why—I had better watch what I say—but there was not sufficient opportunity to join in. At one point, I asked a question that I hoped would get a good response from the businesspeople but, whether it was because of reticence on the part of the individuals present or something else, it fell rather flat. Somehow or other, we need really good chairs who are able to bring in comments from most people. The whole point of the groups is to engage.

Nobody has mentioned the Thursday night interview with Sir Tom Farmer. I was disappointed by the nature of the questioning, as it did not give Sir Tom enough opportunities to explain how he got where he is and to give advice to other businesses on how they can grow. I felt that there was too much emphasis on one particular line of questioning and that it was a lost opportunity. It was interesting, but I think that we could have got more out of it.

I was particularly interested by the comment from someone at the beginning of the questioning, who challenged the parliamentarians on whether the results of the conference would land in the waste-paper bin. That is extremely important: is the conference more than a talking shop or networking opportunity? Is there a defined outcome? We need to ensure that everyone agrees on its purpose.

**The Convener:** I have to admit that I thought that that individual was being pretty unfair. To be fair to ministers and other politicians, they took up procurement and other issues from last year. There is still much more to be done, but the one thing that cannot be said is that politicians did not listen last year. Everyone, with the exception of one individual, recognised that.

**Shiona Baird:** I am just saying that there was obviously a misunderstanding about the conference's purpose.

**Mr Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** To a large extent, I endorse what Shiona Baird just said about the first night. I do not know who designed the questions, and I do not want to cast any blame around, but they could have been more interesting. I do not know whether we gave Ms Smith the questions, but the interview was possibly something of a missed opportunity. It was almost along the lines of saying, "Spend a few moments telling us how great you are." I am being slightly facetious, but it could have been more informative.

What has been said about the break-out sessions is right. My group on infrastructure was too big and some instructions for those in the chair would have been helpful, covering basic points such as getting people to introduce themselves when they said something, which did not happen. I had Jamie McGrigor asking me, "Who's that?" and I did not know.

The danger is in the follow-up. There was a follow-up event on procurement. We need to ensure that in one or two months we feed something back to those who attended this year to prevent the feeling that it was a one-off event.

Those are just a few points, and I will rest my comments there.

**The Convener:** That feedback has been helpful.

As Susan Deacon said, the intention is for the conference to become a regular event in the parliamentary and business calendar, although we must ensure that it does not clash with the Institute of Directors conference next year. There was a problem this year mainly because of ministers' diaries. That brings me to my second point, which is that I hope that the committee agrees that we should suggest to the Executive that we fix a date sooner rather than later.

We all agree that more focus is required for the event and that we should try to draw the main themes from the business community rather than have politicians decide them. We all agree about the organisation of the workshops and the need to redress the balance between them and the plenary session. To some extent, the problem probably came from the decision to stop at half past 1 rather than 4 o'clock, which itself was a response to the feedback from the business community and politicians last year.

Is the committee happy for me to communicate with Nicol Stephen, who is the main minister for the conference, to try to set a date for next year? Like last year, we will involve the committee at all the crucial stages of deciding on the organisation, format and so on.

Jamie Stone asked about feedback, and we have guaranteed everyone who was there

feedback on what happened in the groups within a few weeks. Last year, we gave more feedback during the year, particularly on the procurement issue, to let delegates know about the procurement conference that was held, the McClelland report and so on. People got continuous rather than one-off feedback, and we propose to do something similar this year.

There is probably a case for having a one or two-day event on skills. There is a skills community in Scotland, which comprises partly business and partly providers. After last year we had a separate session on procurement and, with all the changes that are taking place, a similar event on skills might be useful. However, that would probably be after rather than before the election.

Bearing in mind all the points that have been raised, which will be fed back to the Executive formally as well, is the committee happy that we progress things and, working on the basis of the recommendations, start to organise for next year?

**Members indicated agreement.**

**The Convener:** With that, I thank the committee. I look forward to seeing everybody next week.

*Meeting closed at 15:28.*

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