

# **ENTERPRISE AND LIFELONG LEARNING COMMITTEE**

Wednesday 23 June 1999  
*(Morning)*

Meeting 1

£5.00

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## THE OLDEST MEMBER OF THE COMMITTEE:

\*Ms Margo MacDonald (Lothians) (SNP)

## COMMITTEE MEMBERS:

\*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)  
\*Miss Annabel Goldie (West of Scotland) (Con)  
\*Mr Nick Johnston (Mid Scotland and Fife) (Con)  
\*Marilyn Livingstone (Kirkcaldy) (Lab)  
\*George Lyon (Argyll and Bute) (LD)  
\*Mr Duncan McNeil (Greenock and Inverclyde) (Lab)  
\*Dr Elaine Murray (Dumfries) (Lab)  
\*Mr John Swinney (North Tayside) (SNP)  
\*Elaine Thomson (Aberdeen North) (Lab)  
\*Allan Wilson (Cunninghame North) (Lab)

\*attended

## THE FOLLOWING MEMBER ALSO ATTENDED:

Mr David Davidson (North-East Scotland) (Con)

## COMMITTEE CLERK:

Simon Watkins

## ASSISTANT CLERK:

David McLaren



# Scottish Parliament

## Enterprise and Lifelong Learning Committee

Wednesday 23 June 1999

(Morning)

[THE OLDEST MEMBER OF THE COMMITTEE *opened the meeting at 10:45*]

**Ms Margo MacDonald (Oldest Member of the Committee):** Good morning and welcome to the first meeting of the Enterprise and Lifelong Learning Committee. Due to an emergency meeting—[*Interruption.*] Mr Lyon has arrived, just as I was about to excuse him. Now we are absolutely complete. David Davidson has also joined us, not as a member of the committee, but by exercising the right—as determined by the Parliament and the bureau—of any member to attend a committee meeting. He cannot vote, but we are delighted for him to attend.

Due to an unforeseen mistake on the part of the people who made the arrangements, I have been invited to chair this meeting. Rumour had it that I was the oldest member, but I am not going to quibble over that at the moment.

Before we start, I must say that in the event of fire, the clerks will escort us quickly and smartly out of the building.

### Interests

**Ms MacDonald:** We will start by taking the matter of registering interests very seriously, because this is an important committee of the Parliament.

**Marilyn Livingstone (Kirkcaldy) (Lab):** I have a contract at a college of further and higher education. I tendered my resignation on 7 May but I have not yet completed my notice. I want to register that interest just now, but I will withdraw it at the next committee meeting.

**Dr Elaine Murray (Dumfries) (Lab):** I am not sure whether this is relevant to the register of interests, but I am a former employee of the Open University and my partner works for a scientific research institute in Scotland. As the committee covers the science base, it might be necessary for me to register an interest because of my partner's occupation.

**Ms MacDonald:** I will jump in where you have left off. My partner is still a member of the board of Scottish Enterprise. Although he has submitted his intention to stand down, he will not come off the

board until October. In that respect, like Elaine, I have a tenuous link to the whole thing.

**Mr Nick Johnston (Mid Scotland and Fife) (Con):** I have to declare an interest as managing director of Eastern Holdings, which is an Edinburgh company that is mainly concerned with the distribution of motor vehicles. I intend to remain a director of the company, although, from September, I will do so in a non-executive capacity.

**Miss Annabel Goldie (West of Scotland) (Con):** I should declare that I remain a partner in my firm of professional solicitors in Glasgow. I retain a nominal involvement in the firm; in the unlikely event of any conflict arising I would disclose that appropriately. I have other interests: I am a director of the Prince's Scottish Youth Business Trust, a post that is unremunerated; I am member of the University of Strathclyde court, unremunerated, and I am also the vice-chair of the West of Scotland Advisory Board of the Salvation Army—also unremunerated.

**Ms MacDonald:** Thank goodness.

**George Lyon (Argyll and Bute) (LD):** I would like to declare that I am a partner of AK Farms, which operates some farming units in Rothesay, Isle of Bute.

**Allan Wilson (Cunninghame North) (Lab):** Given the remit and functions of this committee, I want to declare my prospective directorship of a charitable company called the Radio City Association, which has been formed to convert a derelict bingo hall into one of the nation's first healthy living centres. It is an unremunerated post.

**Mr John Swinney (North Tayside) (SNP):** The only interest that I have declared in the register is my continued association as a member of the Westminster Parliament, which will conclude in two to three years' time.

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I am pleased to hear that news about the Westminster Parliament. I am the proprietor of 52 Queen's Drive, Glasgow, where I practised as a lawyer. I remain a partner of Ewing & Company with a nominal involvement, similar to that expressed by Annabel.

I am also a member of the Federation of Small Businesses—which, I am pleased to see, is represented today by John Downie. I am also a member of the Scottish Council Development and Industry, the Forum of Private Business—which, I am pleased to see, is represented today by Bill Anderson—and the Law Society of Scotland.

**Ms MacDonald:** I am thinking that I should get them to declare an interest as well.

**Mr Duncan McNeil (Greenock and Inverclyde)**

**(Lab):** I have declared an interest as an employee of the General, Municipal, Boilermakers and Allied Trades Union, which will cease at the end of the month; I will not carry on with it after that. A constituency plan agreement is in place; the union supports the constituency with a small amount of money. That, too, has been registered.

**Ms MacDonald:** I think that that concludes that business.

**Mr Johnston:** Do we have to declare these interests again at the beginning of every meeting of the committee?

**Ms MacDonald:** I will take advice on that, but as Annabel said, if the description of a member's interests changes, we would all expect that to be declared at the start of the relevant meeting.

**Mr Johnston:** Yes, but we do not have to repeat what we have said about our interests at every meeting.

**Ms MacDonald:** We do not have to go through the litany at the start of every meeting, although members might want to refer to something that is relevant.

**Marilyn Livingstone:** Can I ask a question?

**Ms MacDonald:** Excuse me, but this is the first meeting in which the oldest member has been asked questions. Yes you can.

**Marilyn Livingstone:** I was going to say that I have a constituency-based agreement with the Co-operative party. I did not think that it was relevant but, in the light of other members' declarations, perhaps I should declare that as well.

## Convener

**Ms MacDonald:** As the committee knows, the Parliament decided, on recommendation from the bureau, that this committee would have a convener from the Scottish National party. Any members of the SNP willing to stand should identify themselves.

**Fergus Ewing:** I nominate John Swinney.

**Ms MacDonald:** Is that acceptable?

**Mr Swinney:** I am willing to accept nomination.

**George Lyon:** I second that nomination.

**Ms MacDonald:** Is anyone absolutely opposed to that?

*Mr John Swinney was elected convener by acclamation.*

**Ms MacDonald:** I congratulate you, Mr Convener, and I demit my temporary chair and power.

**The Convener (Mr John Swinney):** Thank

you, Margo. The greatest point of debate in the SNP group this week was whether Margo would vacate the chair at the appropriate moment.

I thank the committee and look forward to working with all its members. The committee system is one of the most critical parts of the process of establishing the Scottish Parliament. It must be an informative part of that process. We are in the fortunate position of working on a very exciting area of policy.

## Remit

**The Convener:** I want the committee to look purposefully at the areas of policy within the remit of the Minister for Enterprise and Lifelong Learning. I hope that we can add value to the debate that takes place between the committee, as an organ of Parliament, and the Executive.

Several topics of interest are suggested in the committee remit and functions paper that the clerks helpfully provided for us. There are three main groups. First, there is employment and economic development. Secondly, there is the strategy for the future of further and higher education. Finally, the umbrella over all that is the link between the business sector and the higher education sector and the ways in which we can maximise the opportunities that that delivers for the Scottish economy.

When the Government announced the structure of its ministries, there was debate about why the Ministry of Enterprise and Lifelong Learning had been established. It is an important part of policy to recognise that there is a direct link between the business and economic development sector and the higher and further education sector. I encourage this committee to consider how that linkage, and the opportunity for the development of links between those two sectors, may be established.

In the committee's remit and functions paper, the clerks have provided us with a formidable list of organisations that have something to say to us about these issues. Fergus mentioned the presence at today's meeting of representatives of the Federation of Small Businesses and the Forum of Private Business. If there are representatives in the audience of any other specialist organisations that we have studiously ignored, I ask them to accept my apologies. There is a large body of organisations in Scotland with which we can engage in dialogue in the course of our work, and I am sure that many of those organisations will be delighted to do so.

It remains for us today to examine the remit that has been provided for us by the Parliament, and the information that has been provided by the clerks to support that. We should have some initial

discussions about what we would like to do within this policy area and the work that we intend to carry out. I open that up to the committee for discussion, and will take general views from members before drawing some of those strands together towards the close of proceedings.

**George Lyon:** It is important that this committee interacts and enters into dialogue with business and business interests. In the run-up to devolution and the Scottish parliamentary election, there was scepticism about what the Scottish Parliament could do for the business agenda. Given that this committee oversees the main drivers or tools that can be used to help business to build a better Scotland and to provide better opportunities for the Scottish business community, it is essential that we bring those organisations on board quickly to work closely with us and to consult us regularly.

There is a long list of people who want to speak to us, but we should address the business agenda and its priorities quickly. Given the link between higher education and the enterprise remit, it is important that businesses are seen to have an influence on the debate. We can ensure that the right skills and requirements for the business community are delivered in higher education.

**Marilyn Livingstone:** Just as important is the issue of social inclusion. We must address further education, remembering that it includes community education. We should address the skill seekers programme. There are many ways of funding people who are entering further education for the first time. I would like us to consider all types of education.

We should consider joined-up policies on issues that concern people who are taking their first steps back into education and examine how we can best support the social inclusion agenda through training and helping people to get their first job or training place. Many people are not participating in jobs, training or education, and I would like this committee to consider how joined-up policies at a fundamental level can get more people interested and through their first steps. There will be an important link between the social inclusion agenda and the remit of this committee.

11:00

**Fergus Ewing:** I support what has been said. We need to consult business as soon as possible, as George Lyon said.

One matter that I hope this committee will consider early on—it would need to be early on—is the effect on business, and on small businesses in particular, of the impending revaluation of non-domestic rates. I was pleased to see that paragraph 7, on page 2 of the paper that outlines the remit of this committee, includes us in the

consideration of that important matter. The revaluation process is well under way. The evaluations are being done as at April 1998, and the process will be complete by April next year. In the past, there have been grave problems because of a lack of consultation and communication between the Government, the assessors and business organisations—at least two of which are represented here today.

If this Parliament is to have consultation as its watchword, it would be extremely useful for the business organisations that I have mentioned, among many others, to play a part in the process rather than learn about it as the revaluation notices hit their letter boxes. To examine this matter, we would need to resolve to take evidence on it fairly soon, perhaps early in the autumn. I hope that all the proposals that business organisations have provided will be considered by this committee in conjunction with the Local Government Committee.

I would like, briefly, to raise two other matters. First, I hope that the committee will be able to examine the impact on business of the law of personal sequestration, to consider whether that law needs to be reformed. Secondly, I am pleased that we have the responsibility to consider the activities not only of Scottish Enterprise, but of Highlands and Islands Enterprise. I am sure that it will not be long before this committee is invited to meet in Inverness.

**Miss Goldie:** I would like to follow on from the point that Fergus made. Another area of significant concern, particularly to small businesses, is the payment of rates on a property that cannot be disposed of. If that property remains occupied for more than six months, the owner begins to pay rates at 50 per cent of the assessed valuation even if they are neither earning from it nor have any activity operating from within it. I strongly support what Fergus said, and I think that we should consider that issue in conjunction with the issue that he mentioned.

We also need to examine the way in which we ask business communities in Scotland to function. We are aware that there have been huge changes as well as huge opportunities, and that the small business community is finding it particularly difficult to contend with some of the wider aspects of planning such as consent for development, an area in which we are beginning to get disparity in operation. That is posing a real threat to some of our established small urban and village communities. It is a broad issue to which there is no simple solution, but its consideration is relevant to the jurisdiction of this committee.

**Allan Wilson:** John—is it all right to call you John, or should I call you Mr Convener?

**The Convener:** Call me what you like.

**Mr McNeil:** No, do not do that. [*Laughter.*]

**The Convener:** I will answer to John.

**Allan Wilson:** I associate myself with your opening remarks, John, which I thought were apposite and got to the heart of what this committee is about. I believe that we have a role to play in maximising business opportunity in this country and beyond. There may have been raised eyebrows elsewhere when the link between enterprise and lifelong learning was mentioned, but that is something in which I believe wholeheartedly. I know that you share my views on the issue, John. If we are to be successful in building a knowledge economy in Scotland, it is important that we build on the links between higher and further education and the business sector. This committee can play a pivotal role in that.

I, too, saw the long list of organisations we are scheduled to consult, and I share everybody else's view that this committee should consult others as part of its deliberations. The Scottish Higher Education Funding Council is mentioned in the committee's remit paper, but there is no reference to the relatively recently established Scottish Further Education Funding Council. I know that colleagues in further education would want to be involved in consultation, as part of this committee's deliberations, as much as those in higher education.

The other arresting thing in the comprehensive list in the committee's remit and functions document, which I stayed up late last night to read, is the division of responsibility between this Parliament and Westminster, and the reference to devolved and reserved matters. It is important that we establish links early on with our counterparts on the Trade and Industry Committee at Westminster and—as has been mentioned elsewhere—with our counterparts in the Welsh and Northern Ireland Assemblies, so that we can maximise Scotland's business opportunities within the wider UK market.

**Ms Margo MacDonald (Lothians) (SNP):** Given the severe financial difficulties of most colleges of further education in Scotland, is it not a matter of some urgency for this committee to find out their state of readiness? We can pontificate until the cows come home about the nice, wee courses in tourism and so on that we would like colleges to provide, but if they do not have sufficient resources we will simply add more pious thoughts to what they have heard over the past few years. We should start with the colleges of further education.

**The Convener:** I will make a local point in relation to what Margo has said—I am sure that it will be reflected by other people's experience.

Perth College, which is in the constituency adjacent to mine, has some stiff financial decisions to make about its provision of services. As Marilyn said, there is a tendency in a lot of deliberations to skate over the further education sector. We must avoid doing that at all costs.

**Mr McNeil:** There is an issue here about access to learning and about developing the knowledge economy. We should examine why colleges such as Perth College are in such trouble, while colleges in my constituency are expanding, enjoying record levels of funding, and recruiting extra staff to enhance the quality of their courses.

Small businesses have been mentioned. My experience is in larger industries such as the whisky industry. In such industries, there are interesting examples of best practice in how major companies are reacting to the threat of globalisation and developing human resources—the partnership culture. Integral to that process is the provision of opportunities and access to training, promotion and everything else. Those companies are achieving big results from developing human resources; evidence of that should be presented here.

**Mr Johnston:** It is hard to disagree with anything that has been said in this meeting. I should have declared an interest in community education, as my wife is a community educator in Fife. I have seen some of the desperation that she meets among people who find it difficult to get on the economic ladder. I hope that this committee can do something for further education. The UK Government missed an opportunity by not letting further education colleges run the new deal.

This committee must dispel the cynicism of the business world towards politicians in general. By linking employers and trade unions through this committee at an early stage, we will indicate that we will be a power for good rather than for delay.

**Marilyn Livingstone:** My experience is, of course, in Fife; the college for which I work, as well as other colleges in Fife, all received extra funding for further education and for bursaries. There is growth in further education.

The problem in further education is that many different agencies are involved. As well as community education, which gives people their first steps in further education, there are enterprise companies, which fund or manage the new deal full-time education and training model and manage the skill seekers funding. We must consider the various types of funding for people who want to take their first step on the ladder.

There are now qualitative as well as quantitative measures of further education. I welcome the move away from bums on seats and towards quality education and training in the further



education sector. Although we have started the work that needs to be done, there is a lot still to be done. Working with this sector is an important part of this committee's work. Further education has sometimes been the cinderella service. It should receive the kudos that it deserves because that is so valuable.

**The Convener:** You mentioned, Marilyn, the role of further education colleges in delivering services, and the role of local enterprise companies. One of my major views about economic development in Scotland is that there are too many players—I do not know whether that view is widely shared. There is a need to consider how services are delivered, as there is such a plethora of choice that it is not always easy for people who are trying to gain access to training or further education to know where to go. It may help to consider some of the lessons of the new deal. One of the strongest aspects of the new deal is the single gateway, but some of the details are not so strong. Clarity is important for those who are trying to gain access to the system.

**George Lyon:** As we all know, extra funding of some £220 million, replacing objective 1 funding, was secured for the Highlands and Islands at the Berlin summit. That is welcome. Local enterprise companies have told me that the bidding process for that money is about to get under way. Does this committee have any input in or right to be consulted on the key priorities for allocation of that funding? This is a critical time, as decisions that are made now will be set in stone for six years. I think that we would like at least to be briefed on what the key priorities are—although I hope that we will have some input as well. What is the view of the convener on that?

**The Convener:** Decisions on European funding will be taken by officials at European level, with the participation of ministers in the UK and Scottish Parliaments. Our committee could certainly examine these issues, particularly in relation to the Highlands and Islands as they fall within the remit of the Minister for Enterprise and Lifelong Learning. There is no impediment to our hearing views and coming to conclusions that we could put into the process, even though decisions are taken elsewhere.

George has made a useful intervention. I suspect that there was the first outbreak of turf war in the Scottish Parliament yesterday when Rural Affairs Committee members—Elaine is on that committee—made the legitimate point that they have a perspective on the Highlands and Islands, which are excluded from their remit; Highlands and Islands policy is one of Henry McLeish's responsibilities and therefore falls within the remit of this committee.

I propose to discuss with the Convener of the

Rural Affairs Committee how we approach the review of Highlands and Islands policy to ensure that we have a sensible way forward. We do not want two committees considering the same material, with all the chaos and bureaucracy that that would entail. That is an issue that I want to flag up to the committee today, and one that I will resolve with Alex Johnstone, the Convener of the Rural Affairs Committee.

11:15

**Dr Murray:** I would like the committee to ask some fairly rigorous questions during our deliberations. I am sure that all of us who have local enterprise companies in our areas are pleased to see extra money being allocated to them. However, we need to ask how successful those companies—and any other bodies that are receiving money to create jobs or training—are in attracting new jobs and new industries.

Industries in areas that are doing quite well often complain that they do not get support because everybody concentrates on allocating money to reverse crises. Sometimes, companies that are doing quite well but which could do with a bit of extra help to expand and take on more people are ignored. We ought to be able to ask rigorous questions about that.

The commercialisation of science and the way in which we use our science base must also be examined. Is everybody just dashing along the road to a science park without thinking about how successful it will be in creating new industries? We need to analyse the situation and examine how successful such initiatives are.

**Elaine Thomson (Aberdeen North) (Lab):** I am pleased that these two areas—enterprise and lifelong learning—have been put together. Obviously, as other members have said, the links between education and enterprise are important, as is the whole business of training to get people into work.

We must also examine training for people who are in work. It was suggested that this committee might look at such matters as the knowledge economy, globalisation and e-commerce. There are specific training issues for people while they are in work, in subjects such as information technology; we can assist both large and small businesses to gain the skills that they need to remain competitive and to ensure that their employees are well trained. Over time, I hope that we will consider those matters.

**Ms MacDonald:** I would like to go back and ask George Lyon exactly what he was thinking of doing. What would he have wanted the committee to do in relation to applications that might come from local enterprise companies?

**George Lyon:** The indication that the local enterprise companies have been getting from Highlands and Islands Enterprise is that there is already prioritisation on the bids that are likely to be accepted, and the issue of how to write bids that are likely to be successful has been raised with me. The inference that the LECs were being given was that infrastructure was not the sexy project that would manage to secure a successful bid.

I have to ask who is defining that prioritisation. Can we have some sort of explanation as to why that is the case? It is not a European decision; it has been made by the Highlands and Islands Enterprise network, acting as the funnel to receive all the bids, process them and make decisions as to which ones will be successful. That is a European matter, but if we are getting the clear steer that certain projects are ruled out before we even start, that is a matter for concern, certainly in my part of the world, because we have an opinion on the matter. There is also a time scale to consider, because the bids are being sought at the moment, and that sets in stone what the agenda will be for the enterprise companies in terms of spending over the next few years.

How that money is spent is crucial for the economic development and future prosperity of large parts of the Highlands and Islands, some of which are very fragile and extremely poor, as recent economic surveys have shown. Could we have some input into that matter? There is a time scale issue to consider, and I wonder what the convener thinks.

**The Convener:** I want to draw this discussion to a close shortly and begin to consider where we go from here.

The issue that George Lyon raises falls into the category of subjects that may be within the remit of more than one committee. Margo MacDonald mentioned funding for the further education sector and George is raising the issue of applications for European funding support for the Highlands and Islands. We have to decide what the committee has the capability to do, in the short term and in the medium term, and how we can best handle our work load.

We shall come to those issues shortly, but first I shall take any further general points.

**Allan Wilson:** I return to the point that you made, Mr Swinney, about the single gateway for the new deal and its benefits for the training system. Although the Parliament, understandably, has been preoccupied with tuition fees to the exclusion of other higher and further education issues, I am encouraged by the fact that we have been discussing the formulation of training policy without reference to tuition fees.

I would like our committee to bring together all those involved in the formulation and implementation of training policy—local enterprise networks, local authorities and further education colleges—to introduce co-operation and partnership so that the nation's future training policies are formulated with all those interests in mind. I see that as both a short-term and a long-term objective of the committee.

**The Convener:** I take that point on board. I would like to think that, as a result of our deliberations, we can produce some work that reflects on the plethora of organisations and approaches in this sector and can clarify the situation for individuals who are trying to gain access to training. If that is an output of our work, it is a very good output to have under our belt. The points arising from Mr Wilson's contribution are among the things that we will want to consider as a committee.

**Ms MacDonald:** We are talking about lifelong learning, and perhaps I should have declared at the outset—

**The Convener:** Are you still learning?

**Ms MacDonald:** Aye, still learning. Although I agree with what Allan Wilson said about training, I think that we must encompass, in our own appreciation of the ethos of this committee, that it is about learning, and about learning for the sake of learning.

One of the downfalls of the whole training programme—no matter whether it is called the new deal or something else—has been that some people have always felt that they were somehow conned because they trained and did not get a job at the end of it. I would like folk to think that they are going to learn. Even if they do not get a job at the end of it, at least they will have learned something. People must appreciate the value of learning and knowing things.

We have an increasingly older population. If we really mean it when we talk about lifelong learning, it is not about just training younger people for jobs or training difficult-to-employ people for the work force; it is about keeping society together by sharing the technology that leads to greater knowledge and understanding. I am sorry to sound a bit airy-fairy about this. I am not airy-fairy about it at all; I would make everybody learn.

**Marilyn Livingstone:** In Fife, we had a vocational and educational training strategy whereby we did as Allan Wilson suggested, bringing together all the organisations involved, including the Employment Service and the Federation of Small Businesses. A lot of resources are being allocated to training but, as Margo MacDonald said in her comments about lifelong learning, that has to be linked to the jobs that will

be available in that area if people are to go on to gain employment. When we consider training, it is worth looking at the enterprise area and working with the business community.

In the college at which I work, hundreds of people want to study child care and beauty. I do not know why; perhaps they like the subject name. However, students must be realistic. If they want to have a marvellous learning experience, that is fine, but we must be honest with people who come in to do that training and tell them that Fife, Edinburgh and the Lothians can sustain only a certain number of jobs in beauty. We cannot train 560 people, because there are not 560 jobs.

People want different things when they come into learning. Some come in because they want to learn, but others desperately want to change what they do and gain employment.

Allan's comments on bringing people together were good. I agree that the gateway to the new deal is a good thing, because it gives people a choice, but one of the frustrations that I have is that the new deal is not available to 16 to 18-year-olds. As Allan suggested, we need to examine the anomalies by bringing different organisations together. That would be a good way to move forward.

**The Convener:** With regard to Marilyn's points concerning the practice in Fife, there might be an argument for asking whether that best practice is used everywhere. I suspect that it is not. Lessons can be drawn from that.

**Miss Goldie:** Turning to the enterprise aspect of the committee's work, there is a tremendous need for, and a huge obligation on, the committee to be taken seriously by Scotland's business community. We cannot assume that that will be the case, just because we are a group of MSPs who decided to form the Enterprise and Lifelong Learning Committee.

I hope that two things will happen. First, it would be sensible to prioritise the bodies that we will consult and from which we will seek information, because there is a danger—with all the other pressures on us—that the committee will get bogged down in administrative work. It might be helpful to prioritise as quickly as possible the organisations that we will consult.

Secondly, I was interested to read in the description of committee location and travel that while formal committee meetings must take place at a location approved by the bureau, there is facility for informal meetings to take place throughout Scotland. I believe firmly that if we are consulting some of the business organisations in Scotland, such as the Federation of Small Businesses or Scottish Enterprise, there will be much merit in trying to conjoin that with a visit to a

member of the business community or to a workplace. Two things will happen: it will be more meaningful to us and it will be more significant to the member of the business community or the group that we are consulting and from which we are seeking guidance or information.

**The Convener:** I will take one last point on the general area of the committee's work and then I will start to draw things together.

**Elaine Thomson:** I will follow up some of the things that Marilyn said. She is right; learning for its own sake is valuable, but mostly people go into training with a view to getting a job. The committee could examine the fact that areas of the economy have skill shortages. People are desperately seeking jobs, and jobs are desperately seeking people. One of the difficulties that people have in certain areas is that employers will not take them because they do not have experience, even though they have the qualifications. Anything that can be done to address that issue—improving ways in which people can find employment and assisting employers in filling jobs—is worth while.

**George Lyon:** Following on from what Annabel Goldie said, we are faced with a range of issues. So how we will prioritise? Timing is a factor in some of the matters that were raised, so what is the decision-making process to identify priorities?

**The Convener:** Let us draw some of this together. I have jotted down a number of issues from the many contributions that will go into the *Official Report*. Reports from yesterday's committees were published today. I must compliment the official report on generating reports so promptly. We will see our report tomorrow and we can study the detailed contributions of members then.

The main strands of thought that have arisen are business involvement; the recognition of the further education and community education sectors and the link to social inclusion; the role of the enterprise network and an evaluation of its performance; the Highlands and Islands dimension, particularly the issues of an immediate nature that were raised by George; and the other short-term issue, the funding of the further education sector. Those were the main discussion points.

11:30

In terms of where we go from here, we are close to the recess and I will take members' views on what they want to be done over the summer. Other committees have decided to meet over the summer, so it is up to us to have a discussion on that issue.

We have an extensive list of areas of interest on

page 6 of the committee remit document that we received from the clerks. We would all benefit—and I want to make sure that all committee members can take part in discussions on the same basis as everyone else—from having more detailed background briefing papers from the clerks on almost all the subject areas of interest, so that early in the summer recess we receive a paper, or an e-mail if it suits, on the subject areas that are before the committee.

Perhaps we should get together towards the end of the recess to take some informal soundings on the areas of interest. That might mean hearing from the director of strategy of Scottish Enterprise or Highlands and Islands Enterprise, or from business organisations or representatives of the further education sector. When we come back after the recess, we could have a formal hearing with the minister to get his side of the argument in terms of where the remit is going. At that stage, we could decide our areas of inquiry.

We shall probably not decide our detailed areas of inquiry until early September. In gauging the opinion of the committee, I sense that that may be later than some members wish, but it might be difficult for us to agree and define today the areas of inquiry that we want to undertake. Notwithstanding that, we could ask the clerks to do some research for us on the issues that George raised about Highlands and Islands funding and that Margo raised about the further education sector, so that we have a standing start on those subjects when we return after the recess. I will throw those suggestions open for discussion, which I will draw to a close in just over 10 minutes.

**Allan Wilson:** I agree with all that, but perhaps in addition to the matters that we touched upon today we could have papers on the other two main areas that are devolved to us—financial assistance to industry and tourism—so that next time we meet we might be in a better position to prioritise within those subject areas the areas that are most pressing for our attention. There is an obvious linkage between what we have discussed on tourism and financial assistance to industry. If we had general background papers on those issues, at our next meeting we would be better able to prioritise the areas that we should address.

**Dr Murray:** I agree with Allan that tourism is an extremely important area of economic development in Scotland, particularly in areas such as my constituency, so it is important that we do not lose sight of the importance of the tourism industry to the Scottish economy.

This is quite unrelated, but what are your views about the frequency and the location of meetings? Are you envisaging that we visit other areas? Could the committee be based somewhere else?

**The Convener:** The advice that I have had on the frequency of meetings is that it is likely that we will meet fortnightly during the session. This committee has a vast amount of cross-membership with other committees. I am advised by the clerks that this is the worst example of members of a committee being on other committees as well. That gives the clerking team scheduling difficulties, so it is likely that we will meet on a fortnightly basis.

I have no fixed views on location, other than that we must ensure that we take our work to different parts of Scotland. For example, it would be ridiculous to meet members of Highlands and Islands Enterprise in Edinburgh. Perhaps we could meet them in Tighnabruach if appropriate accommodation was available.

**Mr McNeil:** I agree that we need to pause and reflect on how we go forward. Much has been said about our credibility. It will come down to whether we make a difference in enabling people to influence the decision-making process.

I get a bit worried because we all have our hobby horses and particular interests, which has come out in our initial anxiety to make a contribution to the committee. You mentioned that there were several main points, Mr Convener. They were main points of discussion—but are they necessary priorities that we would wish to pursue?

The other aspect that we must develop is how to give the organisations that we have mentioned, such as the Scottish Trades Union Congress and the Federation of Small Businesses, an opportunity to shape the agenda of the committee, its priorities and our eventual work programme. If we go up and down the list of organisations and issues that have been mentioned by us, we will not go forward but go round in circles. If we force those organisations to accept the responsibility of participating in the process, they must decide what their priorities are as well, and we should try to pursue those priorities with them. We must have a structured approach to our programme; at this point, getting that right is more important than how often we meet.

**Fergus Ewing:** I echo what Duncan said. We want to find out what the FSB and the STUC think should be done. We could do that quite simply by writing to all relevant bodies, those identified in the papers and others that members could suggest to the clerk, and asking them what they think should be the remit and content of the discussions of this committee. After all, that would include everybody.

We should decide what can be done, so I refer to specific matters. I echo George's concern that the committee has an opportunity for input into the decision on how the objective 5b and objective 2 funding is used. I met Jacqueline Wright of

Lochaber Ltd, the local enterprise company, on Monday, so I know that there is strong support for the money to be used for infrastructure projects—on various important roads throughout Scotland, for example. I suggest that if we are to meet fortnightly, we could have a meeting in Inverness in September, when we could meet Highlands and Islands Enterprise and perhaps also take up Annabel's suggestion of visiting a local business. I could suggest several to the clerk if that meets with approval.

My second specific proposal is with regard to the clear concern of business organisations about the rates revaluation process. We should look at that quickly, otherwise it will be too late. It may already be slightly late in the day to do what we would really like; none the less, if we are to be taken seriously, we should show business that we want to hear what it proposes for the business rates revaluation. I propose that we invite contributions from all interested bodies in Scotland on that, on the rating of unoccupied premises, and indeed on rating as a whole. We should also plan a committee meeting in September or October to consider the matter.

**The Convener:** I want to draw the discussion to a conclusion as we have only five or six minutes left.

Several things have come out of the discussion. Duncan expressed the view that he did not want to agree the basis of our inquiries until such time as we had heard from a number of organisations. That would mean, if we are practical about it, that we would be discussing our priorities some time in September. It would be helpful if we did that having heard from the Minister for Enterprise and Lifelong Learning as well. I recommend that we agree our priorities in early September, having heard from a number of organisations and the minister.

I would also like to take up the suggestion that I write to the organisations that are listed, and any others that members wish to suggest to the clerks, inviting them to make a submission to the committee based on the remit, which we will make available. That will probably be by the end of July or early August. The submissions should then be made available to members towards the end of the recess. Drawing on those submissions, we might arrange an informal meeting before the end of the recess—although very much in the latter part of the recess—at which we would hear from a number of organisations. We could then hear from the minister and take our decisions about priorities.

**Mr Johnston:** Submissions should be on one side of A4. We really do not need any more thick briefing documents from organisations. There will be a lot to take in.

**The Convener:** Aye, to err on the side of brevity—that will be a challenge.

**Allan Wilson:** It sounds eminently sensible for us to establish our priorities with the benefit of the background briefings and being able to hear from the people directly concerned. I would add Labour's concern—and indeed all-party concern—about the division of objective 1 funding. I have a personal interest as two islands in my constituency might qualify. If we get some progress on that in the interim, so much the better.

**The Convener:** On written briefings, I suggested to the clerks yesterday that they give us some more background information on all the policy areas at some stage over the summer, so that everyone has a chance—at leisure—to get up to speed on all the issues.

The specific issues that have been raised today should be subjects for notes prepared by the clerks at an early opportunity. Those subjects include Highlands and Islands European funding; the further education sector; tourism; financial assistance to industry; and the rating revaluation issue that Fergus and Annabel raised. I am sceptical about how much formal input we can have as a committee into that last process—but our indication of interest and our willingness to look at the issue later in the year will be well noted.

Are there any further points?

**Mr Johnston:** Speaking from experience, I suggest that this committee must react quickly with the Education, Culture and Sport Committee. As an employer of 500 people, one of the big problems that I have is choosing school leavers for apprenticeships, because the standard of people leaving school at 16 is appalling. When I hear the statistic that 25 per cent of pupils in the west of Scotland leave school unable to read or write, it does not give me great hope for the future generally and for the future of our businesses. An early joint meeting with the education committee to express our concern as a business committee about the standards of education would be welcome.

**The Convener:** We can tackle that issue in due course.

I thank members for their contributions. The clerks will be in touch about arrangements for paper or e-mail briefing over the summer and for a meeting towards the end of the recess. I thank the clerks for the preparation that has gone into the meeting today.

*Meeting closed at 11:44.*



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