

ENTERPRISE AND LIFELONG LEARNING COMMITTEE

Wednesday 15 September 1999
(Morning)

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ENTERPRISE AND LIFELONG LEARNING COMMITTEE

3rd Meeting

CONVENER :

*Mr John Swinney (North Tayside) (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)

*Ms Margo MacDonald (Lothians) (SNP)

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

*Dr Elaine Murray (Dumfries) (Lab)

*Elaine Thomson (Aberdeen North) (Lab)

*Allan Wilson (Cunninghame North) (Lab)

*attended

THE FOLLOWING MEMBERS ALSO ATTENDED:

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

Helen Eadie (Dunfermline East) (Lab)

COMMITTEE CLERK:

Simon Watkins

SENIOR ASSISTANT CLERK:

David McLaren

Scottish Parliament

Enterprise and Lifelong Learning Committee

Wednesday 15 September 1999

(Morning)

[THE CONVENER opened the meeting at 10:00]

The Convener (Mr John Swinney): Good morning, everyone. I want to bring the meeting to order and commence the proceedings of the Enterprise and Lifelong Learning Committee. All members of the committee, the public and the press must ensure that their mobile phones are switched off and that their pagers are switched to vibrate—a rule that I had better make sure I obey too.

The agenda for today's meeting has been circulated. We are joined by Helen Eadie, who although not a member of the committee has expressed an interest in our work. She is very welcome.

Miss Annabel Goldie (West of Scotland) (Con): Convener, David Davidson is hoping to join us later.

The Convener: Yes, David Davidson has expressed a similar interest and will be welcome if and when he is able to join us.

Work Programme

The Convener: The main item of business today is the committee's work programme up to Christmas, although we can look a bit further ahead if members wish. There are two relevant papers: the first is a methodology paper that sets out how we can go about our business and the type of inquiries that we can pursue; the second has been drawn up following our informal discussions with the minister a fortnight ago.

We may wish to consider some of the minister's suggestions, which may be relevant to the work of his department and of the Executive. At the conclusion of this part of the discussion, I hope that we can agree on the type of work that we will undertake between now and Christmas. I also hope that we can agree on the remit of any inquiries that we will undertake during that period, and that we can give guidance to the clerks on the type of witnesses that we want to invite to the committee in the course of those inquiries.

Before we go through the two papers in detail—I expect that it will be a fairly long discussion—do members want to raise any points about the

papers or the process that I have set out?

Allan Wilson (Cunninghame North) (Lab): Are we discussing both papers together and then coming to a conclusion on both the methodology and the potential subjects for inquiry?

The Convener: It would be helpful if we could look through the methodology paper and decide whether we want to do, for example, two medium-sized inquiries or one large inquiry and one smaller inquiry. We may want to do one major piece of work leading to a report, and have three or four meetings at which we take evidence so that the views of particular organisations appear on the public record. A number of organisations have expressed a desire to make representations to the committee, and we have to decide how to absorb that input.

George Lyon (Argyll and Bute) (LD): In the paper on methodology, five further Wednesday morning meetings are scheduled before the end of the year. From your experience of how long inquiries at Westminster usually last, will five meetings give us the chance to undertake a big inquiry, or should we be thinking about doing a couple of small ones? We need to consider the experience south of the border to enable us to decide.

The Convener: Can we address the work programme and the suggested sequence of meetings on page three of the methodology paper. I want to make one comment and then we can talk about the rest of the paper. I am keen to ensure that we deliver on our commitment to undertake consultation in the Highlands and Islands before the turn of the year. It would be regrettable if we were unable to do that.

Having said that, with the remaining scheduled Wednesday meetings, we probably have enough time to do one other inquiry. We would have the opportunity to meet nine groups or individuals to take evidence. We could have a detailed dialogue, which would give us a reasonable evidence base, in addition to any written submissions that would be available to committee members to read at any time. We could then reach our conclusions about the area of work before the turn of the year.

Once we see how that pattern of activity is working out, there may be the opportunity to have a couple of 45-minute meetings on non-related topics, when we can invite organisations to meet us and give a 30-minute presentation on their areas of interest. A degree of balance is required. It is difficult to give a definitive answer to George's question without knowing the subject of the inquiry that we will embark upon. The paper refers to a number of subject areas for which we could spend a lot of time evidence gathering if we wanted to do the job properly, which obviously is what we want

to do.

Ms Margo MacDonald (Lothians) (SNP): Should we not put the horse before the cart and decide what it is that we want to do? That will dictate how long it will take.

The Convener: Let us look at the methodology paper, which gives us a feel for how we can operate. Then we can go on to the detailed discussions and come to some conclusions.

Before we slot in the inquiry that we wish to have, one matter that I would like to have the committee's agreement on is the suggested work programme listed on page three, which proposes fortnightly meetings, the Highlands presentation and the objective of coming to some conclusion on the inquiry before the turn of the year.

Ms MacDonald: Presumably we could put things into the pot and as a committee prioritise them, remembering of course that they will be affected by events, dear boy. Things might happen that we do not anticipate and that could move an issue up the pecking order. We may already be committed to a presentation on the Highlands and a study visit. We should tackle that in depth, because it is our big issue to be addressed before Christmas.

I can think of a couple of things that I would like to put into the pot. For example, a recommendation will be laid before the policy holders of Scottish Widows that they should agree to the takeover—or merger, or whatever they want to call it—by Lloyds TSB. I would have liked this committee to examine that matter so that we can produce an objective assessment. It would not be a huge task. I am sure that others will have other areas of interest. We could have one big inquiry before Christmas and then decide on the priorities.

The Convener: Okay.

Miss Goldie: As I understand it, this is an attempt to give us the basic machinery, within which we can flex. As Margo said, something that we all agree is paramount may demand our attention. In terms of the structure of our work programme, is that not a reasonable proposal?

The Convener: The committee controls its own work programme. What we have put together is one proposal that would see us completing an inquiry by the turn of the year. If the committee wants to conclude the first inquiry by Easter, it is within its control to do that.

I would like to talk some more about the paper before we have a detailed dialogue about the issues that are involved.

A number of issues must be borne in mind, some of which we have already touched on. It is my view, based on what the minister said to us,

that it is unlikely that we will have to allocate any time to consider legislation. Inquiry time is therefore at our discretion and disposal. Most of the activity in the minister's departmental area will probably relate to Executive action. There may therefore be no legislation in either year 1 or year 2, but the Executive can advise us about that.

The conveners group has made it clear that a certain amount of material will be referred to the committee from other sources. Some of that may be in the form of European directives referred to us by the European Committee, and public representations referred to us by the Public Petitions Committee. The convener of the Public Petitions Committee has made it clear that he wants other committees, so far as they are able, to give swift and prompt consideration to the petitions that are brought before the Parliament, and we want to respect that wish.

Our primary work load, over the next year, will be non-legislative and we will be able to pursue inquiries at our discretion. We have scheduled a meeting on a Wednesday morning once a fortnight. The clerks have had some trouble slotting everything together to arrange that, fitting in with members' other commitments, so we do not have a great deal of room for manoeuvre to schedule additional hearings. I do not want to schedule hearings that will automatically disenfranchise members who cannot take part because of clashes, so we must be aware of those constraints.

I have commented on whether we should conduct large or small inquiries; the committee must decide that. In our work so far, in the private session to hear representations from various organisations and the in the public hearing with the minister a fortnight ago, we covered a very wide canvas. I was anxious to ensure that we touched on each of the policy areas for which the minister is responsible. That leaves us with the essential frustration that we may not have drilled in as much detail as we would have liked in areas of interest. Our inquiries must therefore become much more focused and specific, with the objective of delivering some clear policy guidance to the Parliament, to ministers and to the wider public.

The other point about innovation arises from some comments that Annabel Goldie made at our first meeting. We must engage in dialogue with the wider community and take part in site visits to companies that may want to make representations to us. That will be an essential part of how we go about our business.

One point that struck me at the outset of our discussions at the first meeting was that there is a danger that we may look at the whole policy area as comprising an enterprise work load in one

compartment and a lifelong learning work load in another.

The purpose of the formation of the enterprise and lifelong learning department is to challenge that compartmentalisation, to acknowledge the relationship between enterprise policy and lifelong learning and to work on those linkages. I am anxious to inquire into subjects that enable us to pursue those links in our discussions.

10:15

We must avoid duplication on matters on which the Executive has triggered an inquiry. For example, the Executive is pursuing an inquiry on student finance, so there is no requirement for us to duplicate that. The Government is also reviewing the tourism sector, so again that is best left to the Government—there may be a role for us at a later stage in considering the formulation of the tourism strategy. The House of Commons Scottish Affairs Select Committee has also examined some issues recently; we may want to note some of its findings in our deliberations.

We should select topics on which we can add value to the policy-making process in the Scottish Parliament.

Page 3 of the first paper, on the methodology of the work programme, outlines the structure of the work load that we can undertake, with the objective of completing one inquiry by the turn of the year. The committee can decide whether that is a satisfactory work load. We will now have a discussion on the methodology.

Allan Wilson: The paper is laid out effectively, to help us come to a decision on methodology. You have mentioned the major factors that will influence our decision. I accept that balance between the enterprise and the lifelong learning aspects of our role is important. If we find a subject that combines both, so much the better.

I agree that it would be pointless to replicate the work of House of Commons select committees, Cubie and work that has been done on inward and outward investment. I hope that by the conclusion of our deliberations we will have made a difference, so it is important that we get our strategy right at the outset.

The proposed work programme for us between now and mid-December seems satisfactory. Whether to have an additional meeting in the October recess was discussed at the European Committee. I would not rule out having a meeting in the second week of the October recess, if our work load makes that necessary.

With the proviso of a possible additional meeting, should circumstances necessitate it, the work programme is fine.

George Lyon: I have no problems with the work programme, but it narrows down the subject matter of the inquiry that we can undertake. If we want to have a conclusion on an issue by December, it cannot be a wide-ranging inquiry.

The Convener: We can debate whether to conclude in December, as that date was chosen arbitrarily.

Mr Nick Johnston (Mid Scotland and Fife) (Con): I have no problem with the work programme. I agree with Allan that it seems fairly balanced. My only question is how long is it envisaged that we will tour the Highlands? I presume that it will not be a tour like Dr Johnson's. Will we spend a day or two in Inverness, or will we go to the west or east coast?

The Convener: We will come back to that.

Dr Elaine Murray (Dumfries) (Lab): I, too, am fairly happy with the schedule of work. At the moment, it is probably sensible not to add items that would require extra slots. We will probably find that some committees need extra slots while they consider legislation.

Because it will be difficult to travel away while the Parliament is meeting, it would be wise to have the housing presentation during the recess. We must have sufficient notice, however, as we must also include constituency business in our schedules.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I am very pleased that the committee has agreed to come to the Highlands and Islands as that will dispel some of the comments that have been made about the Scottish Parliament not being committed to, or interested in, the Highlands and Islands. That is most certainly not the case. The visit will not be Johnsonian in length, but it will, perhaps, be longer than a prime ministerial visit.

The key point about methodology that emerges from the paper is that this year we will have an opportunity to initiate legislation, rather than respond to legislation proposed by the Government. It is an opportunity that we will probably not have again in the four years of this Parliament.

Whatever subjects we pick, I think that the business community in particular would like us to bequeath something positive and demonstrably good for the promotion of business in Scotland, by using the initiative powers of this committee.

Mr Duncan McNeil (Greenock and Inverclyde) (Lab): I agree that both papers are well balanced and that we can proceed on this basis.

Margo said that small inquiries will give us flexibility to fit in important issues. I do not mention

this out of opportunism, but yesterday in my constituency National Semiconductor (UK) Ltd decided not to outsource the manufacturing of wafers at its Greenock plant—which it calls a spin-out. Instead, it decided to keep production in-house. It has decided to invest \$17 million in that plant over the next two years. I searched the papers this morning and could not find anything about that despite there being a press release.

There have been blows to the Scottish economy over the past year or so and sunrise industries are almost crumbling before our eyes. We must investigate whether there is a real sea change. We must get information regarding the fact that current opportunities seem to be different from those of six months ago. This committee should be interested in that changing cycle and contact the minister about it. We should also contact representatives of industry, if not National Semiconductor management.

There are wider implications. We need good structure and a secure work programme in order to proceed and to ensure good outcomes. Small inquiries will give us the flexibility to seize on issues like that and get something positive out of them.

The Convener: Are there any comments?

Ms MacDonald: I think that Mr McNeil is right.

The Convener: We must get to the heart of the issue that Duncan raises. How can a situation be transformed in such a short time, when at one stage it appeared that prospects were extremely poor? Why has this company had the confidence to give a commitment that a number of other companies might have been able to give?

Ms MacDonald: Let us take this as a case study. If we suspected that we might be able to be proactive on an issue and wanted information quickly, ought we to contact the minister, Scottish Enterprise or the local enterprise company? Who could we ask, to find out what is happening in their area and whether there has been a change in an industry?

The Convener: There are two avenues. First, committee members could do it. Duncan, for example, could contact the clerks and raise with them the issue that he has raised here. We could also decide to write to the parties involved—the local enterprise company or the minister—to obtain quick information for the committee, which could be circulated.

Secondly, we could build time into the structure of our meeting programme. We could, for example, spend the first two hours of each meeting dealing with our main line of inquiry, but keep an hour free to investigate topical issues that we think are relevant. Members could raise

subjects that we might want to consider in slightly more depth. We could have a meeting at which representatives of the company, Scottish Enterprise or the local enterprise company involved appear and are questioned for half an hour. We would not be reaching conclusions, but providing an opportunity for material to reach the public domain in a more formal way and examining issues through questioning in committee. That would be a useful way of responding to some of the issues that get lost because we are concentrating on other matters.

Mr McNeil: Can we take it that that will be done?

Ms MacDonald: We are doing it.

The Convener: We can build it into the work programme. I can ask the clerks to inquire into this case and to make their findings available to members.

Allan Wilson: Is that a form of rapid response in reverse? Are we proposing that we examine the rapidity of the Executive's response not only to large-scale industrial closures, but to major investment and job-creating projects?

Elaine Thomson (Aberdeen North) (Lab): My point relates to what Duncan has said. It would be valuable to follow up this case. This industry is subject to a constant cycle of boom and bust. I read recently that there is now huge demand for microchips for PCs and other computers and that the price is rising. That is why many plants are increasing or going back into production, which will have a knock-on effect on the price of computer hardware.

What this case demonstrates—and what this committee needs to be aware of—is the rate of change in the business world. We need to work out how that can best be responded to and how local and other companies can be supported to enable them to deal with it. Some of the changes are technological. Plants may be built to make something that is obsolete within 18 months. Getting in the investment to enable the plant to manufacture the next generation of the product can be quite difficult.

The Convener: That takes us on to the subject inquiries that we may want to conduct, but I take Elaine's point.

Further to Allan's comments, it might be helpful at this stage to agree on a process. If a member feels, like Duncan, that they have a specific issue to raise, they should be free to mention it to the clerks. The clerks, depending on their work load—I am anxious not to place enormous additional burdens on them, as they are very busy already—could pursue those issues on behalf of members, after discussing with me how much work needs to

be done and so on. Their findings can be made available to members on a continuous basis. At committee meetings we can then discuss what inquiries we want to make to follow up some of that material. Does that meet with broad agreement?

10:30

Allan Wilson: What sort of time scale are you suggesting? Would we need to give a minimum of a week's notice for an item to be included on the agenda?

Simon Watkins (Committee Clerk): The convener is indicating that we would undertake work outwith the committee cycle to provide members with what they ask for. That material would be copied to all members. I assume that members would need to give roughly a week's notice for an item to be included on the agenda, so that all members had a chance to read the papers.

The Convener: If we wanted to allocate an hour of our time every fortnight for a topical inquiry in which witnesses would appear before us, giving short notice would make it difficult for many of the people whom we want to see. On the other hand, there are many people who want to appear before the committee.

George Lyon: Before we move on, what Fergus said about the Highlands and Islands is very important. Do you have in mind a date when we could meet there? I also want to stress that the Highlands and Islands are not just Inverness. We need to bear that in mind when deciding where to hold the meeting.

The Convener: I was halfway through summing up our discussion of the work programme. Members' comments have been helpful. I take it that we are broadly agreed that we will complete one major inquiry before Christmas.

The one issue that we still have to settle concerns our meeting in the Highlands. When we planned our informal seminar in August, we felt that it was inappropriate to summon to Edinburgh Highlands and Islands Enterprise and other organisations representing the Highlands. I envisage at this stage a one-day exercise in information gathering. For the sake of convenience, it would be sensible for that to take place in Inverness—although it would not bother me if Highlands and Islands Enterprise and other organisations wanted to meet somewhere else. The aim of the exercise would be to familiarise the committee with the issues that the body of opinion in the Highlands and Islands would want us to consider as part of our on-going work.

The issue of visits outwith Edinburgh has been discussed by the conveners committee and the

Presiding Officer, and a process for securing agreement to such visits has to be gone through. I am anxious for us to reach agreement on this now for two reasons. First, as Elaine said, people's diaries are very congested and I want to give as much notice as possible. Secondly, we must jump through several hoops before we can establish that the visit is valid and legitimate. Because the minister's remit covers policy on the Highlands and Islands, it seems to me to be legitimate for us to want to have that area's perspective. Although this is something for the committee to decide, I would prefer the meeting to take the form of a public hearing.

George Lyon: We need to give a strong signal to rural Scotland that the Parliament will reach out and engage with it.

The Convener: Where are we now—Lochgilphead?

George Lyon: It is important that we do not get stuck in the mindset that we can meet only in Glasgow, Edinburgh or Inverness.

The Convener: I have an open mind on that and will take guidance from the committee on it. Fergus, I can feel a plug for Inverness coming on.

Fergus Ewing: I am pleased that we are going to Inverness. Further to George's comments, perhaps we can suggest that the Rural Affairs Committee visit Mallaig to see for itself the dreadful state of the road there. That would fit with George's desire for committees to meet outside Inverness.

The Convener: Thanks for that. Are there any other points on the methodology?

Mr McNeil: If we are to make a bid to go to Inverness, it would be useful to know what the terms of that bid will be. Will it be for two days? Will all members of the committee go to one venue? I would like to know what we will suggest.

Allan Wilson: I am in favour of taking the committee to venues outwith the Edinburgh-Glasgow-Inverness triangle. There are two islands in my constituency that would be suitable, and the isle of Arran combines the highlands and the islands in one place. However, in the first instance, I favour the Inverness option for holding a public inquiry, as that is more easily accessible.

Thinking back to when I was involved in other organisations, I suggest that competitive tendering would be a good idea. A lot of organisations are anxious to meet us and they might be prepared to make a contribution to the cost of our going to see them. That would minimise the cost to the taxpayer. There are a number of options, as Duncan said.

Dr Murray: Alan makes an important point

about the financial implications of trips. In the first instance, we should think about going to places that we can get to by public transport. There would be some media interest in MSPs tripping around in their cars and staying overnight in other towns. We have to demonstrate a desire not only to go out and meet people, but to be as frugal as possible.

Ms MacDonald: Excuse me while I take my hair shirt off. We should not approach the matter in this way. If the exercise is worth conducting, we should be prepared to pay the going rate for it. We have to have a clearly defined objective for going to different areas—I will volunteer to go to Inverness.

Mr McNeil: Reluctantly?

Ms MacDonald: I am not going to Millport.

If we have a clearly defined reason for travelling and the public understands why we are there, nobody will ask about the money. We should not kid ourselves that the public will be hammering at the door to get a look at us. Think of how many folk went to visit the Scottish Grand Committee when it went on peripatetic wanderings.

The Convener: This committee discussed the importance of properly looking at issues from the Highlands and Islands perspective. We deliberately did not invite organisations from that area to come to our seminar in August because we intended to visit the Highlands and Islands to talk to them. A number of organisations there have perspectives that relate to our remit—the University of the Highlands and Islands, for example, has an interesting perspective on the approach to the learning environment and would have a great deal to say to us. Highlands and Islands Enterprise has taken pains to express that it is a different organisation from Scottish Enterprise and there might be lessons that one enterprise company can learn from the other.

The purpose of the exercise is to familiarise the committee with the issues in the Highlands and Islands that are relevant to our remit. It is not a detailed inquiry; it is a one-day study visit to one place with a programme that—to take on board Elaine's point—allows us to use public transport.

The purpose of the visit is to ensure that the proper attention is given to a perspective to which committees in Westminster were not always able to give their full attention. We have the lead responsibility for Highlands and Islands policy in the Parliament.

Ms MacDonald: We cannot spend ages in the Highlands, so it will be difficult for us to cover the whole territory. I think that Marilyn Livingstone and I will want to have as comprehensive an examination as possible of the University of the Highlands and Islands. I would gain a lot from that and I am sure that other people would gain a lot

from examining Highlands and Islands Enterprise more deeply. If we segment the work in some way and report back to the committee, we might get more out of the visit.

The Convener: I seek agreement from the committee that we make approaches to the conveners committee and the Parliamentary Bureau to make that visit at a convenient time—ideally in the second week of the October recess—and that we arrange meetings with the organisations that have made representations to us. Is that agreed? It is agreed.

The next paper before us is on potential subjects for inquiry. In compiling it, the clerks and I considered all the issues that have been raised by members of the committee, by external organisations, by other members of Parliament and by the minister in his discussions with the committee. I do not plan to go through each point in great detail as they are fairly self-explanatory.

On Executive rapid response, we have had representations from, for example, shop stewards at Kvaerner about the situation during the summer—although the situation has improved since then. We have had representations from Clackmannanshire Council and the members of the Parliament—Nick Johnston, George Reid and Richard Simpson—who have been involved in the difficult economic circumstances in the area during the summer. We have put those issues in the context of economic dislocation, through either the loss of individual plants or the concentration of difficulties in an area. Ten years ago, when I gathered my experience of the economic development sphere, area economic development strategies were in vogue for dealing with such problems. Those strategies have become unfashionable now, but I wonder whether there might be some merit in them.

On the fourth point in the paper, Nick Johnston has suggested that the co-ordination and performance of economic development services in Scotland should be considered in terms of the effectiveness of the local enterprise companies structure.

The committee has discussed tourism, which is the fifth point. The minister is leading a consultation exercise on tourism strategy. There is a question about whether now is the appropriate time for this committee to become involved, given the recent select committee report from the House of Commons and given that a tourism strategy paper is due to be published at the turn of the year. We might want to become involved at that point.

Ms MacDonald: Tourism is important. I would like us to have a specific discussion on the marketing of tourism. I suspect that there will be

various opinions in the committee on the advisability of the approach to the marketing of Scottish tourism that the select committee recommended. I hope that it will be possible to arrange such a discussion, just so that we have a marker down on the subject.

10:45

The Convener: I shall conclude my comments on the paper and we shall return to some specific issues. We have had comments on the rates burden on individual companies, which comes under item 9 on our list of potential subjects for inquiry. Material on that subject has been given to us by the Federation of Small Businesses. The Confederation of British Industry has made other representations to us about economic statistics.

My final point relates to item 14 on the list: e-commerce. There is a reference there to the work of the House of Commons Select Committee on Trade and Industry in this field. I have twice tried to meet Martin O'Neill, the chairman of that committee, but on both occasions, for various reasons, I had to cancel the meetings. I want to have a chat with him to get up to speed with the work of his committee so that we can close off any issues that we may be duplicating.

With those comments, I open the discussion. I ask members to try to focus on the subject matter that we should examine in the period until Christmas—the broader inquiries and the more specific hearings that we could have on individual subjects. There might also be speculation about what we might want to knock into the work load for the start of the period from January. I welcome contributions. I also welcome David Davidson, who has just joined us.

Mr David Davidson (North-East Scotland) (Con): I apologise for my lateness.

Marilyn Livingstone (Kirkcaldy) (Lab): One of the issues that we discussed was maintaining a balance between lifelong learning and the enterprise sector. Members will not be surprised by what I am going to say. If we are to have such a balance, we should consider lifelong learning and accept that an investigation is under way only into higher education funding. That is an issue for this committee. I am not saying that it should be the first thing that we should attack, but, if it is not the first, I would like it to be the second.

There is an issue about post-school training below the level of higher education. I am talking about everything from special-needs training, community education and informal further education right through to higher national certificates. One of the documents that we received was from a Fife company, Inter-ed. Some of the statements that I am going to make are

reflected in that document, probably because my experience is from Fife as well.

We need a coherent and sustainable strategy for education, training and lifelong learning. We must consider a single gateway and funding mechanisms, and we must investigate all the options that are available to us. At the moment, the Scottish Qualifications Authority is considering a qualifications framework in which everything can be accredited, even a small course on computing. People who are coming back to lifelong learning find nothing more off-putting than having to repeat things continually. In line with the qualifications framework that is being introduced, and in line with the Scotcat credit framework, it is important that we investigate a fully integrated system—a single gateway—and the way in which we fund post-school training and education.

I am not saying that that should be the first item on our agenda, as it will need a lengthy investigation, but I want to flag the issue up as one that I want us to pursue.

Miss Goldie: I seek to broaden the discussion a little. I am very much in sympathy with what Marilyn says. My dilemma, when considering this issue, is that it is like being presented with a plate of my favourite cakes—I simply do not know which one to go for.

The Convener: So, you have 14 favourite cakes? [*Laughter.*]

Miss Goldie: With no difficulty.

The Convener: That is a few fewer than I have.

Miss Goldie: As a committee, we are anxious about the two audiences that are relevant to us: those who have an interest in lifelong learning and those who have an interest in enterprise. We need to reassure them that, in three to four months, we have been a good advertisement for what we are here to do.

This is my dilemma: when I look at the list of potential topics, I realise that there are two possible approaches. We could go for something that seems fairly neat and containable, but which is more reactionary than innovative. On the other hand, some of the topics are chunky and, as Marilyn indicated, give the committee scope for some really good, solid work.

My question—and I welcome the views of other members on it—is that, if we are to give a good advertisement for the Parliament and this committee by producing something that is genuinely positive, constructive and useful to the audience to whom we should relate, should we not be careful about our selection of topic, bearing those broad criteria in mind?

The Convener: My view is that the committee

should do exactly what you have said, Annabel. I think that all members would sign up to the test of whether something is productive and constructive, and whether it helps policy making and gives a signal to the wider community that this committee can suggest ideas that can make a positive difference. It is a question of what subject area we can use to express that point. That is the nub of it. Do you want to make some suggestions, Annabel?

Miss Goldie: Yes, I want to expand on that.

I am looking with great interest—and, I have to say, great personal selfishness—at topic 9 on our list of potential subjects for inquiry, which concerns our small and medium enterprises and rating revaluation. We know that there is a real and on-going agony in the small-business community, which could be aggravated by the impost of revaluation. SMEs make up a huge sector of Scotland's economic activity, and if we are to look at that sector, we should consider it fairly neatly and effectively in the short term. I would be interested in Fergus's views on that.

A lot of the information that we need is already available, but we must co-ordinate it. That offers the prospect of taking on something that is manageable, worthwhile to a significant part of our business community and will, I hope, allow us to come up with some sensible recommendations. I would plump for that issue as my first choice.

George Lyon: I agree with Marilyn. We must give a clear signal that we want to take a balanced approach to both of this committee's responsibilities. Workplace training is causing great concern in my part of the world. I spent Monday with Argyll Training, an organisation that has expressed great concern over some of the schemes and the way in which they are working.

On the business side, the biggest drivers, in terms of the levers that the Scottish Executive can use to influence the Scottish economy, are the economic development agencies, which are responsible for £0.5 billion of spending. If we, as a committee, are to get a fundamental knowledge of what is happening out there and how the Executive can influence economic performance in Scotland, that is the area that we must address as a priority. I appreciate that that is a big subject for us to tackle, but we must treat item 4 on our list—

“Co-ordination and Performance of Economic Development Services”—

as a priority.

Our understanding of how those organisations work, and of the effect that they have on the Scottish economy, is central to our ability to address the longer-term issue of the performance of the Scottish economy and how the Scottish

Executive can affect that performance. I appreciate that that is a big subject and that we may have to weigh up which issue to tackle first, but that is my choice.

Fergus Ewing: I echo the comments of all the speakers; we want a balance between lifelong learning and enterprise. I endorse what Annabel Goldie said: I would include item 9 as one of the points to be considered soon. The purpose of our considering such an issue is that we can look in detail at a problem that Westminster has never really dealt with. Andrew Neil asked what could we do that the Secretary of State for Scotland could not: this is one thing that we can do.

We should consider point 9 soon because the rating revaluation is to take effect from 1 April 2000. The committee may decide that one solution is to instruct the assessors about how ratable values should be calculated, for example. However, the matter could be influenced by the use of statutory instruments—the powers exist. If we want to consider de-rating as a solution, the timing is not so urgent, although it is fairly pressing none the less.

We could examine the issue in one meeting. We could take advice from relevant organisations such as the assessors, the Federation of Small Businesses, the Confederation of British Industry and others. That need not involve 20 or 30 witnesses, but perhaps only five or six, which means that it would not impinge on the meaty topics that George talked about.

We want to help small business and show that it is not just hollow rhetoric when we say that SNP members want this Parliament to work. Such a measure may help in that, which all parties would welcome. Working in a spirit of co-operation, we could even help the First Minister meet the elusive target of creating 100,000 new businesses by 2009.

Mr McNeil: The work of this committee will be best promoted if we stop making political speeches and focus on the issues. I do not think that anyone in this committee would disagree that each of the issues that are listed has merit. On Marilyn's point, I think that we have to strike a balance between enterprise and lifelong learning. I make a plea in support of points 7 and 8, which deal with FE expansion and finance and with workplace training. They could almost be merged, as there is a link between business and education—a to-ing and fro-ing—and many people come back to education through the workplace.

Allan Wilson: I agree entirely with what Duncan and George have said. It is important to get the balance right, as we said in our discussion on methodology. There are 14 important topics for inquiry, discussion and review. If they are 14

cakes, two of them are cream-cakes.

The Convener: That has to be this morning's last cake analogy. We will have to take a break at 11:15 for some pastries.

Miss Goldie: I have eaten the cakes, Allan.

Allan Wilson: My apologies to fellow members.

Point 4 deals with the co-ordination and performance of economic development services. I agree with George; the questions that are posed under that heading are crucial to the Scottish economy. Are there too many agencies delivering economic development in Scotland? Do they overlap? In the context of our saying that we should have meaningful discussions, I think that that is the point that stands out.

As Duncan and Marilyn said, point 4 is linked to FE expansion and finance and to workplace training, which should be combined under a single heading. Workplace training could be examined in an inquiry into the enterprise network, but it is probably better kept as a secondary priority.

I say all that with no disrespect to the relative merits of small businesses and rating revaluation, which, as Fergus suggested, could be dealt with as a single item using the convener's model of a rapid response for the committee's work programme.

11:00

Mr Johnston: I, too, have a lot of sympathy with Marilyn's point on lifelong learning. With item 1, we have the opportunity to consider a specific issue—members will not be surprised when I suggest Clackmannan. If we examine Clackmannan, which is a small area, we will be focused.

Clackmannan has 11 per cent unemployment, which is the highest in Scotland—this is not a political speech, Duncan—terribly poor infrastructure; a lacklustre enterprise company; and a council that lacks focus. We also have the great problem of the changing face of Scottish industry. The traditional industries have gone and the sunrise industries are coming up.

If we focus on Clackmannan, we could cover many subjects. We could consider the enterprise company, business trusts and the provision of lifelong learning in the community. We could touch on social deprivation and how we could help. That would pull in George and Allan's points on items 1 and 4. I am not sure whether we would be able to deliver meaningful reports by Christmas—we may need slightly longer. That would be my position on a major review.

Fergus made a good point when he said that small and medium enterprise rating revaluation would not take a great deal of time and so would

be a valuable point to slot in. From my experience, there are some anomalies in the rating system, particularly in relation to petrol stations where valuations are based on criteria that were set many years ago and do not meet the current economic climate.

The statistical information that we get is obviously important in making any judgment on where the Scottish economy is going, so I would like to make a plea for that.

Helen Eadie (Dunfermline East) (Lab): Members will not be surprised to hear two Fifers sticking together. I support absolutely what Marilyn said about training and lifelong learning. A couple of weeks ago, I was reading some of the papers the Confederation of British Industry has sent us. It highlighted the fact that the Western Isles, Strathclyde and Fife are the top three for unemployment levels.

In terms of the structural decline that has taken place across Scotland, one of my key concerns is regional aid. There is some urgency, because early October is when decisions are made at European level. Various papers have been made available to us as elected members. They say that regional aid will have quite a serious impact on some of our communities. The impact in Fife will be negative and that causes me concern. Is there any scope in our work programme to do something on that item as a matter of some urgency, because the decisions are to be made by October?

My second choice of topic for members' discussion and decision would be small and medium enterprise capital availability—item 6—in the context of training. In Fife, generations of people have been unemployed. They come from backgrounds where enterprise has been hindered because access to capital has been a fundamental problem. That links into the issue of poverty. We need to consider capital availability not only for SMEs but for people from disadvantaged backgrounds, because that links into poverty. Those are my two bids.

Something that is not on members' sheet, as I have only just finished a paper that I promised the clerk would be finished by last week, is co-operative developments and community business development. That is a sheltered environment for people who would not take the normal route to enterprise. At a UK level, the last co-operative development agency was disbanded in 1982 by the Conservative Government.

There is much to be said for helping people in a sheltered environment that embraces all the key players in the industry sector. That would include, in a co-ordinated way, universities, colleges, banks, local people and development agencies. I

hope that you, convener, will consider that in due course—although perhaps not as part of this programme. I will ensure that you get the paper as a matter of urgency.

The Convener: Thank you, that would be helpful.

Mr Davidson: As far as I am concerned, this committee is concerned principally with the creation of wealth and jobs; all things will flow from that eventually. We need to consider how best to get our heads round the tools that are available to us. Much of that has already been discussed.

Further to the comments on methodology, we could regard the enterprise network and the tourism support agencies in one light at this stage and consider such questions as whether we need to get close to them and how they are subdivided—but we cannot do that in a couple of weeks.

Margo mentioned the subdivision of labour in the committee, in the short term, to concentrate on the key, pressing areas. We all want everything done by tomorrow. It would be wonderful if we could go home at Christmas having done the job for the Parliament, but that will not happen. If people have expressed interest in specific areas, it might be helpful if they considered the local enterprise company system, or tourism support, or further education. For example, I could spend a day at a further education college, learn about all the good and bad things there and discuss the college's links with industry.

Our scope of work is one big mesh. A series of tools is available to us; we must decide how best to apply them on behalf of Scotland and how we can encourage others—who are not at our behest—to join us. I make a plea that we do that as early as possible by dividing up the committee and going off to do the job. We cannot cover the Highlands and Islands in a day; we have to subdivide our interests and report back. That should be one of the first ways of tackling our work and, whatever we do, we must take those who invest in business with us.

The Convener: I am anxious to keep us focused on the agenda and subject areas. We can return to other points later.

Dr Murray: I still favour point 4, partly because economic development services are also a matter of public interest. There is a public perception that economic development in Scotland may not be as effective as it could be. If we want to show that the Parliament is responding to the public's priorities, it is important for us to consider such matters.

Point 4 overlaps with point 1, which considers how to work with local communities in the aftermath of closures, but perhaps point 4 is a bit

broader. In some areas, the problem is not large-scale industrial closure but a series of small-scale closures. The smaller closures can add up to significant job losses in certain manufacturing sectors. If we pursue point 4, we could have a broader investigation but there may be a danger of it becoming so broad that we cannot cover the ground in the time we have set.

Ms MacDonald: I apologise for taking the biscuit. I did not realise that we would be discussing all the points in turn. I should not have spoken earlier about tourism. That was meant as a small additional point about timing and methodology.

We cannot escape from starting off with point 4. That is the basis for our work; if we start there, we will find that things flow from it. Point 6—on capital availability—is the hard-nosed bit that business people, and people who are thinking of going into business, will be interested in. In addition, there is the topicality of the SMEs and rating revaluation. We cannot ignore that—it is happening—and we will look like a useless crowd of political ornamentation if we do not face up to what business people are facing up to right now. Those are my priorities.

I would very much like to dive into lifelong learning right away, but this is about hard facts. People want to set up here because they say that we have a very well educated and prepared work force. That is why National Semiconductor is expanding.

The Convener: They will have their cakes, biscuits and political ornamentation.

Elaine Thomson: This is quite difficult for all of us because these are all good topics. What has been said about economic development agencies is correct. One of the essential elements of the knowledge economy that we talk about a lot at the moment is human capital—that means having well-trained people. It is about workplace training more than anything—that is one of the most important things that we should look at. I do not see why we, as the Enterprise and Lifelong Learning Committee, cannot look at that, together with the further education sector. Work and further education have to interact effectively.

As far as I am aware, Scottish Enterprise and many of the local enterprise companies have quite large budgets for training. If we are able to look at training and education, we could take that aspect of the enterprise agencies into consideration.

Marilyn Livingstone: I agree that item 4, on co-ordination and performance of economic development services in Scotland, should receive priority. I have no problem with looking at that first, as long as it is recognised that it leads on to what Elaine Thomson said about the need for further

education expansion and workplace training.

Ultimately, the organisations that fund much of the support for small businesses are the enterprise companies. They also fund workplace training and—in Fife anyway—the further education sector. That is not a plug because I represent Fife. I am serious—Fife has the FAST-TRAC model, which is different from models elsewhere in Scotland. That model, which represents an integration of the further education sector with enterprise company funding, might be extended throughout the country. That is quite radical and it is something that we might want to look at.

Economic development relies on sustainable lifelong learning and good training in our further and higher education institutions. One leads on from the other. We must never lose sight of the fact that enterprise companies are the major funders and players in both areas. Elaine made that point well. I would be happy to see item 4 taking priority before Christmas, provided that we qualify that by saying that we will take a serious look at the impact on further education expansion and workplace training, and any further impact on economic development.

Miss Goldie: To be slightly polemical, I think that item 4 is the most important subject. I did not choose it first because I think that it needs a lot more time than the period between now and Christmas. That is why I expressed a preference for item 9, on SMEs and rating revaluation. As a second topic—and one that will take a chunky period of time—4 is my choice.

The Convener: We have had a good expression of views. Marilyn's contribution was helpful in addressing the point that we have reached on this issue. There is a general view that we should take a good look at local economic development services. However, if we do that it is inevitable—as we reach the boundaries of that review—that we will touch on the issues raised by Marilyn. Those are important issues about the relationship with workplace training and how the different elements of funding fit together.

11:15

I have looked closely at the FAST-TRAC proposals and a lot of material has been passed to me by Roger Mullin, who is part of the Inter-ed company, and other contacts in Fife. That material has been made available to the committee. I have been fascinated by the innovation involved and level of agreement on the issue. However, I do not share Marilyn's optimism that that model has been extended throughout the country.

Marilyn Livingstone: I said that there is a proposal to extend it throughout the country.

The Convener: I qualify what I said. Whether such good practice will actually be extended is a big issue. In effect, three issues have attracted members: the economic development services; workplace training and a coherent education and training strategy; and issues relating to rating revaluation. We could not do the economic development services review without touching on the issues raised by Marilyn, and we certainly cannot do it before Christmas.

I put into the pot the suggestion that we draw those points together and conduct an inquiry into the delivery at a local level of local economic development and further education and training services in Scotland. That could be a longer inquiry, taking us beyond the turn of the year—we could not do it justice in three evidence-taking sessions. The clerks could look at when it would be credible to conduct all the necessary inquiries and come to conclusions. In the interim, we could do the exercise on rating revaluation that was suggested by a couple of members.

Allan Wilson: There is a specific reference to rating revaluation in the list of potential subjects. I have corresponded with the convener about some of the other matters we have discussed, such as the Scottish Qualifications Authority and whether the Education, Culture and Sport Committee should take lead responsibility for the development of higher still.

A similar question arises in relation to rating revaluation, in so far as it strays into the remit of the Local Government Committee. It could be argued that that committee should be the lead committee on rating revaluation. I would like that to be clarified by the two committees before we start to examine the matter. We should not look at it separately from discussions with the Convener of the Local Government Committee. The same applies to the Education, Culture and Sport Committee and higher still.

The Convener: That is a fair point.

George Lyon: To return to Margo's point, we set priorities and then the work load has to be shifted around. Although we would like to deliver some sort of definitive statement around Christmas to demonstrate that the committee has done some work, we should not let that get in the way of our priorities. A strong preference for item 4—and the concept of linking the enterprise network to workplace training—has been expressed. We should start the inquiry as soon as we can.

The Convener: Are you quite comfortable with my proposal about drawing those two areas together?

George Lyon: The links exist. We are going into a big inquiry, but it is the kind of thing that we

should be doing.

Ms MacDonald: Do you agree that it will incorporate some of the other issues anyway? Practically nothing will be left out.

Marilyn Livingstone: I would be happy to accept the proposal that we look at items 4, 7 and 8. They are what we have been discussing, and other items will impinge on them.

Fergus Ewing: To answer Allan's point, the issue of non-domestic rates involves local government, but the impact of it is felt by business. That has never really been looked at before. A report may offer a revenue-neutral proposal, but there would obviously need to be interaction with the Local Government Committee.

The scope of the inquiry could be relatively narrow, so it would not need to occupy too much of the time that is available, which is not a huge amount. However, if we do not consider the issue now, it will be too late and we will have missed the opportunity forever.

Miss Goldie: That is the difficulty. Fergus is correct: we need either to act now or forget about it. The imperative is to examine the small business sector and to offer constructive advice now. If we cannot do that, the issue almost slips off the agenda.

George Lyon: My understanding is that the Local Government Committee is debating local government funding, including rating. That is the relevant place to debate those matters.

Miss Goldie: It is considering the broad issue, George.

George Lyon: There will need to be discussions with colleagues on the Local Government Committee. There is no point in our work overlapping.

The Convener: The clerks have flagged up the issue of the potential overlap with the work of the Local Government Committee. I would certainly be breaching the agreements reached in the conveners group if I did not check with the Convener of the Local Government Committee. That is a piece of housekeeping that I will deal with immediately and I will confirm at our next meeting what discussions have taken place. We will need to wait two weeks for clarification, but I will try to make some progress.

Helen Eadie: If representations on regional aid are not made in October, we may as well forget about it. Once the map is set in stone, we are looking at five years down the track. We need to remember that member states, not Europe, set the priorities. We are talking about hundreds of millions of pounds of complementary support. That issue may cut across the work of the European

Committee. Given that the issue is so fundamental, particularly for local enterprise, we need to make an informed decision. At least if we decide not to do anything, and leave it to someone else, that would be a decision.

Ms MacDonald: The European Committee is taking a close interest in this issue. We have been pressing for details on how the map will look and so on. It would not go amiss to have a conversation with Hugh Henry, that committee's convener, pronto.

The Convener: I knew that the European Committee had been considering this question, but I did not know how closely. That is helpful to know. I will speak to Hugh Henry about the views of this committee. We do not want to overlap with the work of other committees.

Mr Davidson: For the business community, to whom rates are paid is almost academic. The issue is what they are based on, which is not necessarily within the remit of the Local Government Committee. Another agency is involved and we will need to deal with the Scottish Executive.

Convener, you must do what is required with the other conveners, but we should also ask the clerks to start considering from whom we should be taking evidence and come back to us at the next meeting.

The Convener: I want, first, to discuss the issue with the Convener of the Local Government Committee, to get some guidance on where it is on the subject. We will also consider the on-going preparation that will be needed for an inquiry.

Allan Wilson: It is hardly academic to the business community to whom rates are paid. That statement ought to be corrected for the record.

Mr Davidson: It is the rate that is important.

The Convener: Are there any other comments on the work programme, before I move on?

Mr McNeil: Yes. I see our programme as being fixed. We have taken on a big programme of work and—dare I say it—we cannot have our cake and eat it. We had a list of items for discussion and investigation, all of which had merit.

It is natural that some issues could not end up on the work programme. I hope that we are confident that we have a good work programme. It is all very well speaking to other committees, but if we open up the question of the work programme again, it may be for priorities other than the business rate. If we have any other time, my preferred add-on might be the European regional aid map or some other issue.

Ms MacDonald: It will be manufacturing, Duncan.

Mr McNeil: Or manufacturing. I might put in a bid for that to be in the programme.

The Convener: We have had a good discussion. We are largely agreed that we will undertake a substantial inquiry into the delivery of local economic development services and into the organisations that carry out that work. Additionally, as part of that inquiry, we will examine how workplace training is delivered and supported as a key part of the economic development strategy.

I will draw up a detailed remit, send it to members, ideally by e-mail—or e-commerce, if you prefer—and seek comments and agreement on it from members. I will want the remit to be formally approved as the first item on the agenda of our meeting in two weeks' time but, in consultation with the clerks, I would like individual agreement to the contents of the remit—and any comments or suggested alterations—in the next 48 hours. That will help us to define how we carry out the exercise.

If the methodology for agreeing the remit is acceptable, I will now take views from members on what people who wish to make representations to us we should see first.

Marilyn Livingstone: Can you clarify that you simply forgot to mention the further education sector? We agreed on items 4, 7 and 8.

The Convener: Yes. Effectively, the remit will be a merger of items 4, 7 and 8. I am anxious that we define a remit that structures exactly what we are examining and what our end product will be. That cannot be done by committee; we will need to go away and put the remit on paper and then get it to you so that it can be agreed in due course.

Elaine Thomson: I have just a quick point about the remit, which I am sure will be fine when it is drawn up. I hope that we will look into the large amount of workplace training that is delivered within companies. Also, a large amount of workplace training is delivered by external companies, and not just by Scottish Enterprise, local authorities or other agencies. The remit should encompass all the different training providers.

The Convener: I have noted that point.

George Lyon: It is very important that we should tackle the remit as a series of separate blocks, as the inquiry will cover a huge area. We could end up with a report that means nothing, and just skim the surface, as we tended to do in some of our initial discussions. The linkages within the remit are clear, but we will have to break the work load down so that we can get to grips with the issues that underlie the structures and come to meaningful conclusions. That may mean that the work programme goes over into next year and that

there are a series of breaks in which we come to interim conclusions.

I would be very disappointed if we ended up with a bland conclusion. That would mean that we had not got into the nitty-gritty of the issues. The committee must understand what it is talking about, understand where the levers are and how they work, and reach sensible conclusions.

The Convener: George has made a fair point. We are certainly no longer talking about completing an inquiry by Christmas—it will not all be over by Christmas.

Mr McNeil: Not by this Christmas.

The Convener: Perhaps by the next one, yes. Our programme will run well into next year and I am reluctant to fix a definitive end point. We must consider the volume of material that we will be surveying and the type of organisations and individuals that we want to see, and we must begin to schedule that work. The suggestion about interim conclusions in certain areas is helpful and may signpost some of the work that we carry out.

11:30

Fergus Ewing: You did not mention what the mood of the committee was in relation to item 9. There have been various views, ranging from the opinion that it is urgent to the opinion that we should not consider it at all. Either the meeting on 27 October or the one 10 November could be used to discuss the matter. I got the impression that that had been agreed, but is that your view?

The Convener: I do not want to give any agreement to taking steps on that, although the committee recognises that it is a serious issue, until I have had a chance to discuss it with the Convener of the Local Government Committee. To say anything before then would get us into a fankle. It will be an agenda item for the next committee meeting for me to report back on that and decide where to go next.

Ms MacDonald: That was a guru-like comment. *[Laughter.]* If we have bullet points on interim reports or comments on relevant matters, and if people recognise the work that the committee is doing, nobody will expect us to report quickly and people will not be disappointed in us if we do not report quickly. The essence of the Parliament's work is to do things properly. If we are seen to be doing our work, we should not feel that we have to hit a deadline.

The Convener: There will be great enthusiasm in the communities that operate economic development schemes in further education colleges and workplace training centres. They will be delighted that the committee has made their subject a priority.

The plethora of organisations involved in our exercise a month ago was bewildering, so we must approach this area carefully and in a constructive way to find a method of delivering services more effectively to give the public better value. Do members want to suggest any organisations that we should contact, or should I discuss the matter with the clerks and report back in due course?

Allan Wilson: The latter suggestion is probably the appropriate one at this juncture.

The Convener: Thank you. That draws the discussion on the work programme to a close.

Other Business

The Convener: Agenda item 2 concerns a number of business items. The first relates to the Procedures Committee. At one of our private discussions, George Lyon raised the issue of my convenership of the committee and my holding a front-bench position in the Scottish National party. I agreed that the matter should go on the agenda.

George Lyon: This issue is a matter of principle and concerns the duality of conveners' roles. Three committees are affected and it is not a matter that relates specifically to you.

I understand that the issue was raised with the Presiding Officer and that undertakings were given that the conveners involved would do their best to separate the two roles. It is an important issue for the committees, and there will be times when great strain will be put on you, convener, if the committee comes to a different view to that of your party—whether on scrutinising the Executive or in an individual area of inquiry. It may be difficult in such cases for you to articulate the committee's findings.

This should be taken out of the political field. The Procedures Committee is there to consider issues such as this one, and I suggest that we should ask them to do so. It can come to a conclusion on whether there needs to be a change, or whether simply monitoring the situation is the way to proceed.

Allan Wilson: If there is a proposal to refer the matter to the Procedures Committee, I would be happy to second it. There is a danger that all our discussions on lifelong learning and the enterprise network could be lost in an argument over a procedural issue. We had an informal discussion on this matter at our last meeting. Unless there has been a change of position in the interim, there is still a dispute in the committee on the efficacy of people combining the roles of committee convener and party spokesman—whether those roles can be combined. We must ensure that the committee's independent view is articulated, as

opposed to the party political interests that obviously pervade all our discussions. I agree entirely with George that this is not a political matter, but a matter of the long-term interests of the Parliament as a whole.

Given that there is a dispute in the committee, it would be correct to refer this matter to the Procedures Committee, so that it can give a view to us and to the Parliament. That is why it is there. That committee could have a look at the matter, and consider not just our point of view but those of the other committees that could be affected.

There is a problem, and it is as much a problem for the media as it is for us. Television has a particular problem in distinguishing between the two roles that you, convener, and others adopt: the roles of convener of a committee and of party political spokesman in the chamber.

Fergus Ewing: I would not seek to oppose a referral of this matter to the Procedures Committee; however, I wonder if that would be going down the right route. There is more than one potential conflict of interest around this table, and around the tables of any of the committees of the Parliament. If we accept that the role of the committee is twofold—to challenge and probe the Executive and to produce our own proposals—plainly the aims of the committee are different from those of any of our parties.

A clear conflict of interest must exist for members of the Lib-Lab coalition, who must both defend the coalition and challenge the Executive. I would not want to refer that to the Procedures Committee. Doing so would not be helpful, and would be seen as a party political ruse, which is the sort of thing that we want to get away from. If that Pandora's box were to be opened, it could quickly lead to a lot of party political points being made about the performance of members on committees and about whether they were fulfilling their loyalty to their party or to their committee. I do not think that that would be productive or in the long-term interests of the Parliament, and that is why I regret that this issue is being pursued by George Lyon.

Miss Goldie: Fergus has touched on an area that concerns me, and Allan talked about a dispute. I want to ensure that the committee does not give the impression of being riven with dissent, because I do not think that it is. If George is concerned about a potential conflict of interests, and is suggesting that the matter should be referred to the Procedures Committee, I am fairly relaxed about that, but I do not think that it is a matter of great significance. However, I do not want the impression to be given that this committee is in turmoil in its early stages, because that would not be an accurate reflection of what we all feel.

Fergus has alluded to an important point: we are all political animals, and we all represent different parties. Within those parties, we have varying degrees of influence and authority. Fergus makes an important point when he talks about self-discipline and propriety—to me they are paramount. Convener, I repeat what I said at the last committee meeting. You have conducted yourself impeccably and, as that is my honest perception, it is only fair to you that I put my view on the record.

Mr McNeil: I will join the John Swinney fan club. I must put on the record that I have no complaint about your conduct in the chair, convener, and I think that that is the general view. However, the question is out of the box and cannot be put back in. It is best settled by the Procedures Committee, and I hope that it will be settled in a way that allows you to continue in the chair. It would be dangerous for this committee to try to resolve it or to take a decision about it. The Procedures Committee is the appropriate body to consider the matter and it should be referred to that committee, to maintain the convener's continued integrity, to allow us to concentrate on our work and to put a blooming lid on the matter, if nothing else.

However, I think that there is a difference between members who sit on the committee, although there may be potential conflicts, and the convener, who acts on our behalf and represents all our political views.

Ms MacDonald: I agree with Duncan.

Mr McNeil: Oh dear—[*Laughter.*]

The Convener: I have very difficult news for you, Duncan—that will get out, you know.

George Lyon: I want to put on the record my view that I do not have a problem with John as convener. I was concerned about other issues over the summer, but I have complete confidence in John Swinney's handling of this committee.

The Convener: Let me draw this public discussion of members' views to a close.

I was immensely privileged to be elected convener of this committee. At that time, I indicated that I wanted to ensure that I worked purposefully with all members of the committee to make a difference to policy making in Scotland. I followed that approach over the summer and I certainly intend to carry on with it. I support the referral of this issue to the Procedures Committee for a resolution. If it cannot be resolved, its effects will be felt beyond this committee, as it is a parliamentary issue. The Procedures Committee will have to advise and report back to Parliament, and I will welcome that report.

I wish to clarify the issue. It was raised in two tranches, the first being over the summer, when

the Presiding Officer sought assurances from the three conveners who are front-bench spokespeople. I was happy to assure him that I will be absolutely fair and impartial when I conduct the business of this committee. There will obviously be times when I perform as a party political animal elsewhere in pursuit of my party's agenda, but I will distinguish between those two roles and I am happy to give that assurance to the committee.

More recently, it was suggested that the issue should be referred to the Standards Committee. The Presiding Officer and the Convener of the Standards Committee advised me that the issue has nothing to do with the Standards Committee, as the Parliament has no rules on it. The proper course of action is to refer it to the Procedures Committee, which I am happy to do.

My election as convener was unanimous and I particularly appreciated George Lyon's action in seconding my nomination, which I felt stressed the cross-party nature of the election. I also serve on the Finance Committee and I was happy to second the nomination of Mike Watson as convener of that committee. Before the committee decided to elect me in June, I had been the SNP spokesperson on enterprise and lifelong learning for a month, and my position has not changed.

As a Parliament and as a set of committees, we must decide how we are going to operate and we have found some ways of doing that ourselves. We must also examine what happens in other places. In the Welsh Assembly, the chair of the Health and Social Services Committee is the Liberal Democrat spokesman on health, yet the issue has not been raised in that Parliament. There are comparators in new democratic institutions, where such roles coexist quite happily.

Duncan was right when he said that the issue was out of the box. However, it is being referred to the Procedures Committee, which we can allow to resolve it. I want to ensure that this committee is allowed to get its teeth into its work programme and remit without distractions and to add value to policy making in Scotland.

I will write to the Convener of the Procedures Committee to ask his committee to examine the issue.

11:45

The next item is a proposal for a Scottish utilities forum. The paper is fairly self-explanatory. The idea of the Scottish utilities forum came from joint discussion between the Executive and the utility companies and there is mutual enthusiasm for the initiative. The forum will draw together the utilities, officials from the Scottish Executive, some members from our committee and possibly from

other committees, and other organisations that have an interest in energy and consumer issues.

We have been asked to submit suggested nominees to the forum; four MSPs are required. We anticipate involvement from the Transport and the Environment Committee, which shares an interest. I want to offer two nominees from the Enterprise and Lifelong Learning Committee to join the utilities forum. We will throw open the issue for discussion in order to identify two members who are willing to do that on behalf of the committee.

I suggest Allan Wilson.

Allan Wilson: I am interested in the utilities. The question arises as to why water was not incorporated within the proposal. That is something that I would like to learn a wee bit more about. I can think of some reasons why water might not be included, but I can think of other reasons why it should be.

Ms MacDonald: I can think of reasons why it is not.

Allan Wilson: That is a question that arose in my reading of the paper. I am happy to sit on the forum if that is the committee's wish.

Marilyn Livingstone: I was also going to ask the question about the water companies. I am happy to second Allan's nomination.

The Convener: The clerk, Simon Watkins, can tell us something about the issue of water.

Simon Watkins: I can find out some more about the background to that. The only information that we have is the view that the minister took—in a letter that we circulated to members—that the water authorities had a separate and distinctive reporting and accounting system, which is why there were omitted from the forum. We can pursue that further, if members are interested.

Allan Wilson: To amplify that, the paper for the proposal brought together the chief executives of electricity, water and gas, but it appears that water has been dropped from the agenda for some reason.

The Convener: If it would help, I would be happy to write to the minister, on behalf of the committee, to raise that issue.

Allan has been nominated. Are any other members interested in taking part?

Mr Johnston: I am happy for Allan to sit as a permanent representative, but would it be helpful if we rotated the other representative among the members of the committee? We could rotate on a six-monthly or yearly basis and report back. I am conscious that all of us have demands on our time.

The Convener: The permanent representative feels as if he is on his way to the United Nations. He is not quite there yet, but it is only a matter of time.

Allan Wilson: I do not want to be in permanent session with the utilities.

George Lyon: Can anyone clarify how many meetings are involved?

Marilyn Livingstone: They are quarterly.

The Convener: I would prefer that we had two defined representatives.

George Lyon: There must be two members if we are to have any continuity.

The Convener: Can I suggest a member from one of the non-Executive parties?

Miss Goldie: You can suggest.

George Lyon: If cakes are involved, Annabel will volunteer.

The Convener: Yes, we should ask about that.

Fergus Ewing: I would be quite interested in attending, if that does not find disfavour with the rest of the committee.

The Convener: Is the committee agreed that the representatives should be Fergus Ewing and Allan Wilson? That is agreed.

Mr Johnston: Can I ask a point of information? As members of other committees attend our meetings, could we attend the forum as observers?

The Convener: I do not know, but I will check with the minister.

Mr Johnston: It might be interesting to dip in and out from time to time.

The Convener: The next item on the agenda is a visit by the Public Accounts Committee of the New South Wales Parliament. In case members have misunderstood, this does not involve a trip to New South Wales—or at least, not yet.

The representatives of the PAC in New South Wales are coming to Scotland to consider various issues that touch on the remit of the Enterprise and Lifelong Learning Committee. They are particularly interested in inward and outward investment. I am happy to meet those representatives when they visit the Parliament and any other members who are interested in taking part are welcome to do so.

Members should advise the clerk if they are planning to attend on 6 October.

The final issue on the agenda is the Industry and Parliament Trust. The paper highlights the purpose of the trust, which has a history of

operation in Westminster. Members of Parliament are encouraged to understand and appreciate issues in relation to the wider business and economic community. I have not participated before, although I have heard many favourable comments about the work of the Industry and Parliament Trust. However, it is a bit of a commitment in terms of time.

The issue for the committee is whether we support the initiative in principle or whether we are prepared to allocate members to assist in the development of the proposal.

Elaine Thomson: I think that the trust is worth supporting. Anne Begg, the MP for Aberdeen South, has been involved at Westminster, and she found it very useful.

Does the scheme take people out of other sectors to give them experience of political life as well? Is it a two-way thing? There is a scheme that involves more than politicians just spending time with industry, but involves industry representatives spending time with politicians.

The Convener: Simon has advised me that the scheme is in the process of formation, so I do not think that there is a definitive position on that. Are we broadly sympathetic to the idea?

Elaine, are you interested in pursuing that?

Elaine Thomson: Potentially, but it depends what it would involve. I come from an industry background anyway.

Mr McNeil: Does the paper ask for people to get involved in setting up the scheme, rather than for people to participate?

The Convener: Yes, we are looking for a couple of representatives to take part in the formulation of the initiative.

Elaine Thomson: I would be happy to participate.

Miss Goldie: Nick has a background in business and industry and might be a useful source of input.

The Convener: Are we agreed on Nick and Elaine? What about Allan?

Allan Wilson: No, but there is another place if anyone else is interested. What about Marilyn?

Marilyn Livingstone: Yes.

Allan Wilson: There is a reference to Marilyn in the submission. It might be that her expertise would be valuable.

The Convener: Is it agreed that the representatives will be Marilyn Livingstone, Elaine Thomson and Nick Johnston? That is agreed.

That concludes today's business. We will meet

in two weeks' time, when our first item will be to agree the remit of the committee. After that, we will start to make progress on the conduct of the inquiry.

Meeting closed at 11:53.

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