

# **ENTERPRISE AND LIFELONG LEARNING COMMITTEE**

Wednesday 31 May 2000  
*(Morning)*

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## **ENTERPRISE AND LIFELONG LEARNING COMMITTEE**

**14<sup>th</sup> Meeting 2000, Session 1**

### **CONVENER**

\*Mr John Swinney (North Tayside) (SNP)

### **DEPUTY CONVENER**

Miss Annabel Goldie (West of Scotland) (Con)

### **COMMITTEE MEMBERS**

\*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

\*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

### **CLERK TEAM LEADER**

Simon Watkins

### **SENIOR ASSISTANT CLERK**

David McLaren

### **ASSISTANT CLERK**

Mark MacPherson

### **LOCATION**

Committee Room 4



## Scottish Parliament

### Enterprise and Lifelong Learning Committee

Wednesday 31 May 2000

(Morning)

[THE CONVENER *opened the meeting at 10:03*]

**The Convener (Mr John Swinney):** Good morning. I bring the 14<sup>th</sup> meeting of the Enterprise and Lifelong Learning Committee to order. We have a fairly long agenda, but I hope that our discussion of most points will be brief.

### Education and Training (Scotland) Bill: Stage 2

**The Convener:** Item 1 is on stage 2 of the Education and Training (Scotland) Bill. Simon Watkins, the clerk, has produced a paper covering a number of issues relating to our consideration of the bill at stage 2, which will begin on 12 June. The recommendation is that the committee agrees to consider the sections of the Education and Training (Scotland) Bill at stage 2 in numerical order. It is incumbent on the committee to decide in which order it will take the sections of the bill. Are there any comments on the paper?

**Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP):** I reiterate the point that I raised during the pre-meeting presentation. It would save us a lot of time if the Executive were to produce an amended illustrative subordinate instrument. If it does not, there might be a lot of probing amendments to explore the issues that we considered during our evidence sessions, including rurality, whether self-employed people will be included and how disabled people can be provided for and not discriminated against. If the Executive were to give us some clear guidance by providing a fresh subordinate instrument, it would make the task that we must complete in a very short time much easier.

**The Convener:** Thank you, Fergus. We shall make that request to ministers and see what their views are. If there are to be any illustrative regulations, we should have those before the deadline for the submission of amendments to the bill, which is Thursday 8 June at 5.30 pm. We are looking for something from the Executive in relatively short order, but we can certainly make that request.

If there are no further comments, does the committee agree to the recommendation in the

paper from the clerks?

**Members indicated agreement.**

**Simon Watkins (Clerk Team Leader):** Are members happy with the suggested timetable?

**The Convener:** There will be a meeting of the committee on 12 June to begin stage 2 consideration. There will also be a meeting in our usual time slot on Wednesday 14 June for other business.

**Elaine Thomson (Aberdeen North) (Lab):** Is it expected that the meeting on 12 June will be an all-day meeting?

**The Convener:** At this stage, that is like asking, "How long is a piece of string?" As Fergus Ewing said, that is contingent on whether there are probing amendments. We can judge the length of the meeting only when we have seen the amendments on 8 June. We should assume that we will have an all-day meeting, starting at 10 o'clock on 12 June. Obviously, if we need less time, members will not be detained for longer than is required.

I should have said at the outset that Annabel Goldie has tendered her apologies for being unable to attend this morning's meeting.

## Local Economic Development

**The Convener:** Item 2 is on the local economic development inquiry parliamentary debate. Members will recall that the committee expressed the desire to have an opportunity to debate in the chamber the issues addressed in the local economic development report. There is normally a lying time of eight weeks for a report before the Executive produces a response, but the Executive has indicated that it is quite happy to participate in a debate before a formal response is published. It is up to ministers to determine how far they want to go in their remarks to Parliament on the subject.

The paper indicates that the debate is scheduled for the afternoon of 22 June. Because of changes to the parliamentary programme, the debate will now take place on 8 June, a week tomorrow, from 10 o'clock in the morning until 12 noon. The committee has before it a recommendation for arrangements for the debate and we will consider members' views on the order of speaking. A draft motion to be considered by Parliament is included in the note from the clerks. Is the proposed motion acceptable to members?

**Members** *indicated agreement.*

**The Convener:** The Executive has indicated that ministers want to take part in the debate. The ministerial contribution is likely to be in the latter part of the debate. The normal sequence of events would be that a member of the committee, usually the convener, would open the debate and another member, usually the deputy convener, would close. Other members are free to participate in the debate and should submit a request to speak to the Presiding Officer. If there are no comments on the proposals, does the committee agree to them?

**Members** *indicated agreement.*

**The Convener:** We will submit the motion in the appropriate way.

**George Lyon (Argyll and Bute) (LD):** What will the speaking times be? Will the limit be four minutes all the way through?

**The Convener:** I imagine that the opening and closing speeches will be slightly longer. I cannot give you a detailed answer. I do not know what the attitude is about, for example, party speeches. I am not certain what rules will apply in this case. I will get the clerks to advise members of the speaking time arrangements that will apply.

**Mr Duncan McNeil (Greenock and Inverclyde) (Lab):** I do not think that there is party political time.

**The Convener:** We will confirm the arrangements on speaking times, to ensure that we are all on the same wavelength. We have agreed the motion, that the convener will open the debate, the deputy convener will close it and ministers will take part.

## Work Programme

**The Convener:** Item 3 is on the committee's future work programme.

There is a paper from the clerks, some of which will look—if members have good memories—hauntingly familiar in relation to some of the material that we have looked at before. The first part of the paper considers the factors that would affect the choice by the committee of the inquiries that we might take forward from September. Those are the factors that we utilised in deciding on our inquiry last year.

In section 2 of the paper, on outstanding commitments, the clerks have highlighted three points that we must bear in mind in addition to the general considerations. Next year we will have a substantial piece of legislation to consider—the Government's proposals on student finance. We expect that legislation to be published in October 2000. At some stage thereafter we will begin our stage 1 consideration of that bill. We must remember that many of the issues that will be involved in that will already have been the subject of substantial consultation, both by the Cubie inquiry and by the Government consultation on the document "Scotland the Learning Nation: Helping Students", whose publication was announced last Wednesday by the minister and which raises some further issues for pre-legislative consideration.

We will certainly have a stage 1 process in the autumn and winter. Stage 2 will more than likely take place after the turn of the year. The bill will be much larger than the Education and Training (Scotland) Bill and will absorb a substantial amount of committee time at stage 2. The expectation is that the bill will have completed its passage by the Easter recess next year. That is a major factor that we have to bear in mind for the period from this autumn to spring next year.

The committee has started an inquiry on fuel prices. We took evidence in late January—in a meeting in the chamber—then asked a group of members to undertake further investigation privately. We have had one meeting with one of the fuel companies, but other meetings have been difficult to secure due to diary issues. We took a decision as a committee that we would not undertake much more work on this subject until the Office of Fair Trading report on petrol pricing was published. That is still a bit of a movable feast; the most recent indication is that it will be published in late June, which is considerably later than the date expected when we examined the matter in January. We must decide whether we take the fuel price inquiry to an interim conclusion, allocate time to take it further forward or park that

inquiry as a whole.

In our local economic development inquiry, the committee considered that there were issues of congestion in the lifelong learning sector that it was minded to return to in its inquiries.

Section 3 notes three suggestions that were received in response to the recent call for subjects of inquiry from members: Scotland's competitive position; the impact of the new economy; and the funding policies of the Scottish Further Education Funding Council and the Scottish Higher Education Funding Council. Points d, e and f are general issues that have been raised with the clerks in the past year to be included in our résumé of issues on which we have not yet come to a position. Points g to m cover a range of issues that the committee considered as potential topics for inquiry in September, but has not tackled.

10:15

The paper is for discussion today, with a view to giving the clerks guidance on the inquiries that we are likely to take forward from September onwards, to allow them to develop an appropriate remit. The committee will have to approve the remit at a meeting before the parliamentary recess, with a view to calling for evidence to be submitted before we embark on any inquiry in September.

Reflecting on our work in the past 12 months, I would say that the local economic development inquiry was probably the summit in terms of the size of inquiry that members would want to undertake. It was a bit on the big side and took a long time. We have legislation to consider, which will dominate our programme probably from October to February or March, so it might be appropriate to consider having shorter inquiries.

**George Lyon:** The work that we have undertaken over the past 12 months, especially the economic development inquiry, has given the committee tremendous kudos among the business community, because we took a serious look and came up with some serious suggestions about how to resolve some of the outstanding issues. I would not like us to start chasing hot subjects for the sake of getting a quick press release. If the committee is to retain its credibility and build on the strengths that it has demonstrated, we want to contribute to good, serious subjects, which may not necessarily be flavour of the day, so that we can make a difference to legislation and the work of the Scottish Executive.

**Nick Johnston (Mid Scotland and Fife) (Con):** We have a moral imperative to consider lifelong learning. It is an integral part of the local economic development scene and the committee agreed that we passed over it slightly in our report. That is

high on my list of priorities.

We could group some of the other subjects. We have three aspects of the further education sector: funding policies; expansion and finance; and governance of further and higher education. A review of FE will come out in the near future, so we may want to pick up on that under the lifelong learning banner.

**Elaine Thomson:** We have said that we will consider lifelong learning at some point. It is important that we do that. However, I suggest that we take a look at the impact of the new economy and the whole area of e-commerce. George Lyon's point about sending positive messages to the wider business community is relevant, particularly in this area. It is clear from discussions that I have had with various people that it is important to show a lead and to develop that area. By discussing it, this committee could do something really useful. The issue is not temporarily topical; it is vital to the continued competitiveness of Scotland. I suggest that it is something that we should be discussing. We are trying to exploit new technology, and that very much impinges on the whole area of training and lifelong learning. I suggest that we consider the whole area of lifelong learning afterwards, as a separate inquiry.

**Marilyn Livingstone (Kirkcaldy) (Lab):** You will not be surprised to hear, convener, that I think that we should have a serious look at lifelong learning. There is a lot of congestion, and many of the items on our future agenda are, as Elaine Thomson suggests, related to lifelong learning. New deal is one example; there are many different schemes outwith the whole further and higher education sector that we ought to consider.

I would like us to consider lifelong learning quite quickly. If I was to choose two areas, I would suggest the impact of the new economy on lifelong learning and what is happening in the further education sector. If we have to narrow it down, I would prefer us to consider lifelong learning and the impact of the new economy. I do not think that those subjects can really be separated.

**Dr Elaine Murray (Dumfries) (Lab):** I, too, am tempted by both lifelong learning and the impact of the new economy. An inquiry into lifelong learning could wait until the new funding shakes down and the reviews that are currently being carried out by the Executive are complete. We might wait to see what the effects of those are.

We need to examine the impact of the new economy fairly quickly. If we just talk about the new economy but do not act, we could miss the boat; Scotland could get left behind. There are a number of issues within that which need to be considered with some urgency, especially the

extension of the new economy into rural areas.

My first vote would be for the impact of the new economy, but I agree that lifelong learning is also extremely important.

**Fergus Ewing:** Many of these topics merit serious consideration. There has been a feeling that we have concentrated on the enterprise part of our responsibility over the past year, and that lifelong learning, the other part of the name of our committee, now merits serious consideration. The funding policies of the Scottish Higher Education Funding Council and the Scottish Further Education Funding Council will require careful examination. Therefore, I think that we should pursue that. We could debate the question of timing.

The target that the Executive has set—to create more than 100,000 businesses over the period to 2008—needs to be achieved. In order to achieve it, we should be creating more small businesses. The problem that we must tackle is access to capital. We have heard conflicting messages on that and, to achieve the Executive's target, we need to address the questions whether there is a serious barrier to creating businesses, whether new measures should be introduced and whether existing measures should be altered.

On George Lyon's point, we should achieve a balance between taking a serious, considered look at topics and being willing to provide a hearing for circumstances of some topicality. For example, there has been a request by Inverness and District Chamber of Commerce, following meetings—one with Alasdair Morrison, the Deputy Minister for Highlands and Islands and Gaelic—at Highland Council chamber on Friday and Saturday, both of which I attended. The chamber of commerce and Highland Council have asked to take part in a hearing about the plight facing the Highland economy—the 3,000 or so redundancies over the next two months. Pro rata, I think that that must be the biggest redundancy crisis in the whole of the UK.

In order to achieve a balance, it would only be fitting to take evidence when any part of the economy in Scotland faces extreme difficulty. Indeed, when I attempted to debate this issue some weeks ago, by moving a motion without notice, Alasdair Morrison suggested in his response that the matter could be raised in the Enterprise and Lifelong Learning Committee.

I hope that members support Alasdair Morrison's suggestion and that we can take evidence quickly, as there is an issue of timing. A decision on the assisted areas map, which is a significant part of the solution, is to be made over the next month or so. If we were to spend an hour or so taking evidence from the chamber of commerce and



Highland Council, which has been active in the campaign, we would have to do so within the next series of meetings.

**Mr McNeil:** I am pleased that you have outlined our priorities, convener, and that you have confirmed them in regard to student finance legislation. If we are to have any kudos as a result of eight months of working with the business community and of trying to address the issues that are important to it, that will come when we reach the point of challenging the business community about its reactions. The question is what that community can do to move forward. We must examine lifelong learning and workplace education in particular, as ways of making companies more able to change and grow. We must consider the impact of the new economy as a guide to the future. Those issues are compatible. They would enable us to challenge businesses by asking them what they can do, rather than just saying that there are problems with regional grants, with access to funds and so on. A lot of the responsibility for the success of businesses lies with businesses themselves. Those two issues could focus on that.

**Allan Wilson (Cunninghame North) (Lab):** Like the convener, I want to make a brief reference to the fuel price inquiry, which is in midstream, so to speak. I would like us to conclude the meetings and private sessions with the oil companies and either come to an interim conclusion or set a timetable for coming to a definitive conclusion. We should do that irrespective of what might be happening at the Department of Trade and Industry, although that will have an impact on our inquiry.

The background paper was helpful, as we must decide between large and small inquiries and, whatever we do, we must focus our work on those issues where we can make the most difference. As became clear from our work on tourism, in certain instances that might involve us tagging on to Executive initiatives and making a difference to the final document that it produces, although it would also include an entirely separate consideration of issues that concern us.

As a consequence of our most recent inquiry, we have flagged up congestion in lifelong learning. The question that arises is when we will do that work, not whether we will do it. The convener referred to student finance legislation as having a major impact, but it seems to me to be problematic to return to that subject before legislation is introduced, although other members may have different views about that.

I know that we discussed the impact of the new economy early in the session; that issue merits some short-term consideration. I was struck by the suggestion of looking at Scotland's competitive position in relation to the impact of the new

economy, as I do not think that we can consider the impact of the new economy without considering globalisation more generally. I am not trying to broaden out the debate, but we cannot consider the impact of the new economy, skill demands and the commercialisation of science without taking account of the fact that Scotland is competing in a global economy. Our relative competitive position is vital to our productive capacity.

I remain intent on considering further and higher education governance, which, as we know, is a topical issue. That relates to the funding policies of SHEFC and SFEFC and issues of FE expansion and finance. It is a question of timing. If asked to choose, I would say that we should be considering the impact of the new economy in the short to medium term and laying down a timetable for returning to the issue of congestion in lifelong learning. That would be compatible with our consideration of student finance legislation—the two are inextricably linked.

10:30

**Nick Johnston:** The Audit Committee is about to publish its report into the management of Scottish colleges. That will be a fairly topical issue. It may be interesting to pick up on another committee's report and carry it forward. The Audit Committee, while a worthwhile committee, tends to look backwards; one of the roles of this committee is to look forwards.

**The Convener:** Without asking you to go into the detail of what is in the committee report—

**Nick Johnston:** Good, because I could not.

**The Convener:** I would not expect you to. Is it a reflective look at the governance of institutions?

**Nick Johnston:** And the management of resources and change.

**The Convener:** Does it make forward recommendations?

**Nick Johnston:** There will be such recommendations in it. It may be of interest, if you want to have a look at it.

**George Lyon:** Of all our short-term inquiries, we should try to conclude the fuel price one before the summer recess. It is vital to many people in the Highlands and Islands that we come to a conclusion and publish some constructive suggestions on how we take that forward. I agree that, in terms of topicality, this is the No 1. We have to finish it—I would hate to see it lying in limbo right through the summer recess. We must attempt to get some concrete work done on it.

On where we go next, we will do a significant amount of work on lifelong learning in connection

with the student finance bill. We have to consider quickly the impact of the new economy. Scotland's competitive position is very much part of that debate. I wonder whether our consideration of that could be taken care of in a couple of briefing sessions. Before we get to the new economy study—if we decide to go down that road—we could take evidence behind closed doors to try to get some key facts and figures from experts.

With the publication of the economic framework for Scotland from Henry McLeish, the committee needs background briefing on the important issue of where Scotland stands competitively. There is a lot of work around that can be given in evidence, without our carrying out a major inquiry. For us to judge the framework document when it comes out, it is important that we are brought fully up to speed. I suggest that we consider a briefing session on that, that we complete the fuel price inquiry and that we take forward after the recess an inquiry on the impact of the new economy.

**Fergus Ewing:** The fuel price inquiry is one of our outstanding commitments, which we should fulfil. In principle, if we take on commitments, we should see them through—no one is disputing that for a moment. Members of all parties accept the importance of fuel price and its impact on the economy. The question is when we should include it.

I recollect that, when we took evidence initially, we decided that given that the OFT was undertaking an inquiry, it would be sensible to relate the timing of our inquiry to the completion of its report. I agree that the inquiry is a priority, but the reasoning that we adopted previously remains valid. It would be sensible to find out what the latest deadline is, so that we can take a view on whether we would like to be able to comment on the conclusions of the OFT report, which will be a piece of work that will have to be considered seriously. The first thing for us to do is to find out what the OFT is saying now. If it is not able to give us a firm date, I agree with George Lyon that we should carry on, but if it expects to conclude within a month, the argument that we had before remains valid.

I identified the short-term priority of giving a fair hearing to Inverness and District Chamber of Commerce, the Highland Council and Highlands and Islands Enterprise, which have been very active. I hope that the committee will not neglect any part of Scotland when a request for a hearing is made.

**The Convener:** I will draw this discussion to a conclusion. We need to consider a sequence of issues that have been raised this morning. I will deal with them in no particular order. We have to acknowledge that we have a commitment to scrutinise the student finance legislation—that is a

given. Although it will not take up our time exclusively, it will dominate our work between October and February. Therefore, we will have six weeks of parliamentary time in September and October in which to carry out an inquiry, and we will have about three months in spring and summer of next year in which to conduct other inquiries.

On the fuel inquiry, the OFT told us this morning that it expects to publish its report in late June. If my memory serves me correctly, we were told in the chamber on 31 January that the report would be published in mid-March. Then we were told that it would be mid-April, then mid-May. Now we are told it will be late June—and we know that the March deadline already represented a slip in the time scale. I cannot say definitively when the OFT will report, so we have to decide what to do with our inquiry in the context of the information that we have from the OFT and should not depend on the OFT report being published within a convenient time scale.

We can arrange private meetings with the oil companies and produce some form of conclusion. However, there are limitations on what we can do, because we have accepted that the channel of communication with the oil companies will be private and our report must respect that commercial confidentiality. We can hold meetings in June and, as the reporter from the sub-group on this subject, I will present a report to the committee on 27 June, bringing the inquiry to some sort of conclusion, even if it is an interim conclusion and we have to return to the subject. We can certainly aim to do that before the summer recess, if that is acceptable.

Fergus Ewing has raised another, smaller, subject of inquiry: representatives of Highland Council and the chamber of commerce have requested a hearing from the committee. The question is whether the committee is minded to hear those organisations on either 14 June or 27 June. The committee will have to make that decision in a few moments, in the context of what Fergus said.

Our main inquiry for the next parliamentary year boils down to three areas. The first is congestion in lifelong learning, which has been suggested by several members and to which we referred in our report on local economic development services. Some of the issues that are involved will be addressed by Frank Pignatelli in his work on the Scottish university for industry. It is a question of whether we want to take a view on the agenda that he is running, to ensure that it takes the right direction and tackles all the issues that are involved—certainly workplace learning issues, but possibly not the wider issues of service congestion in further and higher education, which have wider

implications for the kind of rationalised approach that might be considered.

I find it difficult to work out how we could credibly establish a link between an inquiry into the congestion of lifelong learning services and our inquiry into the new economy. I felt that we strained the credibility of the link that we made between local economic development services and the workplace learning environment. We tagged the issue on, to give the impression of a balance between enterprise and lifelong learning, but we did not do it justice. The material that we gathered for the local economic development review gives us a fair body of evidence on lifelong learning issues, which would provide a good starting point for a more detailed inquiry into lifelong learning.

The final area to be addressed is a combination of the first two items in section 3 of the programme: Scotland's competitive position and the impact of the new economy. I suspect that we are intending to pose a question for an inquiry such as, "Is Scotland equipped for the new economy of global competition?" The aim of that inquiry would be to test whether Scotland is able to compete in a global environment, whether enough is being done in Scotland, whether we are appropriately focused on the issues that are raised by globalisation and the new economy, and whether we are equipped to handle that challenge.

Let me summarise the decisions that we must make. First, we need to arrive at a stance on the fuel inquiry and should try to report back on that by the end of this parliamentary term. Secondly, we need to decide whether to give a hearing to the representatives of Highland Council and the chamber of commerce before the summer recess. Thirdly, we must decide whether, as the first inquiry of next year, we will pursue an inquiry into service congestion in the lifelong learning sector or an inquiry into the new economy and global competition: I cannot foresee a hybrid inquiry of those two, although I am open to other members' views. Maybe we can discuss those decisions and come to a conclusion later.

**Dr Murray:** I have a question on the timetable. Are we not also supposed to be scrutinising the transport bill at stage 1? How will we fit that in?

**The Convener:** The next item on the agenda is consideration of whether the committee wants to have a say in the transport bill. It has not been published yet and scrutiny of it is not expected to be completed by the recess. We will have more time to look at that bill, but we may have to consider some aspects of it at stage 1.

**Elaine Thomson:** Over the next six months or so, a range of things will happen with lifelong learning, including the introduction of the new

student finance arrangements and various reviews. I suggest that it would be worth waiting until the later part of next year to begin an inquiry into lifelong learning. We could begin consideration of Scotland's competitive place in the global economy first, then follow it up with our inquiry into lifelong learning. The issue of skills in the work force will in any case be important in our consideration of the impact of the new economy.

**The Convener:** I do not dispute that, but I think that we must be clear about the route that we are taking. In the local economic development report we made a point about congestion in lifelong learning. I accept that there is an education and training dimension to the new economy inquiry, but when directing our clerks to produce a remit we must come up with something that is sufficiently clear to allow us to call for evidence, consider it and report on it. We cannot have a remit for our inquiry that is so broad that people could submit virtually anything to it.

10:45

**Marilyn Livingstone:** You are right, convener. Lifelong learning is a huge issue and probably needs to stand on its own. What I was trying to say earlier is that other issues will impact on it. For me, the debate is about whether we should wait until all the other reports on lifelong learning are in—there are a number of them, as you said earlier—and take a lead from them, or whether we should start our inquiry, as we did with local economic development, so that we can influence the agenda. That is it in nutshell. As you say convener, there is a great deal of evidence. Both inquiries that have been suggested relate to issues that need to be examined. We must decide how we can make the best use of our time.

**Allan Wilson:** We should not forget that we made five recommendations on lifelong learning, only one of which we said we would return to—on congestion. In my view, we should carry out the inquiry that Marilyn Livingstone suggests after scrutinising the legislation that arises out of the Cubie report. If the choice is between a short-term, focused inquiry into the impact of the new economy and a longer-term inquiry into lifelong learning and, specifically, the issue of congestion, we should do the inquiry into the new economy first and return to lifelong learning later. Logistically, that would make most sense.

**Nick Johnston:** I support Fergus Ewing's proposal that we listen to the Highland Council. The Parliament seems to be getting itself a name for concentrating on the central belt. It would be a good thing for the committee to return to the Highlands—even if the Highlands came to us, rather than our going to the Highlands—and to follow up on the work we did in Inverness. I would

be prepared to give up an afternoon to hear first hand about the problems in the Highlands. That would deal with one of the three points.

I tend towards Elaine Thomson's position. I am concerned that the whole of Scotland is talking about e-commerce, which makes me wonder how much is being done. Although I thought before that we should return to lifelong learning sooner rather than later, I will now say later rather than sooner.

**Mr McNeil:** Why is it so important that we hear from the Highland Council?

**Nick Johnston:** Because the job losses in the Highlands will have a major effect on an area that has suffered from economic deprivation in the past and is likely to do so again. It is incumbent on us to represent the whole of Scotland. It is not asking too much to give up one afternoon to listen to the Highlands.

**Mr McNeil:** I have no objection to that in principle; we discussed situations similar to this one earlier in the life of the committee. At issue is whether it is the committee's role to receive deputations from the Borders, Tayside or wherever. I would be interested in hearing about the impact of what Barmac is doing, as it affects my constituency, but I do not want members of the committee to be able to enlist the committee in campaigns on particular issues in particular areas. That would mean that any member who experienced an economic disaster in their constituency could come along to the committee and ask why we were not meeting a particular group and so on. I simply want to sound a note of caution.

**The Convener:** We are in the process of arriving at our conclusions, so we will reflect on those points.

**Dr Murray:** We should look at the impact of the new economy first. We need to give Frank Pignatelli and SUFI time to take on board what we said during our discussions with him, and then return to the subject to see how matters are being carried out in practice. If we start that investigation too soon we might not get the information that we need to see whether the new initiatives are working and whether they are changing people's access to lifelong learning. I am inclined to address that matter in the spring-summer period and to look at the new economy immediately after we return from the summer recess.

**Fergus Ewing:** The arguments that were made by Elaine Murray and Elaine Thompson with regard to taking the inquiry on the new economy first have a lot of validity. Perhaps it should be done in September. My concern is that the inquiry should be tightly focused. In other words, we should have a clear idea of the questions that we are asking. If the decision is that this is to be the

major item of work in September, that would allow the committee to have a more considered look at the questions that we want to ask. We could then issue some sort of guidance so that over the summer all the interested parties can prepare themselves to take part in such an inquiry.

I welcome your suggestion, convener, that we try to report the fuel inquiry by the end of this term. With regard to the problems facing the Highland economy, Duncan McNeil accepted that there is an impact on the central belt economy, so this is not purely a local matter. I think Duncan will concede that point. It is not the role of this committee to turn over its agenda to particular local interests, but the position in the Highlands is particularly severe. It is the biggest crisis that we face.

Many members have taken an interest in this matter. It is not a party political campaign. Indeed, I am pleased to say that David Stewart, the MP for Inverness East, Nairn and Lochaber, and I issued a joint press release on this subject, indicating that we have approached it in a non-political way, which has gained support from bodies such as Highland Council. In view of the national significance of this issue, which Duncan McNeil conceded, and the non-political way in which the campaign is being pursued, I hope that the committee will follow that lead and, as Nick Johnston suggested, give a hearing to the representatives of the chamber of commerce and Highland Council, if they seek it, at an early date.

**Allan Wilson:** I reject the premise that either the committee or the Parliament has not been mindful of the problems in all parts of Scotland. In fact, I remember this committee discussing Continental Tyre and the issue of the rapid response of the Executive early on. Crises, whether in the manufacturing sector or anywhere else, should, as Duncan McNeil said, be looked at carefully. I have no objection to meeting Highland Council and others to discuss the Highland economy. We have to schedule that for our next meeting or arrange a separate meeting, because, given our agenda for 27 June, we cannot address this issue then. There are scheduling issues to be addressed. I am also mindful of what the Deputy Minister for the Highlands and Islands said in debate on it as a matter for consideration by the committee—that is a matter of record.

**George Lyon:** I support the suggestion that we look at the impact of the new economy immediately after the recess. On Fergus's point, it is very important that we give a signal to people in the Highlands and Islands that the committee is aware of their problems. If they want to give evidence, we should welcome that, but how much time do we have available for that? As other committees have done, we might appoint

rapporteurs to meet Highland Council in Inverness and report back to the committee. That would be a way to take up those concerns and get information to the committee as quickly as possible.

I think we have only two more meetings before the recess and we have to do work on stage 2 of the Education and Training (Scotland) Bill and on the fuel price inquiry, so we have a problem with the timetable. I suggest that we nominate two members to go to Inverness to make clear that we want to hear the lessons that have been learned there and find out whether the committee can help move things along.

**The Convener:** To conclude, we have broadly agreed that we will aim to have further discussions with the fuel companies and report a position to the committee at the meeting on 27 June, if that is practically possible. We cannot guarantee that as it depends on diaries and the OFT.

**Simon Watkins:** There will still be one outstanding meeting with the oil companies but we should be able to put something together.

**The Convener:** Secondly, the consensus, as I judge it, is that we want to undertake some form of inquiry into whether Scotland is equipped for the new economy and global competition, commencing in September. I will ask the clerks for a draft remit to address the point that Fergus Ewing made, to focus that inquiry. We will consider that at our meeting on 14 June. So that the paper can be circulated in advance, any comments on that remit should be made to the clerks by Monday at the latest.

I assume that we will then take on a commitment to look at the lifelong learning agenda towards the middle of next year, but we can revisit that in due course. We have a commitment to undertake scrutiny of the student finance bill; we await the Government's timetable on that.

On Fergus Ewing's point about the Highland economy, we should look at our remaining three meetings. On 12 June we will consider the Education and Training (Scotland) Bill. The duration of that meeting and whether we can complete stage 2 consideration depends on how many amendments are lodged. The Executive has told us that it will lodge a small cluster of technical amendments, which ministers will speak to, but it is up to members of this committee and other MSPs to decide how many more amendments there are.

I am optimistic that we can conclude stage 2 consideration in one meeting. That would leave 14 June with two potential agenda items: confirmation of our remit for the inquiry on the new economy, and any consideration that we wish to give to stage 1 of the transport bill—we will discuss that in a moment. That would leave time to hear evidence

from a couple of representatives of Highland organisations, but for no more than 50 minutes to an hour in that meeting.

I am afraid that I am going to be the party pooper on George Lyon's suggestion about sending members to Inverness. The rigmarole that we would have to go through to secure the agreement of the parliamentary authorities to send two members would not allow the meeting to take place before the recess. It would be much easier to get the Highland representatives to come here. Duncan McNeil is looking quizzical; I am quite willing to enlighten him of the intricacies if he so wishes.

**George Lyon:** Do we really need permission to travel outside Edinburgh?

**The Convener:** Yes.

**George Lyon:** You are kidding.

11:00

**The Convener:** A paper has to be sent to the conveners liaison group—it met yesterday—which must approve it. It must then be approved by the Parliamentary Bureau and finally by the Scottish Parliamentary Corporate Body.

**George Lyon:** That is ridiculous.

**The Convener:** I am sorry, but we will not have a debate about that here; that is just the way it is.

**Dr Murray:** If we invite people from the Highlands to come to the Parliament, do we pay for their expenses?

**The Convener:** It seems that we do not do that. It would be a much more straightforward process for them to come here.

I will just finish my points. That leaves the meeting on 27 June, at which I would expect to present the committee with a note on the fuel price inquiry. We could agree to meet people from Highland Council and Inverness and District Chamber of Commerce on 14 June, subject to completing our stage 2 consideration of the Education and Training (Scotland) Bill on 12 June.

**Mr McNeil:** Only those two groups?

**The Convener:** Yes—unless members want to hear from the minister as well.

**Mr McNeil:** I am not concerned about the minister, but I wonder whether we should hear from the trade unions.

**George Lyon:** That is why my suggestion would be preferable; it would give us time to do things properly. If we take this approach, it will be a rush, although, if there is no other way, that is what we will have to do.

**Elaine Thomson:** The Highland economy is facing a serious situation. However, the job losses are almost entirely oil and gas related—mostly to do with Barmac. If so, some of the issues being faced in the Highlands are no different from those faced elsewhere in Scotland.

**The Convener:** I am trying to find out whether the committee is prepared to allocate the time to hear the organisations.

**Fergus Ewing:** Your suggestions have been very sensible. No one is suggesting that taking a little evidence is as good as taking a series of evidence. We have been asked to provide an opportunity to hear evidence from specific bodies. I am pleased that there seems to be a willingness to listen. It is a pity that George Lyon's idea raises procedural difficulties. However, given that you have put us right on that, convener, in the circumstances, your suggestion is the only practical one.

**Elaine Thomson:** I have a minor technical point. If we invite witnesses down from Inverness, it might be convenient and they might be pleased to come to Edinburgh. However, if it is not convenient, could we offer them the opportunity to participate using videoconferencing? The distance that the witnesses would have to travel should be a consideration.

**The Convener:** I am happy to ask the clerks whether that can be arranged. I know that videoconferencing has been used already, so it can be done. It could be another innovation of the Enterprise and Lifelong Learning Committee.

**Simon Watkins:** Yes. It can be done.

**George Lyon:** That would get us over the hurdle of all the ruddy bureaucracy. [*Laughter.*]

**The Convener:** I am sure that the official report will take care of that last remark. I must move the discussion towards a conclusion. Do we agree to hear representatives of Highland Council and Inverness Chamber of Commerce on 14 June, subject to completing stage 2 consideration of the Education and Training (Scotland) Bill on 12 June? Do we want to give the minister the opportunity to make a statement to the committee on 14 June?

**Members indicated agreement.**

**Nick Johnston:** I would like to flag up the fact that we have not talked about two things on the list: the cost and accessibility of finance and capital availability for small and medium businesses. We should return to those matters.

**The Convener:** The purpose of the structure of the paper is to ensure that we do not lose sight of those issues. Allan Wilson helpfully suggested that we come back to the issues that had dropped off

the agenda last time. From now on, you will see papers with the same structure as the one that we have before us. We will not lose sight of points that have been raised before.

**Nick Johnston:** Thank you.

**Allan Wilson:** It seemed to me that the two things could be combined. We should return to the question of the risk aversion of financial institutions, but I did not include it in the short to medium-term schedule because of the inquiry into business support.

**Fergus Ewing:** I echo Nick Johnston's comments. Although we have not included the issue of access to finance for small businesses in our agenda, we should still take it seriously and return to it. We should indicate to the relevant organisations that we may well do so. That would give them time to make suggestions. Nobody mentioned item D, the commercial veterinary medicine costs investigation. I believe that the point was raised by the National Farmers Union. I do not have a great deal of knowledge on the issue—I am sure that George Lyon can fill us in—but I would not like to think that those who have raised the issue think that it is being neglected. I hope that Parliament—perhaps the Rural Affairs Committee—can consider it further.

**George Lyon:** The Office of Fair Trading has begun an investigation into the issue.

**The Convener:** That is a comfort.

**George Lyon:** We should return to the issue when the OFT reports—whenever that may be.

**Fergus Ewing:** That will be in the next parliamentary term, then.

**George Lyon:** We should put on record our displeasure at being unable to respond to the needs of Barmac.

**The Convener:** There is no resistance to dealing with the matter. It is a question of time.

**George Lyon:** We should put it on record that the system should be examined, so that we can use it in future.

**The Convener:** I assure you that it has been examined. My point is that the process takes a long time.

**Dr Murray:** It would be more appropriate for the Rural Affairs Committee to deal with the issue of the veterinary charges, which might come within the scope of the inquiry into agriculture that that committee is about to undertake.

**The Convener:** I will write to the convener of the Rural Affairs Committee with the views of this committee and include a copy of the *Official Report* of this meeting.

## Transport Bill

**The Convener:** The next item is consideration of the transport bill.

In the course of our discussions, we have touched on the issue of transport several times. I seek the opinion of members of the committee as to whether we should aim to ensure that the committee is involved in the stage 1 consideration of the bill. Do we agree to seek a level of involvement?

*Members indicated agreement.*

**The Convener:** I will write to the Parliamentary Bureau.

**Dr Murray:** Do you think that the advice about timing is probably not accurate any more?

**The Convener:** I heard mutterings that the bill was being published today, although I have been advised that there is a delay in publication.

Obviously, we will consider the bill within whatever time scale we can accommodate. However, on a bill of such magnitude, I would be sceptical about the Transport and the Environment Committee clearing its stage 1 consideration by the summer recess. However, that is up to the Transport and the Environment Committee and the Parliamentary Bureau.

**Simon Watkins:** Just to clarify, it is proposed that the bill will complete stage 1 at the beginning of September. As we are feeding into that process, we will probably need to conclude our consideration of the bill by the beginning of the summer recess.

**The Convener:** We will make those representations to the Parliamentary Bureau and await the time scale.

## Local Economic Development (Joint Seminar)

**The Convener:** Item 5 on the agenda is consideration of a paper based on a proposal by one of our advisers, Professor John Bachtler, for a seminar on local economic development, which will involve parliamentarians from Sweden and Norway but which—by the way—will take place in Scotland. The paper contains recommendations about the seminar, and I put the proposal to the committee for its views.

**Elaine Thomson:** We should go ahead with this excellent idea and have a joint seminar with Norwegian and Swedish parliamentarians. All committees should be considering such a good and useful proposal for the following years; however, I hope that we can occasionally go to other countries, instead of being visited by parliamentarians from other countries.

**Nick Johnston:** Hear, hear.

**George Lyon:** Can you clarify the timing of the seminar?

**The Convener:** I cannot answer that question today. We must first seek the necessary authority to fund the event, which will take a number of weeks. However, I think that it will happen towards the end of the summer or in the autumn.

**George Lyon:** I support the proposal.

**The Convener:** Are members agreed on the paper?

*Members indicated agreement.*

## Petitions

**The Convener:** The next item on the agenda is consideration of petitions that have been referred to us by the Public Petitions Committee. The first petition is PE178, from the British Aggregates Association, on the implications of the aggregates tax for the Scottish economy. Do members have any comments? Obviously, taxation is a reserved matter.

**George Lyon:** I have received representations from at least three or four major quarry operators in my constituency, who are very concerned that the tax will undermine their competitive position. Indeed, smaller rural quarries—some of which rely on exporting and are currently under the cosh because of the strong pound—feel that the tax could hit at their viability. As the quarries provide jobs in very remote rural areas, I believe that we should register our concern about the tax and I ask committee members to support the petition.

**Mr McNeil:** What is George Lyon trying to achieve?

**George Lyon:** I am asking only that we take a position.

**Mr McNeil:** In a previous life, I went round many of those quarries and spoke to some of the people who worked in them. They were owned by major companies that operate across the UK and further afield. They may be based in rural communities, but they are linked to the construction of roads and benefit from all the public spending that is available, and one reads about the prices in Scotland compared with those in the south of England.

11:15

**Allan Wilson:** Duncan McNeil asked about the specific Scottish dimension, and that is something which crossed my mind. When I read the *Official Report* of the Public Petitions Committee, I was struck by the answer given by Mr Durward, the representative of the British Aggregates Association, to a question from the convener about the Scottish dimension to the problem. He said that it is a problem for the Treasury. That is obviously true, although the Scottish quarries' competitive position is a matter that would concern us if it were adversely affected by the legislation, although I do not think that there is significant evidence to suggest that it is.

The Public Petitions Committee suggests that we consider consulting the Transport and the Environment Committee, the Rural Affairs Committee and the European Committee, because of the allegation that European law was

being breached. It might be appropriate to do that.

**Nick Johnston:** My point is similar to Allan Wilson's; it is a reserved matter. However, the suggestion is that we consult the Transport and the Environment Committee, the Rural Affairs Committee and the European Committee. It would be interesting to do that, to examine the issues that were raised in the evidence session.

**Dr Murray:** Like Allan Wilson and Nick Johnston, I think that we should consult the other committees. There might be a specific issue for Scottish local authorities, as an increase in the cost of materials used in road construction might have implications for them.

**The Convener:** It is suggested that we take advice from other committees on the subject and consider their responses in due course. Is that agreed?

*Members indicated agreement.*

**The Convener:** The second group of petitions, from Owen Connelly, from the Strathmartine Women's Rural Institute and from the National Federation of Sub-Postmasters, relates to sub-post offices. The committee will recall that, on 3 May, we considered a petition on sub-post offices from Dunlop and Lugton Community Council. At that stage, the committee offered no comment, but supported the recommendation of the Public Petitions Committee that the Rural Affairs Committee should consider the issues raised by the petition in its inquiry into the impact of rural employment change. I think that these new petitions fall into the same category. Do members agree to refer them to the Rural Affairs Committee?

*Members indicated agreement.*



## Royal Society of Edinburgh

**The Convener:** The Royal Society of Edinburgh has invited the committee to meet its representatives to discuss issues of mutual interest. The meeting will take place on 8 June and I hope that a broad cross-section of members will be able to attend. The society has been anxious to secure a meeting for some time. I shall be attending and I hope that other members will do so, too.

**Dr Murray:** I should be interested in meeting members of the society. They have done a lot of useful work on the commercialisation of science, and it will be worth meeting them.

**The Convener:** That is very much what they will want to discuss with us. I had not realised until recently that the society receives public funds for its activities from the Scottish Executive enterprise and lifelong learning department.

I ask members who want to attend to notify the clerks after today's meeting.

## Business in the Chamber

**The Convener:** The Scottish Parliament information centre and the clerking team have produced a paper evaluating the business in the chamber event, which is based on feedback from the questionnaire. We had omitted to include evaluation questionnaires on the day, but we sent them retrospectively. The paper shows that there was a fairly broad welcome for the initiative that the committee undertook, but there are some lessons to learn about how we could improve any similar event in future. Are members of the committee content to note the paper?

**Members** *indicated agreement.*

## “The same as you?”

**The Convener:** The final item is the publication by the Scottish Executive of “The same as you?”, which concerns the review of services for people with learning disabilities. The Deputy Minister for Community Care has drawn that document to our attention, to see whether there are any views that members would like to submit to the consultation process that is under way. Any issues that members want to raise should be identified to the clerks.

**Dr Murray:** I know that we have spent quite a bit of time discussing the work that we will be doing. Is there an intention to discuss the report of the Beattie committee, which has been out for some

time now? I am not sure what is happening with that report, but it certainly covers some of the same areas as “The same as you?” does, although its remit is broader.

**The Convener:** We will have to decide what to do, but we can certainly consider how to approach the Beattie report. There might be other opportunities for us to consider the issues involved.

**Mr McNeil:** Have the clerks given thought to other matters that arise from “The same as you?”, given that it concerns access to the workplace and to lifelong learning for disabled people and not just for able-bodied people?

**The Convener:** If members have any points to raise, they should let the clerks know over the next few days and we shall consider them at our next regular meeting on 14 June.

That concludes our business. I advise members that Mark MacPherson, who has been helping with our clerking activities for some time, is moving on to pastures new within the clerking directorate. He will be taking up a more demanding post with the Procedures Committee, where he will have tougher characters to deal with. I thank Mark for his involvement. As a reward, he will continue to work with us on the fuel price inquiry until the summer recess.

*Meeting closed at 11:22.*



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