

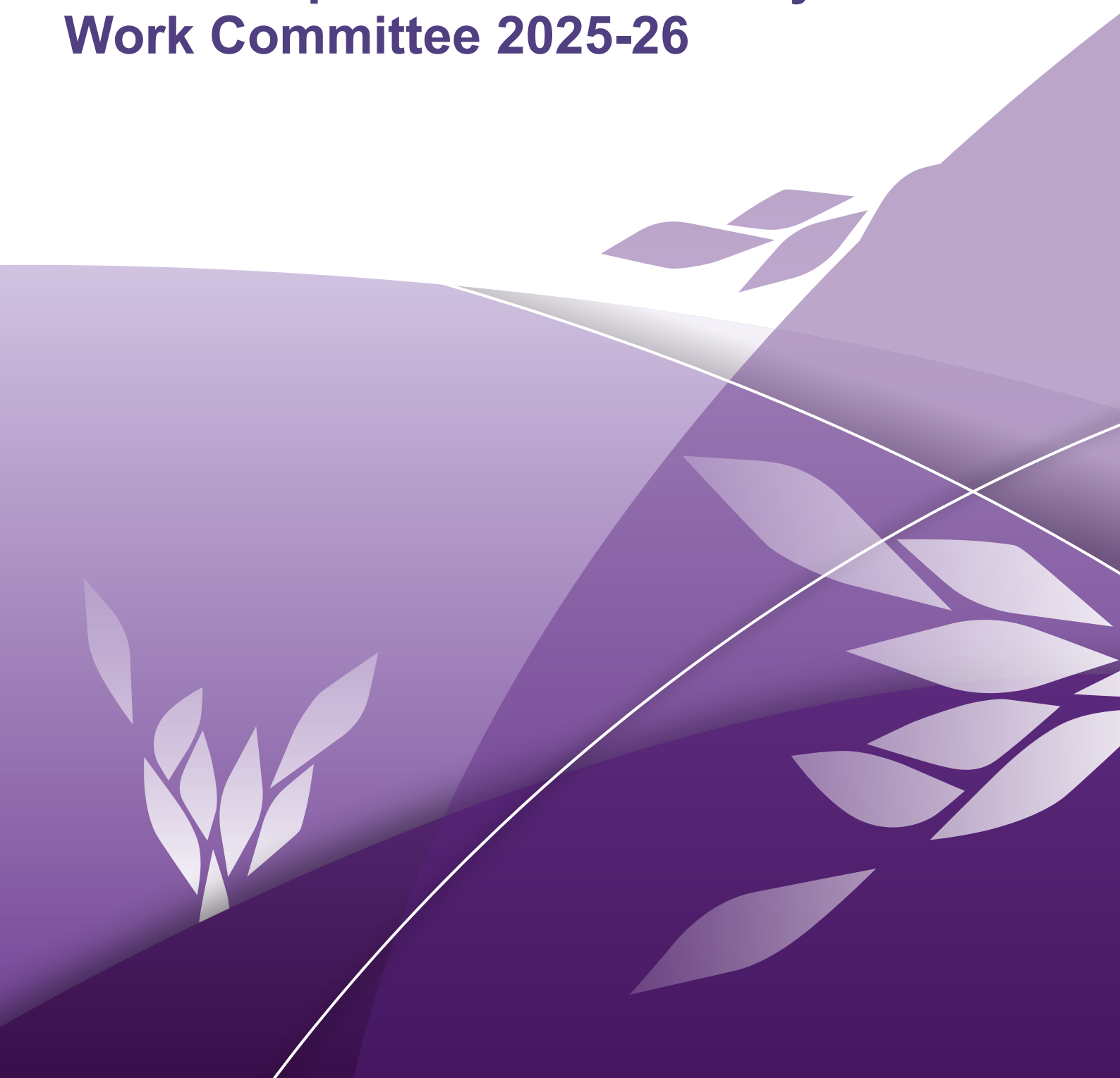


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Economy and Fair Work Committee

Annual report of the Economy and Fair Work Committee 2025-26



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Economy and Fair Work Committee

To consider and report on matters within the responsibility of the Deputy First Minister and Cabinet Secretary for Economy and Gaelic, with the exception of Gaelic; and on matters relating to just transition.



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Committee Membership



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Scottish National Party



Lorna Slater
Scottish Green Party



Kevin Stewart
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Introduction

1. This report sets out the work of the Economy and Fair Work Committee during the parliamentary year 13 May 2025 to 8 April 2026.
2. There were the following membership changes during the reporting period—
 - On 26 June 2025, Stephen Kerr replaced Jamie Halcro Johnston.
 - On 1 September 2025, Colin Smyth resigned.
 - On 30 September 2025, Sarah Boyack joined.

Meetings

3. The Committee held 30 Meetings. Of these, 4 were entirely in private, and 26 included both public and private items. The reasons for taking business in private were consideration of approach papers, correspondence, draft reports, evidence received, and the Committee's work programme.
4. The Committee took evidence from 97 witnesses, representing 59 businesses and organisations.

Legislation

Bills

Community Wealth Building (Scotland) Bill

5. The Committee considered the [Community Wealth Building \(Scotland\) Bill](#) at Stage 1. It took evidence over four meetings and visited Alloa and Irvine. The Committee's report made a number of recommendations, including increasing local procurement spend by setting targets in each local authority action plan. The Committee recommended that Parliament agree to the general principles of the Bill.
6. At Stage 2, the Committee debated 152 amendments. Many of the amendments agreed to reflected the Committee's recommendations, including the monitoring and tracking of local procurement targets. The Bill was passed by the Parliament.

Digital Assets (Scotland) Bill

7. The Committee considered the [Digital Assets \(Scotland\) Bill](#) at Stage 1 and took evidence over four meetings. The Committee's report recommended that Parliament agree to the general principles of the Bill but asked the Scottish Government to reflect on exclusions and whether the good faith provision could be framed more positively.
8. At Stage 2, the Committee debated four Scottish Government amendments addressing the Committee's suggestions. The Bill was passed by the Parliament.

Subordinate legislation

9. The Committee considered 5 Scottish Statutory Instruments—
 - 3 affirmative; and
 - 2 negative.

Legislative consent memorandums

10. The Committee considered one Legislative Consent Memorandum (LCM)—
 - [Cyber Security and Resilience \(Network and Information Systems\) Bill LCM](#)and two supplementary LCMs—
 - [Employment Rights Bill LCM](#); and
 - [Product Regulation and Metrology Bill LCM](#).

11. The Committee took evidence on the LCM for the Cyber Security and Resilience (Network and Information Systems) Bill from the Cabinet Secretary for Justice and Home Affairs. The Committee report noted that discussions between the Scottish and UK Governments continue and that a supplementary LCM is expected. The Committee reiterated that the Scottish Parliament should have the opportunity to effectively scrutinise the exercise of all legislative powers within devolved competence and that powers conferred on UK Ministers should be subject to a requirement for the Scottish Ministers' consent when exercised within devolved competence.

Inquiries and scrutiny work

Alexander Dennis (a short case study)

12. In June 2025, the bus manufacturing company [Alexander Dennis](#) announced a consultation on merging its UK manufacturing operations into a single site in Scarborough. 400 jobs in Scotland were at risk.
13. Recognising the economic and social impact of the potential job losses, the Committee held two short-notice evidence sessions with workers' representatives and the President and Managing Director of Alexander Dennis. Following these, the Committee wrote to the Cabinet Secretary for Finance and Local Government, the Secretary of State for Scotland and Scottish Enterprise seeking updates on discussions, assurances on actions being taken and that both governments were working together to consider solutions.
14. In September 2025, the Scottish Government announced funding to support a company-run furlough scheme to support the company's retention of Scottish-based jobs and manufacturing, pending receipt of orders. In February 2026, the Committee sought and [received a written update](#) from the Scottish Government.

Draft Climate Change Plan 2026-2040

15. The Net Zero, Energy and Transport (NZET) Committee co-ordinated scrutiny of the Scottish Government's draft climate change plan for 2026-2040.
16. This Committee considered Chapter 7 of the draft plan: Business and Industrial Process and Negative Emissions Technologies and the theme of Just Transition. The Committee held two evidence sessions and [wrote to the NZET Committee](#) with our views and recommendations on how the draft plan could be strengthened. We observed that high electricity prices are a major barrier to industrial decarbonisation and that decarbonisation must be carefully managed to avoid Scottish job losses, offshoring and declining industrial capacity.

Grangemouth's industrial future

17. Following the announcement that the oil refinery at Grangemouth would transition to a finished fuels import terminal and distribution hub, the Committee held [evidence sessions](#) with the UK and Scottish Governments to discuss the Project Willow feasibility study and the two Governments' joint plan to secure Grangemouth's long-term industrial future and support proposals.

The economic potential of artificial intelligence

18. The Committee held three evidence sessions on [the economic potential of artificial](#)

[intelligence](#) to inform the Scottish Government's forthcoming AI strategy for Scotland and Action Plan. The Committee [wrote to the Scottish Government](#) with its findings and recommendations.

2026-27 budget scrutiny

19. Recognising their key roles in delivering the Scottish Government's economic objectives, the focus of 2026-27 pre-budget scrutiny was the Enterprise Agencies and the Scottish National Investment Bank (SNIB).
20. The Committee [wrote to the Deputy First Minister and Cabinet Secretary for Economy and Gaelic](#) recommending that spending priorities should support businesses, women's enterprise, and workforce skills development. The Committee highlighted the pace and consistency of digital upskilling and adapting to new sustainable technologies as potential delivery barriers. The Committee also [wrote to HM Treasury](#) seeking an update on discussions about SNIB's financing powers and ability to recycle capital.

Other evidence sessions

21. Throughout the year, the Committee maintained a watching brief on policy developments in the Deputy First Minister and Cabinet Secretary for Economy and Gaelic's portfolio. The Committee undertook quick, focused scrutiny work, including Regional Inequalities and Productivity, as part of its scrutiny of the Scottish Government's [National Strategy for Economic Transformation](#) and Scotland's tourism and hospitality sectors.
22. The Committee held an evidence session with [Consumer Scotland](#) to consider its performance and impact. The Committee also continued to receive quarterly and monthly updates from the Keeper of the [Registers of Scotland](#) on open casework, turnaround times, and completing the Land Register. Following a suggestion from the Committee, a single point of contact for constituency enquiries was established.

Equal opportunities

23. When gathering evidence, the Committee is keen to ensure it hears from a diverse range of people. It now asks organisations to consider this when responding to invitations. In some circumstances, the Committee will take evidence from people attending virtually, allowing for a wider range of voices to be heard from across the country.

