

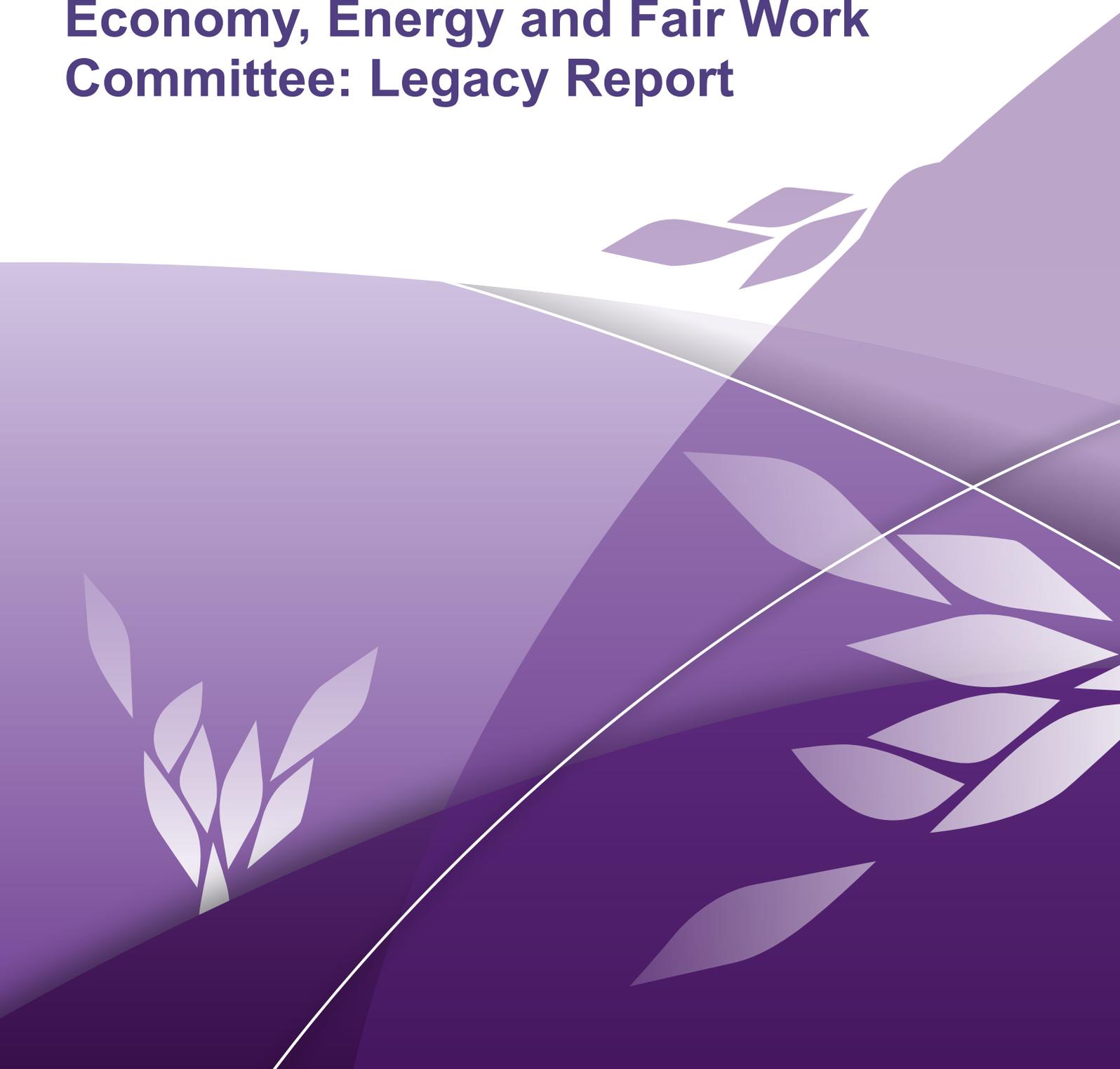


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Economy, Energy and Fair Work Committee Comataidh Eaconamaidh, Lùth is Obair Chothromach

Economy, Energy and Fair Work Committee: Legacy Report



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Economy, Energy and Fair Work Committee

Remit: To consider and report on economy and fair work matters falling within the responsibilities of the Cabinet Secretary for Economy, Fair Work and Culture; matters relating to the digital economy within the responsibilities of the Cabinet Secretary for Finance, and matters relating to energy falling within the responsibilities of the Minister for Energy, Connectivity and the Islands.



economyenergyandfairwork@parliament.scot



0131 348 5403

Committee Membership



Convener
Gordon Lindhurst
Scottish Conservative
and Unionist Party



Deputy Convener
Willie Coffey
Scottish National Party



Colin Beattie
Scottish National Party



Maurice Golden
Scottish Conservative
and Unionist Party



Richard Lyle
Scottish National Party



Gordon MacDonald
Scottish National Party



Alex Rowley
Scottish Labour



Graham Simpson
Scottish Conservative
and Unionist Party



Andy Wightman
Independent

Introduction

1. The remit of the Economy, Energy and Fair Work is wide-ranging, covering a diverse breadth of topics. Two clear areas of work during this session have been supporting the economy, and energy, with a focus on climate change. However, other important policy areas, such as debt policy, provision of data, and protecting consumers have also been scrutinised.
2. In this report, we seek to highlight areas of work which we believe merit further consideration in the new parliamentary session. In producing this report, we fully accept that our successor committee will have its own ideas of priority areas of work. However, we hope that this report will give an indication of important policy areas which would benefit from further scrutiny. A list of the topics covered by the Committee during this session is set out in annexe A.

Engagement

3. Engagement with people, businesses and organisations across Scotland has underpinned the work of the Committee during this session. This engagement has taken place in many formats.
4. We began the session by holding breakfast meetings and briefings with stakeholders on issues related to businesses, energy policy, fair work and the enterprise agencies. This helped to inform our work programme.
5. Digital engagement has helped us reach a wide range of people. We carried out surveys on a diverse set of issues from bank closures to business support. Our Twitter selfie campaign on the gender pay gap captured the imagination of many and provided a simple way for people to communicate their views.
6. Face-to-face engagement has been invaluable in giving us an opportunity to speak to people directly affected by policy. This included focus groups on household income and the labour market in relation to economic performance and with people dealing with debt. We also visited businesses throughout Scotland during our work on the economic impact of Brexit and business support. More recently we held virtual focus groups to speak to business owners and young people about the impact of Covid-19. We held two sessions with Women's Enterprise Scotland (WES) during which their members came into the Parliament and were able to hear from and put questions to MSPs, officials, and witnesses who had given evidence to committees.
7. We are currently constrained in travel by Covid-19 restrictions. However, whenever possible, we believe that it is important to get out and about rather than expecting people to come to Edinburgh to speak to the Committee. The pop-up Parliament in a Paisley shopping centre provided an opportunity to gather views on the Protection of Workers (Scotland) Bill. Visits, including to:
 - Orkney (energy inquiry);
 - Lanarkshire, Aberdeen, Inverness and Dublin (business support inquiry);
 - Loch Lomond Brewery and Skyscanner (economic performance inquiry); and
 - CCG Construction and the Construction Scotland Innovation Centre (construction inquiry)allowed us to speak to a diverse range of people and informed the outcomes of our inquiries.
8. Speaking to young people has been important to our work during the session. We received a warm welcome when we visited Edinburgh College to meet construction apprentices and were pleased to invite some apprentices to give oral evidence at a subsequent committee meeting. This helped to draw out vital issues on training and attracting young people to work in the construction sector. We are also grateful to the Scottish Youth Parliament; we have collaborated with them through workshops and surveys with young people. School children also gave us their views whilst visiting the Parliament.

Visit to Edinburgh College to meet construction apprentices



9. We have sought to engage with business organisations and the Scottish Trades Union Congress during this session. Assistance given by the Scottish Chambers of Commerce in engaging with businesses across the country on the impact of the pandemic was particularly welcome.
10. It is suggested that some established best practice in engagement is continued into the next session, including:
 - working in partnership with organisations who have established trusted relationships and methods of working with people the committee wants to hear from;
 - the Parliament’s engagement staff co-producing sessions and delivering them on behalf of the committee;
 - communicating and producing information in a number of different formats and media making it clear and accessible; and
 - integrating engagement planning and outcomes as part of agreeing the approach to any new pieces of work.

Events

11. The Scottish Parliament has jointly organised Business in Parliament Conferences with the Scottish Government over the last 17 years. The plans and agenda for these conferences are developed in partnership with business organisations (including Scottish Council for Development and Industry, Young Enterprise Scotland, WES, Federation of Small Businesses Scotland, CBI Scotland, Scottish Chambers of Commerce, and Scottish Financial Enterprise) to ensure that each year's theme and workshop topics are relevant and engaging for the business community. These events allow MSPs and Government Ministers to interact with business people and hear first-hand about the issues affecting them.

Robin Watson, CEO of Wood Group, giving the keynote speech at the Business in Parliament conference 2019



12. It has been suggested to the Committee that a parallel event involving workers should be initiated. The Committee had agreed to hold a 'Workers in the Parliament' event towards the end of this session. However, due to the pandemic, we were unable to progress this plan. We had considered focusing the event on the social care workforce. The importance of this sector has been highlighted through our work on the gender pay gap and economic performance. The key role played by this sector – in supporting our vulnerable people and as a key economic sector – has become even more evident during the pandemic.
13. We recommend that our successor considers holding an event early in the session to gather the views of workers. This could inform the committee's work on fair work during the next session.

INQUIRIES: ECONOMY

Covid-19 inquiry

14. Since the beginning of the Covid-19 pandemic, the Committee has carried out an ongoing inquiry on its impact on the economy, businesses and young people. We also focused on economic recovery.
15. The Committee [reported](#) on its inquiry in November 2020 and received a [response](#) from the Scottish Government in January 2021. The Committee also focused its budget 2021-22 scrutiny on the impact of Covid-19. We took evidence from the [Cabinet Secretary for Economy, Fair Work and Culture](#) and the [Minister for Business, Fair Work and Skills](#) on these matters late in the session.
16. In our report, we recognised that Covid-19 has triggered the most severe economic recession in almost a century. We looked at business support, the impact on supply chains and the need for a place-based approach to be taken to promoting economic recovery. The role of procurement is also key to economic recovery, as well as seeking to promote and measure the impact of a wellbeing economy.
17. We remain extremely concerned about the impact of the pandemic on the economic prospects of young people and on their training and education. Issues highlighted in the Committee's report include the extremely detrimental impact on apprenticeships and employment prospects for school leavers and those in further education.
18. We held [3 focus groups](#) with young people living in rural and urban settings and in the North East of Scotland. They highlighted a number of issues to us, including:
 - the impact of the pandemic on access to on-the-job training and work placements;
 - reduced availability of part-time/holiday work for students and increased competition from experienced workers applying for the same jobs;
 - a general lack of awareness of support being offered by public agencies and the need for better dissemination of information to young people;
 - the need for sufficient connectivity to allow reliable home working;
 - the need for good transport links for young people in rural areas to allow travel to employment and training; and
 - the need to ensure that young people gain skills needed for future careers, including digital skills.
19. The Committee heard [evidence](#) of a big reduction in the number of graduate vacancies; many young people are finding it difficult to secure work after leaving university. In a focus group in September 2020, businesses warned of a danger that this year's cohort of graduates may be forced into low skilled/low pay sectors as no other opportunities are available. Young people in a focus group also stressed the need for a direct relationship to be developed between universities and potential employers, so that graduates can decide what steps to take after they graduate.

20. We also heard evidence of the potential for underemployment increasing as a result of the pandemic, with workers not being offered sufficient hours. Our successor may wish to obtain data on underemployment to assess the scale of this problem, especially for young people entering the labour market.
21. In our report, we noted that the sectors worst affected by the pandemic are most likely to employ young people and to be particularly important to rural economies. It underlines that policy responses must be tailored to local circumstances.
22. In the [Programme for Government 2020/21](#), the Scottish Government set out a £60 million young person's guarantee, which aims to guarantee that every young person aged between 16 and 24 will have:
 - an opportunity at university or college,
 - an apprenticeship programme,
 - employment including work experience; or
 - participation in a formal volunteering programme.
23. We noted the evidence welcoming the young person's guarantee. There was general agreement that work placements must:
 - be of sufficient length;
 - be paid at the Living Wage, and
 - take the specific circumstances of sectors and local economies into account.
24. In our report, we noted that the young person's guarantee builds on existing initiatives and asked the Scottish Government to set out what additional value the scheme would add to existing provision and how this would be monitored and reported on. We also noted the cost estimates provided by the Fraser of Allander Institute and asked the Scottish Government to set out detailed planned expenditure on the scheme, including plans for wage incentives.
25. In its response, the Scottish Government referred to its high-level [Activity Plan](#) which sets out the key activity to be taken forward and built upon when implementing the guarantee, including seeking alignment to commitments around green jobs and fair work.
26. We spoke to a number of young people as part of the inquiry. Many spoke of the importance of being consulted and fully involved in policy development to address the issues they face as a result of the pandemic. We made a plea for this to happen in our report.
27. Another matter which merits further work is scrutiny of the Scottish Government's ongoing plans to promote economic recovery. The Advisory Group on Economic Recovery published its [report](#) in June 2020. The Scottish Government responded to the report with its [economic recovery implementation plan](#) in August 2020.
28. We have held evidence sessions on these matters but we believe that 'how to revive the Scottish economy' should be a priority topic for our successor. The ongoing economic impact of the pandemic, and plans for recovery, will undoubtedly

be a priority topic for the next Parliament.

29. We would also recommend that our successor continues scrutiny of the implementation and funding of the young person's guarantee.

Enterprise agencies

30. Scrutiny of Scottish Enterprise is within the remit of this Committee. Highland and Islands Enterprise and the South of Scotland Enterprise Agency fall within the remit of the Rural Economy and Connectivity Committee. However, this Committee has taken a strong interest in the work of all three agencies, not least to seek to find out whether there is alignment between them.
31. The Scottish Government carried out an [Enterprise and Skills review](#) at the start of the session. This sought to improve enterprise and skills support and to ensure a simpler and more coherent enterprise and skills support system.
32. We have focused on the work of the enterprise agencies for our annual budget scrutiny. However, it has been challenging to establish outcomes for the spend of Scottish Enterprise. We have recommended, on a number of occasions, that action is taken to make the agency's outcomes more tangible and measurable. This is a work in progress and one which we recommend our successor committee continues to monitor in the next session. Given the size of the spend, it is vital that Scotland's enterprise agencies continue to be subject to rigorous scrutiny.
33. Business Gateway offers business support delivered through local authorities, but its services were not within the remit of the enterprise and skills review. Given its key role in supporting businesses, we decided to hold an inquiry on Business Gateway and local business support.

Business Gateway and local business support

34. The Committee's inquiry on small and medium-sized enterprise (SME) business support highlighted issues around:
 - strategic alignment and accountability;
 - targets and performance; and
 - funding and regional variation in services.

Visit to Lanarkshire Enterprise Services Ltd



35. In response to our inquiry, the then Cabinet Secretary for Finance, Economy and Fair Work (Derek Mackay MSP) [told us](#) that the Scottish Government would work with COSLA to 'co-produce solutions that will allow Business Gateway to most effectively be a core part of our single-system approach to business support'.
36. The Covid-19 crisis has further highlighted the importance of an efficient and effective business support system. The Committee has heard mixed evidence around the business support system in terms of the delivery of Covid-19 business support.
37. We strongly suggest that our successor follows up on this work by:
 - seeking a progress update in relation to our recommendations regarding Business Gateway and wider business support for SMEs;
 - pursuing stakeholder views on the delivery of Covid-19 business support to SMEs and what lessons have been learned; and
 - based on the evidence gathered via the two latter action points, determine the level of scrutiny required around SME business support in the next parliamentary session.

Labour market, skills and fair work

38. Skills is a topic which has come up repeatedly in our work and, earlier in the session, we were keen to do an inquiry on skills for Scotland's future economy. We wanted to look at the challenges the coming decades will bring in terms of skills planning to ensure Scotland has a productive and inclusive economy, including:
- Scotland's skills planning model;
 - role of industry and SMEs; and
 - apprenticeships and the wider mix of delivery mechanisms.
39. This work was put on hold when it emerged that the Scottish Government was developing '[Scotland's Future Skills Action Plan](#)' which was published in September 2019. This was followed by the recently published [Climate Emergency Skills Action Plan](#) which seeks to ensure that Scotland has the skills it needs to achieve its net zero targets. The Committee is aware that the pandemic and current uncertainty about the shape of the future labour market have also had an impact on the skills agenda.
40. Towards the end of this session, we received a [letter](#) from Angela Constance MSP highlighting potential 'fire and rehire' employment practices by a major supermarket operating in her constituency. In response, the Committee agreed to consider general fair work issues in evidence from the Minister for Business, Fair Work and Skills. Precarious work has also been highlighted, especially by young people, during our Covid-19 inquiry.
41. We recognise that employment law is reserved to Westminster. However, work is being done by the Scottish Government to promote fair work, for example, through the Scottish Business Pledge and conditionality attached to business support.
42. We recommend that our successor considers pursuing inquiries on skills and fair work early in the next session. On visits to businesses during this session, we have seen examples of fair work in action. If our successor committee does an inquiry on fair work and skills, one approach could be to look at examples of good practice in Scottish businesses and to seek to establish how this can be encouraged with employers.

Statutory debt solutions

43. The Committee has taken a keen interest in scrutinising debt policy during this session, including strong scrutiny of subordinate legislation on proposals for a new tool to assess a debtor's available income to repay creditors when entering a statutory debt solution. Statutory debt solutions are: bankruptcy, protected trust deeds and the debt arrangement scheme.
44. The Committee decided to do a short [inquiry](#) on protected trust deeds in 2020 and made a number of recommendations to improve the process of going through a protected trust deed for debtors. The [Scottish Government responded](#) in October 2020.

45. Most of the issues raised in our report are to be investigated further by the Working Group on Statutory Debt Solutions. This group has been reconvened by the Scottish Government to take forward the Committee's recommendation for an overarching review of debt policy.
46. We recommend that our successor keeps a watching brief on this working group and seeks regular updates from the Scottish Government. It is likely that increased levels of personal indebtedness following on from the pandemic will require some policy response from the Scottish Government. Our successor may also wish to follow the UK Government's review of how insolvency practitioners are regulated.

Bank closures inquiry

47. During this session, the Committee has been concerned about the accelerating rate of bank branches closures in Scotland. We were particularly keen to find out the impact on businesses and local people and what steps could be taken to mitigate against the negative impact of the closures.
48. We held an [inquiry](#) on these matters and a follow up [meeting](#) on 10 December 2019, which focused on cashpoints and access to cash. Following that meeting, we agreed to approach the Scottish Affairs Committee and relevant committees in the Welsh and Northern Ireland Assemblies regarding joint working on this issue. Given that regulation of the banking sector is reserved, we felt that it was important to work with our counterparts on this topic. However, we did not pursue this due to the pandemic. As banks continue to close branches in Scotland, our successor may wish to pursue these matters in the new session.

Sector specific inquiries

49. During this session, the Committee tried a new approach: to examine a particular sector and to look at a range of issues affecting it. We were aware that the construction sector has significant economic impact and is an important driver of the wider economy in Scotland. For that reason, we chose to focus our inquiry on the construction industry; we looked at a broad range of issues affecting the sector, including skills, procurement, leadership and innovation.
50. Our successor may wish to replicate the approach of looking at a particular sector and its place within Scotland's economy. For example, the committee could look at a sector, such as the fishing industry.

INQUIRY TOPICS: ENERGY

51. We have done a number of pieces of work covering energy policy throughout the session. Themes of affordability and addressing climate change have run through this work. We have looked at [local energy and electric vehicle infrastructure](#). We also did an inquiry on the Scottish Government's proposal for a Publicly Owned Energy Company (POEC). We wrote to the Scottish Government in December 2018 with our [findings](#) and agreed to look at the business case for POEC once it is published.

Visit to the Edinburgh Centre for Carbon Innovation



52. In a recent [letter](#) (following a debate on the [findings](#) of our energy inquiry), the Minister for Energy, Connectivity and the Islands said the Scottish Government had completed the independent outline business case at the turn of the year and had expected, prior to the pandemic, to work with potential local authority partners on next steps.
53. We recommend that our successor continues to scrutinise the Scottish Government's commitment to create a POEC.
54. Our other work on energy policy has been based on scrutiny of the Scottish Government's [Climate Change Plan](#) and the recent [update](#). We also scrutinised the Scottish Government's [Energy Strategy](#) and its [annual energy statement](#) (with a focus on heat policy). We believe that scrutiny of the annual energy statement is a

good basis on which to track progress in this policy area; it provides a systematic and strategic framework for scrutinising energy policy.

Visit to Levenmouth Community Energy Project



Energy, Industry, Negative Emissions Technologies (NETs)

55. The Climate Change Plan Update (CCPu) included a chapter on industry which aims for a 43% reduction in industrial emissions between 2018 and 2032 (52% if NETs are included). This is considerably more ambitious than the 21% reduction set out in the 2018 Climate Change Plan. There was general agreement in evidence on the CCPu that achieving this target will be exceptionally difficult.
56. In working towards this target, there is an important role for technologies such as carbon capture and storage and hydrogen, but work also needs to continue around incentive, support and competitiveness for industry.
57. Industry is responsible for almost 30% of Scotland's total greenhouse gas emissions, second only to transport. Our work on this chapter of the CCPu was constrained by the limited time available for scrutiny. We recommend that our successor does an early inquiry on industrial decarbonisation. This could include early engagement with big players in industry in Scotland, such as INEOS.
58. Our [response](#) to the CCPu also included recommendations that our successor

maintains a watching brief on the planning and infrastructure aspects of climate change in the coming parliamentary session; skills and training (in the context of a green economic recovery) is also a crucial policy area and one that merits the fullest consideration by our successor.

59. There is a joint Scottish Government and Scottish Parliament Working Group to improve Budget Information (as it relates to climate change). The work of that group will be ongoing and a number of parliamentary committees, including this one, are involved in that work.

Offshore wind and the local supply chain

60. This session the Committee had an ongoing interest in Burntisland Fabrications (BiFab) who produce fabrications for the offshore oil, gas and renewables industry from their three yards in Scotland. We conducted a short [inquiry](#) in November and December 2020, which focused on BiFab, the offshore wind sector and the Scottish supply chain.
61. The inquiry covered a number of areas including BiFab's failure to win contracts, investment decisions, state aid and Contracts for Difference. BiFab went into administration during the Committee's inquiry, but a buyer was subsequently found for 2 of the 3 BiFab yards.
62. The Committee's inquiry raised wider questions about the Scottish Government's ability to support businesses without breaching state aid and other competition laws. We believe that it is important for the UK and Scottish Governments to be creative and ambitious in their support of the local supply chain to maximise future opportunities in the renewables sector.
63. Decisions around financial support for BiFab were made under the EU's state aid regime and framework, which is now no longer in place in the UK. However, there continue to be level playing field agreements in the Trade and Cooperation Agreement. We recommend that further work is done in this area by our successor committee.
64. Changes are being made to the Contracts for Difference process and Supply Chain Statements, in part, with a view to securing greater benefits for the local supply chain. There are opportunities for the Scottish economy to benefit from the growth of the offshore wind sector and we would encourage our successor committee to look at the impact of these changes on the Scottish supply chain.

Brexit

65. Immediately after the referendum on leaving the EU in 2016, we did an [inquiry](#) on the potential impact on businesses in Scotland. Since then, the impact of Brexit has been woven throughout many of our inquiries.
66. Common frameworks are being produced by the UK and devolved governments to seek to deal with any issues around policy divergence following the UK's departure

from the EU. We believe that committees have an important role to play in scrutiny of these frameworks and have called for sufficient time and information to be provided by the Scottish Government to allow this to happen.

67. We are aware of two provisional common frameworks which are in the pipeline and likely to be referred to our successor committee early in the next session: public procurement and late payments of commercial debts. We have written to the Scottish Government requesting sight of any responses received to consultation carried out on these frameworks. We have also liaised with our counterpart committees in the House of Commons and devolved legislatures.
68. We encourage our successor to set aside time for scrutiny of these and subsequent common frameworks.

European Structural and Investment Funds

69. Back in 2018, the Committee recognised the vital role played by European Structural and Investment Funds (ESIFs) in supporting economic development in Scotland, at both a regional and local level. We launched an [inquiry](#) to consider what should replace ESIFs once the UK exits the EU.
70. The Committee was aware of plans to develop a UK Shared Prosperity Fund after Brexit and recommended to both the Scottish and UK Governments that the new fund should not be top-down, not centrally-driven, short-term or rigidly bureaucratic. We also endorsed the call for the current allocation to Scotland under ESIFs to be considered the baseline for future funding levels under the UK Shared Prosperity Fund.
71. This policy area has also been of interest to the Finance and Constitution and the Culture, Tourism, Europe and External Affairs Committees during this parliamentary session. It could be an area for joint working in the next session as the proposals for a UK Shared Prosperity Fund evolve.

Registers of Scotland

72. We decided earlier in this session that scrutiny of the Registers of Scotland (RoS) was important. We have sought to take evidence from the Keeper and Accountable Officer on an annual basis. Our scrutiny has focused on issues such as the digitalisation agenda and funding issues. The Committee [wrote to the Keeper on 4 March 2021](#) regarding a number of issues of ongoing interest. We recommend that our successor continues ongoing scrutiny of Registers of Scotland.

BILLS

Scottish National Investment Bank Act 2020

73. The Scottish National Investment Bank Bill was introduced in 2019. It became law in February 2020 and the bank was launched in November 2020. In our [Stage 1 report](#) on the bill, we highlighted the need for accountability and consultation, and the relevance of the Bank to many policy areas and economic sectors. The role of the bank has come into sharper focus given the economic impact of the pandemic.
74. We believe that ongoing scrutiny of the bank's operations is vital. Our successor may wish to consider the longer-term approach to such scrutiny early in the session; including:
- frequency of taking evidence from the Chief Executive and her team;
 - scrutiny of Annual Accounts and performance reporting;
 - expectations of updates via written communications and briefings; and
 - engagement and collaboration with other agencies, particularly Scottish Enterprise.

Consumer Scotland Act 2020

75. The [Consumer Scotland Bill](#) set up a new body called Consumer Scotland, giving it powers to:
- provide advice;
 - represent the views of consumers;
 - collect information;
 - organise research; and
 - carry out investigations.
76. The bill became law in June 2020. There are a number of post-legislative scrutiny actions which our successor may wish to take.

Role of Consumer Scotland

77. When scrutinising the Consumer Scotland Bill, we expressed concerns about how Consumer Scotland would work with other organisations dealing with consumer rights to ensure a co-ordinated, strategic approach which avoided duplication. Our successor could conduct a short inquiry, after Consumer Scotland has been established and has started operating, to find out how it is working with stakeholders. Issues to look at could include:

- how Consumer Scotland is working to provide strategic direction;
 - what mechanisms are in place to ensure good working relationships with other consumer bodies; and
 - what consultation mechanisms are in place to capture expertise of stakeholders and consumers.
78. Our successor may wish to look specifically at the position of Citizens Advice Scotland. It previously provided some functions that would be taken over by Consumer Scotland and faced losing funding as a result, with an impact on some of the other work it carried out.
79. This scrutiny could take place after Consumer Scotland has been established (September 2021 at the earliest) and has had some time to bed in.

Consumer duty

80. The Consumer Scotland Act 2020 also introduced a 'consumer duty' – a requirement for some public sector bodies to consider the impact of their strategic decisions on consumers. The provisions gave no detail about how the duty would operate in practice.
81. Our successor may wish to speak to key stakeholders, such as local authorities and Scottish Government agencies, to find out how the duty is working. This scrutiny could take place after the legislative provisions introducing the consumer duty have been brought into force.

Post-legislative scrutiny of the Procurement Reform (Scotland) Act 2014

82. Public procurement is a cross-cutting issue which impacts on regional business growth, fair work practices and economic, social and environmental outcomes. Given its importance, the Committee was keen to undertake detailed scrutiny of the Procurement Reform (Scotland) Act 2014 once the legislation had bedded in.
83. This work was condensed due to the pandemic, but the Committee did issue a call for views which received 31 responses. A [summary of written evidence](#) was produced, which provides a foundation upon which our successor could schedule further evidence.
84. The Committee explored some of the issues raised in the written evidence with the Minister for Trade, Innovation and Public Finance at its meeting on [9 March 2021](#). The Committee noted a number of areas which would benefit from further scrutiny by its successor:
- Statistical analysis of whether there has been improvement in SME access to contracts and evidence from SMEs on any barriers preventing access would be

useful to consider. It would be particularly helpful to understand how national/regional frameworks and lotting (the splitting of contract requirements into smaller contracts) are affecting access for SMEs;

- The care sector faces unique procurement challenges. The Committee heard that the competitive tendering model is ill suited for the social care sector where a competitive model results in a focus on short term cost which directly limits the ability to advance the fair work agenda in this sector. Short-term contracts result in significant churn; undermining job security and breaking relationships between those in care and the care providers. Any work in this area could link to the Scottish Government's [Adult Social Care review](#);
- The UK's departure from the EU changes the framework under which public procurement decisions are made. Any opportunities to advance policy aims of localisation, fair work, environmental and social changes in light of these changes could be explored.

85. Further consideration of these issues could be combined with work on economic recovery from Covid-19 and the expected public procurement common framework.

Moveable Transactions Bill

86. The Scottish Law Commission was established in legislation to propose reforms to the law. It examined the issue of moveable transactions and published its final [Report on Moveable Transactions](#) (including a [draft bill in volume 3](#)) in 2017.

87. The Committee took evidence from several people involved in the Scottish Law Commission's work on [26 November 2019](#). They argued that the law in this area needed updating, and Scotland's businesses were suffering as a result. The Committee agreed to look into [this issue](#) further and issued a call for views. The Committee then wrote to the Scottish Government with a summary of evidence.

88. In evidence, the Committee heard that Scots law in this area is antiquated – making it more difficult to use moveable property for security than in many other countries. The two main problems are:

- Where moveable property is used for security, it must be placed in the custody of the creditor. This puts it out of use for the debtor, making it an unattractive proposition for business finance. It may also put obligations on the creditor which they are not willing to accept;
- Incorporal moveable property is transferred by a process called assignation. It is a legal requirement that the person who owes the obligation (often the debtor in a debtor-creditor relationship) is notified of the assignation. This makes some forms of financing – such as invoice financing – very difficult in Scotland.

89. The Scottish Government announced in April 2020 that its planned moveable transactions bill would not go ahead in this session (as part of its rationalising of the legislative programme due to the pandemic). Given the importance of this legislation to businesses in Scotland, we recommend that our successor seeks to ensure that the bill is introduced early in the next session.

Pre-release Access to Official Statistics (Scotland) Bill

90. The Committee pursued its own [Bill](#), concerning the pre-release access (PRA) to economic data, during session 5; that Bill being passed by the Parliament on 4 March 2021. One aspect of that Bill is a review of the impact of ending PRA for two specific types of economic data (GDP and Retail Sales). The next Committee may wish to consider the findings of that review, due to be commissioned by May 2024 and which should report during that same year.
91. We would highlight the mechanism of a committee bill as a way to pursue policy change in the next session. To date there have been 10 committee bills passed since 1999 and only three of those that might be described as more policy than procedurally based: one from the Justice Committee in session 1 (Protection from Abuse), one from the Education Committee in session 2 (Commissioner for Children and Young People), and one from this Committee in session 5 (PRA). If there was a particular issue identified in the next session that was thought to merit legislative action or remedy, it may be that our successor committee would wish to explore that option.

Conclusion

92. In summary, this report sets out a number of activities our successor may wish to pursue in the next session:

Engagement

- continued engagement with businesses and people across Scotland;
- 'Workers in Parliament' event.

Inquiries - economy

- continued scrutiny of the impact of the pandemic on young people, including on graduates and the effectiveness of government programmes, such as the young person's guarantee;
- an inquiry on how to revive the Scottish economy as we come out of the pandemic;
- continued scrutiny of the enterprise agencies and local business support, including Business Gateway;
- a 'skills for Scotland's future economy' inquiry;
- a fair work inquiry, including looking at good practice among employers in Scotland;
- continued scrutiny of the Working Group on Statutory Debt Solutions;
- consider a sector-specific approach to inquiries.

Inquiries - energy

- an inquiry on industrial decarbonisation;
- scrutiny of the annual energy statement;
- a watching brief on the planning and infrastructure aspects of climate change and skills and training (in the context of a green economic recovery);
- ongoing scrutiny of changes to the state aid regime, the Contracts for Difference process and Supply Chain Statements, and the impact of these changes on the offshore wind supply chain in Scotland.

Brexit

- scrutiny of forthcoming common frameworks;
- ongoing scrutiny of the replacement for European Structural and Investment Funds (ESIFs).

Legislation

- ongoing scrutiny of the Scottish National Investment Bank;
- post-legislative scrutiny of the Consumer Scotland Act 2020, including the role of Consumer Scotland and the operation of the consumer duty;
- further post-legislative scrutiny of the Procurement Reform (Scotland) Act 2014;
- tracking progress of the Moveable Transactions Bill;
- review of the implementation of the Pre-release Access to Official Statistics (Scotland) Act.

93. There are many pressing issues within the remit of this Committee and we are aware that our successor will have to prioritise its work. There is no doubt that economic recovery from the impact of the pandemic will be a major focus. Related to that is the role of the enterprise agencies and SNIB in promoting economic recovery. Energy policy will also play a part in this as Scotland continues to transition towards its net-zero carbon targets. Whatever topics our successor chooses to prioritise, we wish it well in its work in the new session.

Annex A: Work of the Committee during this session

Legislation

Damages (Investment Returns and Periodical Payments) (Scotland) Bill

- [Stage 1 Report](#)
- [Response](#)

The Bill was passed on 19 March 2019 and received Royal Assent on [24 April 2019](#).

Scottish National Investment Bank Bill

- [Stage 1 Report](#)
- [Response](#)

The Bill was passed on 21 January 2020 and received Royal Assent on [25 February 2020](#).

Consumer Scotland Bill

- [Stage 1 Report](#)
- [Response](#)

The Bill was passed on 6 May 2020 and received Royal Assent on 9 June 2020.

Protection of Workers (Retail and Age-Restricted Goods and Services) (Scotland) Bill

- [Stage 1 Report](#)
- [Response](#)

The Bill was passed on 19 January 2021 and received Royal Assent on [24 February 2021](#).

Tied Pubs (Scotland) Bill

- [Stage 1 Report](#)
- [Response](#)

The Bill was passed on 23 March 2021.

Heat Networks (Scotland) Bill

- [Stage 1 Report](#)
- [Response](#)

The Bill was passed on 23 February 2021.

Pre-release Access Bill

- [Committee Bill Proposal](#)
- The Bill was introduced on [8 September 2020](#).
- The Parliament agreed to the general principles of the Bill on 12 November.
- The Parliament considered the Pre-release Access to Official Statistics (Scotland) Bill on 27 January 2021 (Stage 2).
- The Parliament considered the Pre-release Access to Official Statistics (Scotland) Bill on 4 March 2021 (Stage 3).

Moveable Transactions Bill

- [Report](#)
- [Response](#)

Inquiries

Economic Impact of Leaving the European Union

- [Report](#)
- [Scottish Government Response](#)
- [Secretary of State for Scotland Response](#)
- [Secretary of State for Scotland Further Response](#)
- [Debate](#)

Draft Climate Change Plan

- [Report](#)
- [Debate](#)

Budget Scrutiny 2017-18

- [Report](#)
- [Response](#)

Gender Pay Gap

- [Report](#)
- [Scottish Government Response](#)
- [SPCB Response](#)

- [Debate](#)

Draft Energy Strategy

- [Report](#)
- [Response](#)

Budget Scrutiny 2018-19

- [Report](#)
- [Response](#)

Economic Data

- [Report](#)
- [ONS Response](#)
- [Scottish Government Response](#)

Scotland's Economic Performance

- [Report](#)
- [Response](#)

Impact of Bank Closures

- [Report](#)
- [Scottish Government Response](#)
- [Secretary to the Treasury Response](#)
- [Bank Closures Follow-Up 2019-20](#)

EU Structural and Investment Funds

- [Letter to Minister for Trade, Investment and Innovation](#)
- [Letter to Lord Henley](#)
- [Lord Henley Response](#)
- [Minister for Trade, Investment and Innovation Response](#)
- [Scottish Government's European Structural Funds in Scotland post EU Exit](#)

Budget Scrutiny 2019-20

- [Report](#)
- [Response](#)
- [Follow-up Response](#)

Publicly Owned Energy Company

- [Report](#)
- [Response](#)

Business Support Inquiry

- [Report](#)
- [Scottish Government Response](#)
- [COSLA Response](#)

Construction and Scotland's Economy

- [Report](#)
- [Response](#)

Budget scrutiny 2020-21

- [Report](#)
- [Response](#)

Energy Statement

- [Report](#)
- [Response](#)
- [Letter to Business, Energy and Industrial Strategy Department](#)
- [Business, Energy and Industrial Strategy Department Response](#)

Protected Trust Deeds

- [Report](#)
- [Response](#)

Energy Inquiry

- [Report](#)
- [Minister of State for Business, Energy and Clean Growth Response](#)
- [Scottish Government Response](#)
- [COSLA Response](#)
- [Debate](#)

Budget scrutiny 2021-22 and impact of COVID-19 on businesses, workers and the economy

- [Report](#)
- [Response](#)

BiFab, the offshore wind energy sector and the Scottish supply chain

- [Response](#)

Scottish National Investment Bank draft missions

- [Report](#)
- [Response](#)

Climate Change Plan Update

- [Committee's Response](#)
- [Scottish Government's response](#)

One-off Sessions

- Labour Market Strategy
- Airdrie Savings Bank
- Kaiam UK Ltd
- Registers of Scotland
- BiFab, the offshore wind energy sector and the Scottish supply chain
- Leaving the EU without a Deal
- Enterprise and Skills Strategic Board

Events

- Breakfast Briefings - themes: SMES, energy, big business, fair work and employee voice, enterprise agencies;
- WES ambassadors event;
- Pop-up Parliament stand in the Piazza Shopping Centre in Paisley.

Focus Groups

- Impact of Bank Closures: Mintlaw, Dalmellington and Leven;
- Scotland's Economic Performance: Glasgow, Edinburgh, Aberdeen and Jedburgh;
- Construction and Scotland's Economy: Construction Scotland Innovation Centre, Blantyre;
- Energy Inquiry: Electric Vehicle Focus Group, Stirling;

- Protected Trust Deeds: Inverclyde Community Hub, Greenock.

Online Focus Groups

- COVID-19
- Tied Pubs (Scotland) Bill.

Visits and meetings

Economic Impact of Leaving the European Union

- Aggreko Manufacturing, Dumbarton
- Clydesdale Bank, Glasgow
- CodeBase, Edinburgh
- Denholm Seafoods Ltd, Peterhead
- Edrington, West Calder
- Festivals Edinburgh
- Golden Jubilee National Hospital, Clydebank
- Liberty Steel Motherwell
- Oil and Gas UK, Aberdeen
- Quality Meat Scotland, Ingliston
- Scottish Fishermen's Federation, Aberdeen
- Scottish Salmon Producers Organisation, Perth
- University of Edinburgh
- University of St Andrews
- Vegware, Edinburgh

Gender Pay Gap

- FDM Group, Glasgow
- Page/Park Architects, Glasgow
- Men in Childcare, Edinburgh
- The Wood Group, Aberdeen
- Home Sweet Home, Edinburgh

Draft Energy Strategy

- Edinburgh Centre for Carbon Innovation

- ORE Catapult, Levenmouth Community Energy Project
- University of St Andrews, Guardbridge Energy Centre

Scotland's Economic Performance

- FLB Group, Dalkeith
- Skyscanner, Edinburgh
- Turkey Red Media Ltd, Dumbarton
- Loch Lomond Brewery, Lomond Industrial Estate, Alexandria

Business Support Inquiry

- The Department for Business, Enterprise and Innovation, Irish Government, Dublin;
- Enterprise Ireland, Dublin;
- Local Enterprise Office (LEO), Fingal
- Cult Drinks, Fingal
- Lanarkshire Enterprise Services Ltd
- Committee members went to Inverness and Aberdeen on 3 and 4 December 2018. They met with the following businesses and organisations:
- Highland Council
- Highland and Islands Enterprise
- Business Gateway Inverness
- Beastie Boats
- Proterra Energy Ltd
- Bad Girl Bakery
- Highland Biosciences
- Elevator
- Oodles
- Business Fives Ltd

Construction and Scotland's Economy

- Construction Scotland Innovation Centre
- CCG Scotland
- Edinburgh College

- City Building Ltd, Glasgow

Registers of Scotland

- Registers of Scotland, Edinburgh

Budget scrutiny 2020-21 – Enterprise Agency financial support

- JK Thomson, Musselburgh
- Ceramco, Dumbarton

Business in the Parliament conference

- 4 December 2020 - Resilience and Recovery: Working Together for a New and Sustainable Economic Future;
- 7 and 8 November 2019 - Agents of Change: Scottish Business Leading the Way (BIPC in the 20th Year of the Parliament)
- 25 and 26 October 2018 - Young at Heart: Beating the Drum for Scottish Business in the Year of Young People
- 28 and 29 September 2017 - Leading Scotland: Unlocking our Economic and Business Potential

