

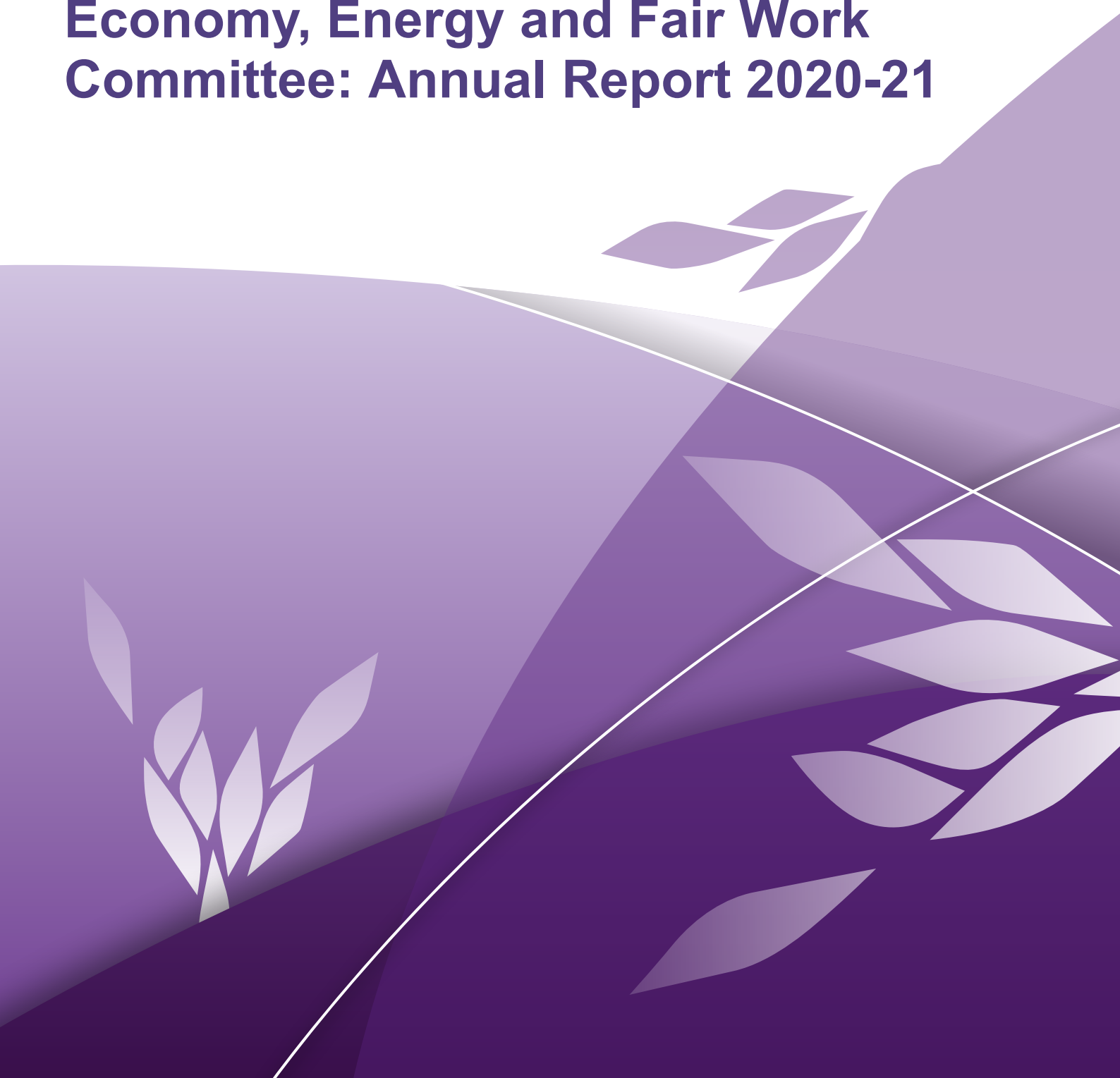


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## **Economy, Energy and Fair Work Committee Comataidh Eaconamaidh, Lùth is Obair Chothromach**

# **Economy, Energy and Fair Work Committee: Annual Report 2020-21**



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# Contents

<b>Introduction</b>	<b>1</b>
Membership changes	1
<b>Inquiries and reports</b>	<b>2</b>
COVID-19 – impact on Scotland’s businesses, workers and the economy	2
2021-22 Budget scrutiny	3
Energy Inquiry	3
BiFab, the offshore wind energy sector and the Scottish supply chain	3
Scottish National Investment Bank draft missions	3
Climate Change Plan	4
<b>One-off evidence sessions</b>	<b>5</b>
Registers of Scotland	5
<b>Legislation</b>	<b>6</b>
Heat Networks (Scotland) Bill	6
Protection of Workers (Retail and Age-restricted Goods and Services) (Scotland) Bill	6
Tied Pubs (Scotland) Bill	6
Pre-release Access to Official Statistics (Scotland) Bill	7
Subordinate Legislation	7
European Union (Withdrawal) Act 2018	8
Legislative Consent Memorandum	8
<b>Engagement and equalities</b>	<b>9</b>
Business in the Parliament	9
Engagement	9
<b>Infographics</b>	<b>11</b>

# 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.



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# 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. During the parliamentary year (from 12 May 2020 to 24 March 2021), the Committee met 40 times. 8 meetings were held entirely in private, 1 in public and 31 were partly in private. Of the meetings where some or all of the items were in private, this was to consider draft reports, discuss approaches to inquiries or review evidence heard.
2. During this period, we conducted six inquiries and considered various forms of legislation, outlined in this report.

## Membership changes

3. Previous and new Members of the Committee during the reporting year were:

- Convener: Michelle Ballantyne (Con) (3 March 2020 – 20 August 2020)
- Convener: Gordon Lindhurst (Con) (25 August 2020 -)
- Jackie Baillie (Lab) (6 September 2018 – 5 May 2020)
- Maurice Golden (Con) (20 August 2020 -)
- Rhoda Grant (Lab) (5 May 2020 – 25 November 2020)
- Alison Harris (Con) (25 February 2020 – 16 December 2020)
- Dean Lockhart (Con) (6 September 2018 – 20 August 2020)
- Alex Rowley (Lab) (26 November 2020 -)
- Graham Simpson (Con) (16 December 2020 -)

Continuing members of the Committee:

- Colin Beattie (SNP) (6 September 2018 -)
- Willie Coffey (SNP) (3 September 2019 -)
- Richard Lyle (SNP) (3 September 2019 -)
- Gordon MacDonald (SNP) (6 September 2018 -)
- Andy Wightman (Ind) (6 September 2018 -)

## Inquiries and reports

4. The Committee carried out six inquiries during this year, spanning a number of topics pertinent to our remit.

### COVID-19 – impact on Scotland’s businesses, workers and the economy

5. The impact of Covid-19 is being felt by businesses and people across the whole country. Since the beginning of the pandemic, we have carried out an ongoing inquiry on its impact on the economy, businesses and young people. We also focused on economic recovery. Initially we sought written evidence in four areas:
  - Impact on businesses and workers;
  - Role of the enterprise agencies and SNIB;
  - Plans for economic recovery (including scrutiny of the Advisory Group on Economic Recovery (AGER) report); and
  - Impact on young people.
6. We held a series of evidence sessions and heard the views of business owners and young people in online focus groups. We also looked at how the impact of the pandemic varied in different urban and rural areas.
7. To better understand the global impact of the pandemic, we commissioned a research report from the Institute for Government on the [Support for business during the Covid crisis: an international comparison](#). This also helped to inform our work in this area.
8. As this inquiry was designed to be ongoing, we published an interim report on [13 November](#) covering our work from March to early October 2020. This was intended to provide a snapshot in time as the crisis and the Scottish Government's response constantly evolved. The Cabinet Secretary for Economy, Fair Work and Culture responded to this report on [28 January](#).
9. We continued to take evidence on Covid-19 to look at how the crisis is affecting regions in different ways. On [13 January](#) we wrote to the Scottish Government to highlight further issues not covered in the interim report. We received a response from the Cabinet Secretary on [27 January](#).
10. 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 our report include the extremely detrimental impact on apprenticeships and employment prospects for school leavers and those in further education. We have highlighted these issues in our legacy report and recommended continued scrutiny of the impact of Covid-19 and of plans to promote economic recovery.

## 2021-22 Budget scrutiny

11. The Scottish Government's response to Covid-19 was also the focus of our budget scrutiny this year. This included the spending plans of Scotland's economic development bodies.
12. We published our report on [COVID-19: impact on businesses, workers and the economy and pre-budget scrutiny](#) on Friday 13 November. The Cabinet Secretary for Economy, Fair Work and Culture responded on [28 January](#).
13. We then took evidence from the Cabinet Secretary for Economy, Fair Work and Culture and the Minister for Business, Fair Work and Skills on [16 February](#) and [16 March](#), respectively.

## Energy Inquiry

14. We continued our three-part energy inquiry, which linked an overview of the Royal Society of Edinburgh's 'Scotland's Energy Future' report with consideration of electric vehicle infrastructure and locally owned energy.
15. We reported our findings to the Minister for Energy, Connectivity and the Islands and the Secretary of State for the Department for Business, Energy and Industrial Strategy on [8 July](#). The Department for Business, Energy and Industrial Strategy responded on [29 July](#) and the Scottish Government responded on [28 August](#). The findings of the inquiry were debated in the Chamber on [28 October](#).

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

16. During the session, we have 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 - and the wider offshore wind supply chain in Scotland. We previously held two evidence sessions on BiFab in 2019.
17. In November and December 2020, we undertook a short inquiry to look at these matters in more detail. The inquiry focused on BiFab's ownership, investment and ability to win contracts. It also raised issues around the impact of state aid rules on investment and the leasing and planning process for offshore wind.
18. We reported on [22 January](#). The Scottish Government responded on [19 February](#) and the UK Government responded on [11 March 2021](#).

## Scottish National Investment Bank draft missions

19. The Scottish National Investment Bank Bill was introduced in 2019 and became law in February 2020. During this reporting year, the Scottish Parliament was given 40



days to consider the Scottish Government's proposal to set missions for the Scottish National Investment Bank (as required by the Act).

20. The role of the bank is to make long-term investments with the aim of boosting the economy. Its missions focus on addressing key challenges and creating long-term economic growth.
21. We looked at the aims of the bank to support:
  - the just transition to net zero emissions by 2045,
  - creating opportunities and reducing inequalities and
  - harnessing innovation in response to demographic challenges.
22. We heard from the bank itself on [15 September](#) and the enterprise agencies and Cabinet Secretary for Economy, Fair Work and Culture on [22 September](#). We also sought written evidence via a call for views.
23. We wrote to the Cabinet Secretary with our response on [27 October](#) and received a reply on [21 November](#).

## Climate Change Plan

24. The [Climate Change Plan update](#) was laid in the Scottish Parliament in December 2020; it provides an update to the Scottish Government's previous plan, published in 2018.
25. We scrutinised the plan alongside three other parliamentary committees to examine the ambition of proposals and actions across all sectors. We focused on the sections related to electricity, industry and Negative Emissions Technologies (NETs).
26. The four committees launched a joint call for views in December 2020. We took oral evidence in January and February 2021, and wrote to the Scottish Government with our findings on [4 March](#). A debate was held on all the committees' findings on [9 March 2021](#). The Scottish Government responded on [24 March 2021](#).

# One-off evidence sessions

## Registers of Scotland

27. We have sought, during this session, to take evidence from the Keeper of the Registers of Scotland (RoS) and Accountable Officer on an annual basis. In this reporting year, the session took place on [16 June 2020](#).
28. We have also requested written updates to understand the impact of the Covid-19 pandemic on RoS's activities. We wrote to the Keeper on [4 March 2021](#) to inquire about a number of matters of ongoing interest. The Keeper replied on [15 March 2021](#). A full list of correspondence relating to RoS is available on our [inquiry webpage](#).

# Legislation

## Heat Networks (Scotland) Bill

29. We considered one Scottish Government Bill during this reporting year. The Heat Networks (Scotland) Bill was introduced on 2 March 2020. A heat network is a system that delivers heat, usually hot water or steam, from a central source to buildings in a local area. The Bill encourages the use of heat networks, to help reduce emissions.
30. We issued a call for views on the Bill, which closed in May 2020. We took evidence on the Bill at our meetings on [23 June](#), [25 August](#), [1 September](#), [8 September](#), [29 September](#), and [6 October](#). We reported on the Bill at Stage 1 on [17 November](#). The Scottish Government responded to the report on [25 November](#).
31. The Committee considered amendments to the Bill at Stage 2 on [26 January 2021](#).
32. The Bill was passed on [23 February 2021](#).

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

33. We considered two Member's Bills during this reporting period. Daniel Johnson MSP introduced the Protection of Workers (Retail and Age-restricted Goods and Services) (Scotland) Bill on 10 October 2019. The Bill aims to increase the protection for workers in the retail sector.
34. The majority of our evidence-gathering on the Bill was conducted during the previous reporting year. We published our Stage 1 report on the Bill on [30 June](#). The Scottish Government responded on [18 September](#).
35. We considered amendments to the Bill at Stage 2 on [17 November 2020](#).
36. The Bill was passed on [19 January 2021](#) and received Royal Assent on 24 February.

## Tied Pubs (Scotland) Bill

37. Neil Bibby MSP introduced this Member's Bill on 3 February 2020. The Bill aims to improve the position of tied pub tenants by requiring the introduction of a Scottish Pubs Code. This code would set out rules and procedures to govern the relationship between all pub owning businesses and their tied tenants. The Bill also proposes that a Scottish Pubs Code Adjudicator would be appointed to apply the code.
38. We asked pub owners, drink suppliers and membership bodies to share their thoughts on the Bill by responding to our call for views. Pub tenants were asked to

share their views through our anonymous survey.

39. We reported on the Bill at Stage 1 on [11 November](#). The Scottish Government responded to the report on [21 January](#).
40. We considered amendments to the Bill at Stage 2 on [23 February](#) and [2 March](#).
41. The Bill was passed on 23 March 2021.

## Pre-release Access to Official Statistics (Scotland) Bill

42. We first looked at pre-release access to official statistics (PRA) in 2017 as part of our [inquiry on economic data](#).
43. Scottish ministers and their advisers can see official statistics before they are published. This is called PRA. The current law says ministers can have PRA up to 5 days before publication, or 1 day for market-sensitive statistics. Market-sensitive statistics include information about GDP, retail sales, Quarterly National Accounts Scotland and Government Expenditure and Revenue Scotland (GERS).
44. A majority of the Committee wanted to reduce PRA and published a [report for the committee Bill on PRA](#) in 2019, which outlined the proposal for a Bill to be introduced.
45. The Bill changes the law so that all economic statistics can only be shared with ministers 1 day before they are published. PRA for GDP and retail sales would be reduced to half a day after 1 year and to zero after 2 years. The impact will be reviewed after 3 years.
46. The Bill was [introduced](#) on 8 September 2020. The Parliament agreed to the general principles of the Bill on [12 November](#) and considered Stage 2 on [27 January](#), when there were no amendments lodged.
47. The Bill was passed on [4 March 2021](#).

## Subordinate Legislation

48. During the course of the reporting year, the Committee scrutinised:
  - 5 SSIs subject to the affirmative procedure
  - 2 SSIs subject to the negative procedure, and
  - 1 SSI and 4 SIs in relation to the European Union (Withdrawal) Act 2018.

Two instruments (the GPA instrument and the International Agreements instrument) were considered using powers in the Trade Bill.

## European Union (Withdrawal) Act 2018

49. Ahead of the UK's withdrawal from the European Union, a protocol was agreed for considering proposals for UK statutory instruments under the European Union (Withdrawal) Act 2018. This was to afford the Scottish Parliament the opportunity to scrutinise Scottish Government proposals to consent to the UK Government legislating in devolved areas in these circumstances. During this reporting year, the Committee considered four EU Exit statutory instruments under the protocol. One EU Exit statutory instrument was considered under the European Union (Withdrawal Agreement) Act 2020. Two UK statutory instrument proposals were considered using powers in the Trade Bill.

## Legislative Consent Memorandum

50. The legislative consent memorandum (LCM) process enables the Scottish Parliament to signal whether it agrees to the UK Parliament legislating in matters devolved to the Scottish Parliament or altering the executive powers of the Scottish Ministers.
51. We scrutinised one legislative consent memorandum during this period - [the Corporate Insolvency and Governance Bill](#).

## Engagement and equalities

52. Covid-19 travel restrictions have meant that engagement activities have taken place remotely during this reporting year. Where possible we have continued to seek views on our work through online focus groups and we held the annual Business in Parliament Conference online for the first time in 2020.

## Business in the Parliament

53. The Business in the Parliament Conference is an annual event hosted jointly by the Scottish Parliament and the Scottish Government. It aims to bring Scotland's businesses and politicians together and forms part of a regular and on-going Parliament and Government programme of engagement with business organisations and senior business leaders across Scotland.
54. The theme of the 14th Business in the Parliament conference was "Resilience and Recovery: Working Together for a New and Sustainable Economic Future".
55. The conference was the first to be held online. 174 delegates logged into the conference on Friday 4 December. Ahead of the conference workshops were held on:
- Clean growth
  - What has the pandemic taught us about leadership and inclusion?
  - Standing on the shoulders of giants: economic adaptability and resilience through examples from education, start-ups and the wider business community.
56. Mark Logan (former Skyscanner Chief Operating Officer) and Nicola Sturgeon (First Minister) gave keynote addresses and held Q&As. There was a Cross-party panel that answered questions from delegates. The conference closed with a virtual networking session.

## Engagement

57. In September, we explored the impact of Covid-19 with [young people](#) and [employers](#) in online focus groups. We held further focus groups with young people in [urban](#) and [rural](#) areas and the [North East](#) in November and December.
58. We also held an online focus group with pub tenants as part of our scrutiny of the Tied Pubs (Scotland) Bill.
59. This year, of 136 witness appearances before the Committee, 60% were male and 40% were female. This does not include people that we engaged with informally. The Committee took evidence from Kate Forbes MSP (Cabinet Secretary for Finance) once, Jamie Hepburn MSP (Minister for Business, Fair Work and Skills) four times, Fiona Hyslop MSP (Cabinet Secretary for Economy, Fair Work and Culture) five times, Ivan McKee MSP (Minister for Trade, Innovation and Public

Finance) twice and Paul Wheelhouse MSP (Minister for Energy, Connectivity and the Islands) twice. The Committee took evidence from 18 Scottish Government officials, 14 male and four female.

60. We have continued to raise awareness of our work on Twitter and provide periodic newsletter and email updates to our mailing list of stakeholders.

# Infographics



**136**

Number of people who gave evidence representing **83** organisations



Witnesses who gave evidence



**42**

Committee meetings



Inquiries held



Bills scrutinised





Reports published



SSIs considered



Engagement activities



Written evidence received



of time committee met in public

Source:

