

Cabinet Secretary for Wellbeing Economy, Fair Work
and Energy
Rùnaire a' Chaibineit airson Eaconamaidh do Mhath
Dhaoine, Obair Chothromach is Cumhachd
Neil Gray MSP
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Claire Baker MSP
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The Scottish Parliament
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29 June 2023

Dear Claire,

New Deal for Business Group Report and Progress and Recommendations

As you will be aware, as part of the [policy prospectus](#) announced by the First Minister on 18 April, the Scottish Government committed to “engage widely with business leaders to develop and agree a 'New Deal' with the private sector, for how we will work with business to deliver a growing economy that increases wellbeing.”

The New Deal for Business Group (NDBG) was quickly established to fulfil this commitment. Co-chaired by Dr Poonam Malik, Head of Investments at the University of Strathclyde alongside myself, the Group had four key areas of focus linked to economic and public policy. These were:

- Shared awareness of the Economic and Business Environment;
- Developing the Best Environment to do Business;
- Enhanced Partnership Working; and
- Contribution to a Wellbeing Economy.

Five subgroups sat under the main NDB Group, each led by Group members who brought in representatives from the wider business community, to provide advice and experience.

The Subgroups were:

- Regulatory Review – linked to the Joint Regulatory Task Force chaired by the Minister for Small Business, Innovation and Trade;
- Business Partnership;
- Non-Domestic Rates – a consultative group linked to the work led by the Minister for Community Wealth and Public Finance;
- Wellbeing Economy; and
- Sharing Key Metrics.

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The sub-groups have each provided reports on their work to the NDBG, along with recommendations, and these have been considered collectively by the Group. I am delighted to be able to share that report with you today.

To have the greatest impact we have prioritised those recommendations that will make the most immediate difference. These are as follows:

1. A new Business and Regulatory Impact Assessment and Toolkit, developed with business that has a stronger focus on small business and consumers.
2. A return of the Independent Regulatory Review Group (chaired by Professor Russel Griggs) who will work with industry and government on a renewed remit to advise Ministers.
3. A full and deep dive into the Scottish Government policy development cycle to reinforce the need for and capability to undertake effective engagement at all stages wherever possible – including pre-policy – particularly when regulation is a potential outcome.
4. Systematic mapping of current engagement with business by policy areas across Scottish Government to properly capture a wide range of business voices in the development of particular policies.
5. Keep all Non-Domestic Rates policy reforms under review to ensure that the Non-Domestic Rates system delivers the most competitive environment to do business whilst also supporting our communities.
6. Review the design of the administrative and digital processes of the Non-Domestic Rates system to ensure a more productive and efficient environment for all.
7. Early work should be taken forward between business and government on labour market participation, with a focus on supporting parents and carers into work, and on the skills and support businesses need to transition to Net Zero.
8. Scottish Government, businesses and others should work together to create a simple description of what the Wellbeing Economy is and how business can contribute. This should build on the work of the Business Purpose Commission and include metrics to measure the impact of business actions on the economy, workforce, community, society and environment.
9. Share and use data on the type of support businesses are searching for to help government understand business needs.
10. Share information on key sectors and market opportunities, building on the work in NSET on new market opportunities.

To ensure we can follow through on our work, we will be developing an implementation plan over the summer covering the recommendations in full.

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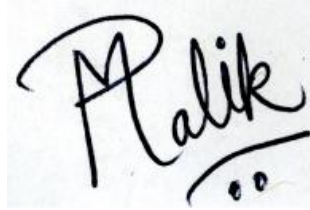
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I recognise that creating that high quality relationship with business is just as important within the Scottish Parliament as well as Scottish Government. Dr Malik and I would be very happy to keep you updated on the work of the Group.



NEIL GRAY



POONAM MALIK

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