



OFFICIAL REPORT
AITHISG OIFIGEIL

Economy and Fair Work Committee

Wednesday 26 June 2024

Session 6



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Pàrlamaid na h-Alba

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ECONOMY AND FAIR WORK COMMITTEE

20th Meeting 2024, Session 6

CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

DEPUTY CONVENER

*Michelle Thomson (Falkirk East) (SNP)

COMMITTEE MEMBERS

Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

*Murdo Fraser (Mid Scotland and Fife) (Con)

*Gordon MacDonald (Edinburgh Pentlands) (SNP)

*Lorna Slater (Lothian) (Green)

*Colin Smyth (South Scotland) (Lab)

*Kevin Stewart (Aberdeen Central) (SNP)

*Brian Whittle (South Scotland) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Tom Arthur (Minister for Employment and Investment)

Bob Doris (Glasgow Maryhill and Springburn) (SNP) (Committee Substitute)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Economy and Fair Work Committee

Wednesday 26 June 2024

[The Convener opened the meeting at 09:00]

Interests

The Convener (Claire Baker): Good morning, and welcome to the 20th meeting of the Economy and Fair Work Committee in 2024. Apologies have been received this morning from Willie Coffey. Bob Doris is attending as a substitute.

Our first item is a declaration of interests by two new committee members. Before we hear those, I thank Colin Beattie, Maggie Chapman and Evelyn Tweed for their contributions to the work of the committee.

I welcome Lorna Slater, and I invite her to declare any relevant interests.

Lorna Slater (Lothian) (Green): Thank you, convener. My interests are the same as those noted in my entry in the register of members' interests: I worked for Orbital Marine Power at the time of my election and worked out my notice with the company after I was elected, and I am a member of Unite the union.

The Convener: Thank you.

I welcome Michelle Thomson, and I invite her to declare any relevant interests.

Michelle Thomson (Falkirk East) (SNP): Good morning, convener. Similarly, my entry in the register of members' interests is up to date, but I note that I am an ambassador for the Westminster all-party parliamentary group on fair business banking, and I own a couple of buy-to-let properties. I am not sure that either of those things are relevant, but it is better to be on the safe side.

The Convener: Thank you.

Deputy Convener

09:01

The Convener: Our next item of business is to choose a deputy convener. Before doing so, I thank Colin Beattie, who has fulfilled that role since the start of this parliamentary session.

The Parliament has agreed that only members of the Scottish National Party are eligible for nomination as deputy convener of the committee, so I invite a nomination from among the SNP.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): I nominate Michelle Thomson.

Michelle Thomson was chosen as deputy convener.

The Convener: I welcome Michelle Thomson to her role as deputy convener and I look forward to working with her.

Subordinate Legislation

Tied Pubs (Miscellaneous Amendment) (Scotland) Regulations 2024 [Draft]

09:02

The Convener: Our next item of business is evidence taking on a draft Scottish statutory instrument. I welcome Tom Arthur, the Minister for Employment and Investment, who is joining us online. He is joined by Aileen Bearhop, the Scottish Government's head of industry growth; Deborah Cook, the Government's food and drink policy manager; and Mairead McCrossan, a solicitor with the Scottish Government. I invite the minister to make a short opening statement.

The Minister for Employment and Investment (Tom Arthur): Thank you very much, convener, and good morning to the committee. I offer my congratulations to new members of the committee, and to Michelle Thomson on her appointment as deputy convener. I am very grateful for the committee's consideration of the draft SSI this morning.

As I indicated to the committee on 5 June, the draft regulations extend the coming-into-force date to 31 March 2025 for both the Scottish pubs code and the Tied Pubs (Fees and Financial Penalties) (Scotland) Regulations 2024. That will create much-needed space and time to carry out further discussions on the code with the sector. If I can bring forward the coming-into-force date, I will do so. In any event, I plan to bring forward a further amending SSI to make changes to the code following consultation.

The draft regulations before you correct drafting errors that the Delegated Powers and Law Reform Committee identified in the Scottish pubs code and fees and financial penalties instruments. They meet the Government's commitment to the DPLR Committee to make an amending instrument to make the necessary changes. The regulations clarify that the rent assessment procedure ends two weeks after the offer of a market-rent-only lease. The regulations also clarify that the maximum financial penalty for not complying with the code is capped at 1 per cent of total group turnover where that is applicable.

I thank the committee for its consideration of the instrument.

The Convener: Thank you, minister.

Could you provide a bit more detail on the planned consultation over the summer? At the start of June, we had a discussion with you about how difficult it was to resolve some of the outstanding issues. What are the plans to get

agreement over the summer on how we move forward?

Tom Arthur: In the first instance, I will be meeting stakeholders in the coming weeks to discuss their specific concerns in more detail. Those meetings will help to inform what we will do regarding consultation.

The intention is for the consultation to be launched in mid-August and run for eight weeks. I will write to the committee relatively soon to update members with more detail about what we expect the consultation to include. I want it to be informed by my more detailed engagement with stakeholders in the coming weeks.

Michelle Thomson: The Scottish pubs code adjudicator, Sarah Havlin, has recently been appointed for a three-year term. Will the delay to the regulations have any impact on the operation of her office?

Tom Arthur: No. The position had already been filled. It was originally intended that the regulations would come into force in early October, so her appointment preceded the commencement of the regulations anyway.

As I said, my intention is to bring forward the coming-into-force date if possible, but that will be contingent on the engagement that we have over the summer and on that consultation, about which I will keep the committee updated. The adjudicator will be able to start developing her role now that she has been appointed.

The Convener: There were seven public engagement exercises between summer 2021 and August 2023. How can the committee be confident that more consultation will resolve the issues when there has been extensive consultation already?

Tom Arthur: I appreciate that point. I refer members back to a point that I made at the previous committee meeting: it would have been the Government's desire and intention to have had further consultation and engagement but, because of the circumstances in which we found ourselves, with which the committee is familiar, that was not possible. At the previous meeting, we brought forward the regulations and set out the rationale for the approach that we are taking.

I am not going into this with an expectation that we will be able to find a pub code that will satisfy absolutely everyone, because I recognise that there are strong views about the code. However, I will seek to build as much consensus as possible.

As I said at the previous meeting, we are in a situation where the pubs code does not satisfy either pub-owning companies or tied publicans. I hope that, through engagement with representatives and stakeholders and through the consultation that we intend to launch in August, we

can build a greater degree of consensus so that there can be confidence when the code comes into force. As I said previously, there is a requirement in the legislation to have a review in the future, which will provide a further opportunity for consideration, once there has been an opportunity for the code to operate.

The Convener: As no other members have questions, we move to formal consideration of the motion to approve the draft regulations. I invite the minister to move the motion.

Motion moved,

That the Economy and Fair Work Committee recommends that the Tied Pubs (Miscellaneous Amendment) (Scotland) Regulations 2024 be approved.—
[Tom Arthur.]

Motion agreed to.

The Convener: The committee will prepare a short report to Parliament. I invite members to agree to delegate responsibility for that report to me. Do they agree to do so?

Members indicated agreement.

The Convener: That concludes our business. I thank the minister and his officials for attending.

Meeting closed at 09:09.

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