



OFFICIAL REPORT  
AITHISG OIFIGEIL

DRAFT

# Economy and Fair Work Committee

Wednesday 5 June 2024

Session 6



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Pàrlamaid na h-Alba

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**Wednesday 5 June 2024**

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**ECONOMY AND FAIR WORK COMMITTEE**

**18<sup>th</sup> Meeting 2024, Session 6**

**CONVENER**

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

**DEPUTY CONVENER**

Colin Beattie (Midlothian North and Musselburgh) (SNP)

**COMMITTEE MEMBERS**

\*Maggie Chapman (North East Scotland) (Green)  
\*Murdo Fraser (Mid Scotland and Fife) (Con)  
\*Gordon MacDonald (Edinburgh Pentlands) (SNP)  
\*Colin Smyth (South Scotland) (Lab)  
\*Kevin Stewart (Aberdeen Central) (SNP)  
\*Evelyn Tweed (Stirling) (SNP)  
Brian Whittle (South Scotland) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Tom Arthur (Minister for Employment and Investment)  
Stephen Garland (Scottish Government)  
Fiona Henry (Accountant in Bankruptcy)  
Ivan McKee (Minister for Public Finance)  
Claire Renton (Scottish Government)

**CLERK TO THE COMMITTEE**

Anne Peat

**LOCATION**

The James Clerk Maxwell Room (CR4)



# Scottish Parliament

## Economy and Fair Work Committee

Wednesday 5 June 2024

*[The Convener opened the meeting at 09:01]*

### Subordinate Legislation

#### Scottish Pubs Code Regulations 2024 [Draft]

#### Tied Pubs (Fees and Financial Penalties) (Scotland) Regulations 2024 [Draft]

#### Scottish Pubs Code Adjudicator (Miscellaneous Listings) Order 2024 [Draft]

#### Scottish Pubs Code Adjudicator (Duty to Publish Certain Information) Regulations 2024 [Draft]

#### Tied Pubs (Scottish Arbitration Rules) Amendment Order 2024 [Draft]

**The Convener (Claire Baker):** Good morning, and welcome to the 18th meeting in 2024 of the Economy and Fair Work Committee. We have received apologies from Colin Beattie and Brian Whittle.

Our first item of business is an evidence-taking session on five Scottish statutory instruments relating to the Tied Pubs (Scotland) Act 2021. I welcome Tom Arthur, the Minister for Employment and Investment. He is joined by officials from the Scottish Government. Aileen Bearhop is head of industry growth in the food and drink division, Deborah Cook is food and drink policy manager and Mairead McCrossan is a solicitor.

Before I invite the minister to address us, I note that the minister wrote to the committee on 30 May with reference to some concerns from the sector about the code. The letter also noted the minister's intention to lay amending regulations to address the points that were made by the Delegated Powers and Law Reform Committee in its report. That amending Scottish statutory instrument will also extend into 2025 the date on which the Scottish pubs code comes into force.

I invite the minister to make a short opening statement covering all five instruments.

**The Minister for Employment and Investment (Tom Arthur):** Good morning. As, I am sure, you can all appreciate, it has been a difficult balancing

act to arrive at a Scottish pubs code that fulfils the intention of the 2021 act and meets the regulatory principles while, at the same time, fully addressing the concerns of stakeholders who, on certain matters, are not in agreement.

The task has been made more difficult by the legal challenges to the act, including the interim interdict orders that were in place, which meant that further targeted consultation has not been possible over an extended period of time. The legal challenge concluded only in March 2024, when the United Kingdom Supreme Court refused the petitioner's application for permission to appeal.

As you know, stakeholders have concerns about the regulations—in particular, about the Scottish pubs code. I have been made aware of real concerns among tenants and pub companies about varying aspects of the code. That concerns me greatly.

I want to be clear that, had it not been for the legal requirement for Scottish ministers to lay the code by the deadline that is set out in section 4 of the 2021 act, which now requires me to lay the code as soon as is reasonably practicable, I would have withdrawn the regulations. I am not able to do that, so I have decided to create space and time for further dialogue on the Scottish pubs code within the tied pubs sector. I will do that by bringing forward an amending instrument, which I intend to lay this week, which changes the coming-into-force date of the code to 2025. That will provide time for Scottish ministers to carry out a further focused and targeted consultation on the Scottish pubs code. I intend to then introduce a further SSI making amendments to the Scottish pubs code.

I will keep the delay to a minimum and will engage with stakeholders to ensure that we can bring the legislation into force as soon as possible. I have already committed to introducing an amending SSI in response to technical issues that were raised by the Delegated Powers and Law Reform Committee.

My intention is to engage fully with stakeholders on specific matters, so that the code delivers more effectively the improvements that the sector wishes to see. The purpose of the code is to improve the position of tied pub tenants. Therefore, it must not be—or be perceived to be—to the detriment of tenants. I should be clear, however, that I need the sector to work with me on this and to do so pragmatically. The Scottish pubs code needs to be fair and proportionate. My aim is for consensus, as far as that is possible.

The shape of the code has largely been predetermined by the 2021 act, which was approved unanimously by Parliament. We will not

be reopening policy debates on what the act should have contained or whether legislation should be in place, or, indeed, on the full content of the code. I want to focus on key areas of concern.

I apologise to the committee for the somewhat unorthodox approach that we are having to take. However, I want to give my commitment on the official record that my officials and I will work with representatives of tied pub tenants and pub-owning businesses to improve the Scottish pubs code over the coming months, with a view to a revised code coming into force as early as possible. I expect that to be no later than early 2025.

Once in place, the code will be monitored and enforced by the Scottish pubs code adjudicator. Furthermore, the 2021 act requires that the work of the adjudicator and the code be reviewed within two years, and every three years thereafter. We are obliged, therefore, to continue to ensure that the code is proportionate and in keeping with the obligations of the act.

I welcome any questions, but I hope that the committee will bear in mind my comments in my opening statement and the likelihood that I will be reconsidering points that you have raised.

**The Convener:** As you have recognised, this is quite an unorthodox approach. It is not ideal that, this morning, we are dealing with regulations that come with an intention to amend them.

You said that there was a legal responsibility and that the deadline required you to produce the code as soon as is reasonably practicable. Is there an argument that “reasonably practicable” could be interpreted as meaning that you should produce the code once you have made the amendments or had the chance to do the focused consultation? Why are we having to deal with this process this morning, rather than leaving it until after recess?

**Tom Arthur:** I assure the committee that, along with my officials, I have considered these matters in considerable detail. As I set out in my statement, if the Government considered it to be possible to withdraw the regulations, that is the approach that we would take.

However, the position is that we have had to bring forward the regulations to comply with the requirements that are set out in the 2021 act. That was a decision by Parliament, and ministers are bound by statute. However, given the significant concerns that have been raised with me since I came into post, I think that it would be far more efficient, effective and, crucially, in the interests of tenants and pub-owning businesses— notwithstanding that we do not have the opportunity, in the view of the Government, to

withdraw the regulations—for us to create further space to allow for focused and targeted consultation to seek to address those points, recognising that there is a strong divergence of views on certain issues between the relevant parties. We will seek to create the space to address those points and to build consensus, with the ultimate aim of bringing forward a revised pubs code that can command the confidence of both sides of the sector.

I reiterate my apologies to the committee. As I say, this is an unorthodox approach and is not one that I would have chosen. However, we are bound to comply with the terms of the 2021 act as passed by Parliament.

**The Convener:** I have a couple of questions before I bring in other members. You referred to a further SSI. Can you give us a timescale for when you anticipate that being introduced?

I know that other members will want to ask about the concerns that have been raised, but you have recognised that there are quite strong views around the pubs code. Do you feel that the focused consultation will be able to resolve the situation so that we end up with a code that everybody is happy with? So far, that has not been achievable.

**Tom Arthur:** In response to your first question, the intention is that the amending regulations will be laid on Friday, so the committee will have sight of those.

On your second question, I will be consistent with the views that I have shared with the representatives of tenants and pub-owning businesses whom I have met prior to this morning’s session. I recognise that there are strong views on the pubs code. Given that concern has been expressed that the code, as it is proposed in the regulations, may well be—or is potentially perceived to be—to the detriment of the interests of tenants, I want, in the first instance, to address that specific point. All of us would want to ensure that the legislation that we pass is well understood and is perceived to be of benefit, including of practical benefit.

My approach will be to engage with both parties—I always seek to take such an approach. I am more than happy to engage with any members of Parliament who are interested in this matter, as well as with stakeholders more widely. I want to have further engagement, which will inform the process that we take with regard to a consultation. The intention would be to consult over the summer and to keep the process short, but long enough that we provide an opportunity for all parties to express clear views on the matter. We want that consultation to be focused on addressing the key issues.

The second aspect that I referred to is the fact that there is a requirement in the legislation to review the pubs code. That will afford an opportunity for further broader consideration. I am conscious that the legislation was passed by Parliament more than three years ago. There is a strong desire among stakeholders—especially tenants' representatives—and on the part of Neil Bibby, who is the member who brought the Tied Pubs (Scotland) Bill to Parliament, for the legislation to be implemented, and I want to ensure that we can meet those asks.

As I said, in the first instance, my focus will be, through further engagement with the sector and any other interested parties, to understand their concerns fully and more deeply and to see whether we can identify some areas of common ground. After that, as you would expect, we will have a focused consultation. Once that consultation has concluded, we will be in a position to consider the feedback that we have received and to bring forward amending regulations for a revised Scottish pubs code. We recognise that, as per the statutory requirements for review, there will be an opportunity for further consideration.

Although I have said that our aim is to bring a revised code into force no later than early 2025, I would, naturally, want that to happen sooner. What will determine whether that will happen sooner will be the progress that we make over the summer. We want to be in a position—I think that this is a shared view—to bring forward amending regulations as soon as possible, but we want to do so in a way that is consistent with providing an opportunity for targeted engagement and consultation.

**The Convener:** You said that the amending SSI will be laid on Friday, but when will the further SSIs that will make amendments to the Scottish pubs code be introduced? Do you anticipate that you will be able to introduce them after recess? What is the timescale for introducing those instruments?

**Tom Arthur:** I cannot give you a specific timescale for that because, ultimately, that will be determined by the progress that we make with the consultation. I anticipate that we will consult over the summer and into the early autumn. That will be followed by the usual process that we go through with a consultation and the publication of a response. At that point, the regulations would follow. I hope to be in a position to introduce regulations in the late autumn. I do not want to overqualify every remark that I make this morning on the matter, but that will be contingent on the progress that we make.

Our aim is clear: we want to be in a position to bring a revised code into force early in 2025. I

hope that that is an aspiration that everyone shares. Naturally, I would want to do that sooner, but I am conscious of the need to have focused engagement, because part of what has led us to the circumstances that we are in is the fact that we have not had the number of opportunities for further engagement that we would have liked to have had, because of the processes that intervened following the passing of the Tied Pubs (Scotland) Bill three years ago.

09:15

**The Convener:** We move to questions from members.

**Maggie Chapman (North East Scotland) (Green):** I have a brief follow-up to Claire Baker's questions. What would the implications be if we did not approve the instruments that we are considering today? I suppose that that comes back to the question about the delay. I hear what you say about wanting to comply with the 2021 act, but what would the implications be if we waited, carried out all the consultation that you intend to do anyway and got it right first?

**Tom Arthur:** My understanding is that, if Parliament were to determine that it did not wish to approve the regulations that the Government is seeking approval of, such a decision would create a different dynamic, because we would not be working with regulations that we were going to amend.

In practice—to cut to the point—I would still embark on the process that I am proposing to take. That is how I would want to take things forward. For me, what is important is ensuring that we give effect to the will of Parliament. The 2021 legislation was passed unanimously. There is a strong interest among tenants' representatives in its coming on stream. They want it to be proportionate and effective legislation that delivers on what they understand the policy intent of the act to be. We are not in that position right now because—to be perfectly candid with the committee—people do not have confidence that the regulations will deliver on the policy intent.

That is why I am asking the committee to endorse that approach. If the committee chooses not to approve the regulations, the view of Parliament will prevail. However, I will still seek to engage with the sector over the summer in order to be in a position to introduce a revised pubs code at the earliest possible opportunity, so that we can give effect to the legislation.

**Colin Smyth (South Scotland) (Lab):** It is important to recognise that the bill was passed by Parliament unanimously and that it stipulated that the regulations should come before us within two years. It is helpful that the minister has confirmed

that the delay was entirely due to unsuccessful legal challenges by a number of big pub companies that sought to thwart the will of Parliament. It is also important to recognise that, as a result of those challenges, publicans are missing out on the rights that their counterparts in England and Wales have had since 2016.

I understand that, prior to the regulations coming before the committee, you received representations from the Scottish Licensed Trade Association, which highlighted that the code, as it is currently drafted, does not adequately protect tied pub tenants or reflect what was stated in the act. I appreciate that you have noted that larger changes may necessitate further consultation, but the SLTA outlined four areas, including market-rent-only leases, gaming machines and flow-monitoring devices, in which amendments could be made now, given that there was sufficient focus on those areas in the original consultation.

Have you given consideration to those proposed changes? Why have you opted not to make amendments to the regulations before us or, at least, to publish—before today—regulations that would have dealt with those particular concerns?

**Tom Arthur:** I assure Colin Smyth and the committee that we gave very careful consideration to that. I was very grateful for the meeting that I had with the Scottish Licensed Trade Association and Neil Bibby two weeks ago. We gave detailed consideration to those matters, but it is the Government's view that, given the nature and scale of the proposed changes and the interests involved, consultation would be required. That is why we have taken the approach that we have.

I had hoped to have been in a position in which we could identify a way forward so that the code could come into effect when it was originally intended that it would. However, I have arrived at the view that we need to do further consultation. I am sure that the committee appreciates the context in which we are operating, in which significant interests are involved, and the importance of ensuring that we have a robust process of consultation.

However, I assure Mr Smyth that I gave the course of action that he described serious consideration, and I hope that he understands and appreciates the reasons that I have set out as to why we were not able to proceed in the way that he suggests.

**Colin Smyth:** You have indicated that, as a result of that, the pubs code will not come in in October 2024, and that that is now likely to happen in early 2025. The SLTA raised concerns that that delay could result in pubcos seeking to end tied pub tenancies prior to the code taking effect next year, in order to avoid being tied to

some of the provisions that are currently in the code and those that could be included as a result of further consultation. Do you recognise that point, and is there any action that you can take—other than seeking to bring in the code as quickly as possible—to avoid such unreasonable action?

**Tom Arthur:** First, I have been made aware of those concerns directly. I know that the member and the committee will appreciate that it is not for me, as a minister, to comment on the commercial relationships that exist in that space. That point gets to the heart of striking the balance between the desire for the code to come into effect as soon as possible and the need for the code to be understood and perceived by tenants as being of value, not of detriment. That concern has been expressed.

I recognise that what we have is far from an ideal set of circumstances. The path that I am trying to take is to give the certainty that the code will come into effect, but also to work intensely with stakeholders to address those particular concerns, including those that the Scottish Licensed Trade Association has articulated in its correspondence.

**Murdo Fraser (Mid Scotland and Fife) (Con):** Good morning, minister. In addition to the correspondence from the Scottish Licensed Trade Association, to which Colin Smyth referred, the Scottish Beer and Pub Association has written to the committee, raising a number of concerns. As you will be aware, it did not support the legislation in the first place. Notwithstanding that, it has a number of detailed issues to raise in relation to the regulations that have been made. They include the lack of definition of what a tenant is. The Scottish Beer and Pub Association says that that does not include franchise agreements, managed operator agreements or tenancies at will. There is a lack of clarity there.

The association also has concerns about the onerous information requirements of regulation 10 of the Scottish Pubs Code Regulations 2024. It has further concerns in relation to regulation 12 and the amount of information that is required on rent assessments, which it says is too onerous.

The association has concerns around the guest beer provision, as it is unclear how eligibility could confidently be determined. It also has concerns around the lack of clarity on the investment waiver in relation to the charging of market rent only.

There is quite a lot of detail in that, as you will understand. I suppose that, given that you are doing further work on the various provisions, we are looking for an assurance that you will consider those points as part of that.

**Tom Arthur:** I am happy to give that assurance to Mr Fraser and the committee. I met



representatives of the Beer and Pub Association on Friday of last week, and they have shared that correspondence. I can confirm that my officials will be engaged in detailed dialogue. As I hope the committee will appreciate, I would like to have time to consider those points and to have an opportunity to discuss them with both the associations and wider stakeholders before we bring forward proposals for consultation. I want to give the reassurance, however, that we will be engaging constructively and taking each of the points that have been made for detailed consideration.

**The Convener:** There are no further questions.

The next agenda item is formal consideration of the motions to approve the draft instruments. I issue the reminder that only members and the minister may participate in this agenda item. I invite the minister to move the motions and to make any further comments that he wishes to make.

*Motions moved,*

That the Economy and Fair Work Committee recommends that the Scottish Pubs Code Regulations 2024 [draft] be approved.

That the Economy and Fair Work Committee recommends that the Tied Pubs (Fees and Financial Penalties) (Scotland) Regulations 2024 [draft] be approved.

That the Economy and Fair Work Committee recommends that the Scottish Pubs Code Adjudicator (Miscellaneous Listings) Order 2024 [draft] be approved.

That the Economy and Fair Work Committee recommends that the Scottish Pubs Code Adjudicator (Duty to Publish Certain Information) Regulations 2024 [draft] be approved.

That the Economy and Fair Work Committee recommends that the Tied Pubs (Scottish Arbitration Rules) Amendment Order 2024 [draft] be approved.—[*Tom Arthur*]

*Motions agreed to.*

I thank the minister and his officials for attending this morning. The committee is required to report to Parliament on whether the draft instruments should be approved, and a report covering all five instruments will be prepared. Given the tight timescale, do committee members agree to delegate approval of the report to me?

**Members** *indicated agreement.*

## Disability Employment Gap

09:28

**The Convener:** Our next item of business is an evidence session with the minister on the committee's inquiry into the disability employment gap. This is the final evidence session. I again welcome Tom Arthur, the Minister for Employment and Investment, who is joined by Stephen Garland, who is a senior policy officer and Clare Reddington, who is deputy director for employability, both from the Scottish Government.

I invite the minister to make a short opening statement.

**Tom Arthur:** Thank you very much, convener. I am grateful for the opportunity to appear before the committee this morning. I welcome the focus of this inquiry and I put on record my sincere gratitude to all the witnesses who have appeared before the committee for a series of revealing and highly informative sessions.

I want to be absolutely clear about the Scottish Government's unwavering commitment to ensuring that disabled people can access employment and that they can sustain and progress, not just in any employment but in fulfilling and fair work. I understand that the inquiry will consider the different elements, which is welcome.

Since we made the commitment to halve the disability employment gap, there has been substantial progress. At 30.2 percentage points, the disability employment gap in 2023 was at its lowest since our baseline year of 2016, when it was at 37.4 percentage points. That is the second smallest disability employment gap among the UK nations, with only England having a smaller gap, at 26.2 percentage points. Overall, that means that the gap has narrowed by more than 7 percentage points since 2016, and we are making good progress towards our ambition to halve the gap by 2038.

09:30

We continue to deliver the commitments that are set out in the fair work action plan across policy areas and in partnership with stakeholders, including disabled people's organisations. That includes having delivered a public social partnership and the workplace equality fund, which provide support to employers to improve their knowledge and practices in the recruitment and retention of disabled people. We will commission independent evaluation and consider how to best build on and disseminate the learning from those initiatives to employers.

Through the no one left behind programme, tailored person-centred employability support is being provided for disabled people and those with long-term health conditions. We established a Scottish access to work stakeholder forum to allow stakeholders to engage directly with the Department for Work and Pensions to influence policy and the delivery of this UK Government programme.

Work is under way to look at how our health system can better support people to stay healthy in work and move from economic inactivity back into work. Work is progressing to develop Scotland's first national transitions to adulthood strategy.

We are changing people's lives for the better. However, there is still much more to do, including improving our evidence base so that we can better identify what is working and build on that. Other challenges include societal prejudice and stigma, employers' concerns about getting it wrong and there being an older working-age population in Scotland than there is in the rest of the UK. To improve that, we must continue to work together with partners across sectors to make real improvements and create lasting cultural change.

**The Convener:** Thank you, minister. As you stated, there is a disability employment gap and we have made progress since 2014, but how can we make further progress to ensure that we meet the target? We have heard evidence that there has been an increase in people who are already in employment who declare as having a disability.

We have also heard that we have made quite a lot of progress with people with physical disabilities, but evidence from the Fair Work Convention and from the Fraser of Allander Institute suggests that people with learning disabilities are not making the same progress. Are you confident that policy decisions are responsive and flexible enough? We have made progress and do not want to plateau. How do we reach our target? Where else do we need to make changes and investment?

**Tom Arthur:** The first thing to recognise is that meeting our ambitions on halving the disability employment gap will not be achieved by any one stakeholder, organisation, group or partner in isolation; it will be a collaborative approach.

As the committee will appreciate from the evidence that it has taken, collaboration is at the heart of the approach to address many of the challenges that we face, whether we are addressing the cultural and social barriers that exist, ensuring that our employability landscape is integrated and provides a person-centred tailored approach, or helping to facilitate the sharing of

best practice and confidence building among employers.

Although I—the minister for employment—am appearing before the committee this morning, addressing the disability employment gap is a shared agenda across Government portfolios. Various portfolio areas have significant contributions to make to help us to achieve that ambition by 2038.

Crucially, spheres of the Government work in partnership with local government, which is at the heart of our approach to employability. We also recognise the important role that the UK Government plays. Reference is made to access to work, for example, and how we are helping to facilitate stronger engagement through that process. I take very seriously the substantial challenge that we still face.

I recognise the points that have been highlighted by the Fraser of Allander Institute in collaboration with the Scottish Parliament information centre, particularly on where progress has been made on halving the gap. That has been driven, in large part, by issues of prevalence and people already in work being classed as disabled. As such, we recognise that there is still significant progress to make.

That said, it is also important to recognise that, with regard to our interim targets for the number of disabled people who are employed, we met our interim 2023 target of 50 per cent a year early. We have set ourselves a target of 60 per cent by 2030, so we are making progress there.

We are working on addressing issues around measurement and data, whether in the shared measurement framework on employability services or on the fair work evidence plan that we published earlier this year. We recognise that we have work to do to address gaps in data and evidence, and I think that that speaks very much to your point about the challenges of disaggregating particular types of impairment and the recognition that, within that space, there can be quite significant variation in outcomes. Again, we will work in partnership and collaboratively with employability services, employers and our skills and education systems to ensure that we provide as much support as possible and collectively help to address the broader cultural and societal barriers that exist.

**The Convener:** I will bring in some other members now, but I might come back in later. I call Maggie Chapman, to be followed by Murdo Fraser.

**Maggie Chapman:** Good morning, minister, and thank you for your opening remarks.

Following on from that, and thinking about the ambition to halve the disability employment gap by 2038, I would note that over the past few weeks several panels have told us that it is not actually very ambitious and that there should be no disability employment gap at all. I am interested in hearing your response to that challenge that the target lacks ambition and that there should be no gap. Why would we tolerate just halving that gap over the next 14 years? Why are we not seeking to eliminate it?

**Tom Arthur:** I welcome that challenge, and I share the ambition that has been expressed. When discussing any aspect of the labour market, we can sometimes reduce things to numbers and just talk about the contribution being made to the overall economy and to employment. First and foremost, work is a fundamental right, and we want to ensure that everyone in Scotland has the opportunity to participate fully in employment for its intrinsic value, not just because of its instrumental outcomes in supporting economic growth and economic activity. I align myself with that ambition, that sentiment and that fundamental belief.

However, I also make it clear that we face a significant challenge. We are contending with ingrained and long-standing societal and cultural barriers, and that issue is reflected in the timescales that we have set out. When we look back at our base year of 2016, we see that, at the time, the Learning and Work Institute, I think, commented that the UK, on its rate of progress, was going to take 200 years to eliminate the disability employment gap. We are talking about halving the gap by 2038.

We have significant progress to make, but we have made tangible progress since 2016; indeed, those 7 percentage points give us the second lowest disability employment gap in the UK. We recognise, though, that there is still work to be done, hence the range of initiatives that we have put in place, whether it be engaging with employers through the public social partnership and the workplace equality fund or our work to roll out our place-based and person-centred approach to employability.

I want to ensure that we set ourselves a target that we can achieve. I am conscious that it is important to deliver it if we are to maintain confidence, but I do not want it to seem that we are not ambitious to go further—we are. This is an ambition that we are all share, and it is an ambition that the Government is committed to working in partnership to deliver.

**Maggie Chapman:** You have talked about working collaboratively and in partnership with organisations and agencies across the board. The fair work action plan contains a commitment to

making fair work the norm, and there are clear metrics and issues that will be monitored as part of that. However, is there sufficient detail in the plan to allow you to make that connection between monitoring the metrics and taking action to create the change that is needed and to achieve that ambition or aim of halving the gap in the next 14 years? Sometimes data is collected, but it happens without any action alongside it to nudge or shift things or get the change that we need.

**Tom Arthur:** It is all about taking the data, learning from it and then applying that learning in a way that leads to actual change on the ground. In the fair work evidence plan, for example, there is the monitoring of our progress towards being a fair work nation, and there is also the monitoring and evaluation of our actions in the fair work action plan. There is also the requirement to develop our understanding of the evidence and data that we will need to inform future policy making.

I am always keen to read parliamentary committee reports on any area for which I have portfolio responsibility, but having come into post only very recently, I will be extremely keen to hear the committee's considered views on this matter. The point that I would make, though, is that this is not something static; it is live. Society develops, and changes occur. As a result, my third point, which was about getting evidence that allows us to understand the evolving landscape and how that can inform future policy development, is going to be key to our meeting the commitment to halving the disability employment gap by 2038.

I am conscious that we are 14 years away from that. If we think back to what the workplace was like 14 years ago—indeed, even four years ago, or perhaps slightly more than that, to take us back to the pre-pandemic period—we can see some of the significant changes that have been made with regard to flexibility. We cannot simply say, “We've got a plan and it is going to see us through the next 20 years.” Principles, targets and values are absolutely important, but it is also important to be responsive to societal shifts and changes and new innovation in technologies and take every opportunity to apply that learning and innovation to support our reaching the target.

**Maggie Chapman:** I think that other members might pick up on some of those points in a little bit more detail.

My final question is on the no one left behind approach and on bringing together that partnership and collaboration that you have talked about. The committee heard contrasting views not necessarily of how successful the approach had been, but of what its impact was; indeed, organisations and people working most closely with those with lived experience said that they did not always see the positive impact of the

approach. How, then, would you assess the impact on disabled people themselves? You have talked about culture change, and clearly there has been an impact on how organisations work—indeed, we have heard as much—but do you think that that is flowing through to positive change for disabled people themselves?

**Tom Arthur:** The committee will have heard of some very positive examples, but it will have heard about variation and inconsistency, too. Variation will, to some extent, always be a feature of any locally administered scheme. We do recognise the value of a local place-based approach that is integrated with partners, including employers, on the ground, because this is all about responding to the needs and assets of a particular location. There will be variation, but what we want is variation that arises from a positive response to a location's particular challenges and opportunities rather than variation that occurs through lack of knowledge of best practice elsewhere.

That is why we are taking this partnership approach. The collaborative way in which we are seeking to operate with local government—which is something that I am very much looking forward to—will help ensure that we respect the importance and value of local delivery, facilitate the sharing of knowledge of best practice and provide the level of consistency that we want, without in any way seeking to stymie innovation and an approach that is fundamentally place based.

**Maggie Chapman:** Okay—I will leave it there.

**The Convener:** I call Murdo Fraser, to be followed by Kevin Stewart.

09:45

**Murdo Fraser:** Good morning again, minister. I want to ask you about funding, because we took a lot of evidence from representatives of organisations that are involved in delivery of programmes to help disabled people to get into work. Many of those are third sector organisations that derive their funding—sometimes indirectly—from the Scottish Government.

In the budget for the current year, the total employability funding is £103 million. Last year, it was substantially more than that. There has been a cut of £30 million between last year and this year. That is a real-terms cut of 24 per cent in employability funding. You say that the disability employment gap is an issue that the Scottish Government is concerned about and that you want to support measures to get disabled people into the workforce. How does that square with the fact that you have cut the budget by almost a quarter?

**Tom Arthur:** That is a completely fair, reasonable and legitimate question, and I appreciate that it is one that has been raised at the committee by a number of stakeholders. I also recognise the views that have been expressed by stakeholders with regard to the value that is conferred by multiyear funding. I am conscious that the committee has taken evidence from organisations that have had quite extended periods of funding about the certainty that that provides. I recognise that, when that is not the case, it can have a material impact on delivery on the ground.

That is not a set of circumstances that any of us would want to be in. I make it clear that the Scottish Government would not want to be in those circumstances. However, we have taken the decision about the budget in the context of a very challenging set of public finances. I have recently taken up the post of minister with responsibility for employment. Prior to that, I was the minister with responsibility for public finance for three years, so I was acutely aware of the challenges that we face and the extremely difficult decisions that the Government has had to take to ensure that we can deliver sustainable public services and meet our requirements to deliver a balanced budget.

With regard to the funding that has been allocated, we have worked to ensure that it can help to maintain the priority services on the ground, so that our funding will be consistent with our broader aims and ambitions on employability and fair work, but also with our commitment to halving the disability employment gap.

**Murdo Fraser:** You mentioned multiyear funding, which, as you fairly said, has come up in evidence a number of times. Organisations have told us that in some cases they do not even receive their award letters until they are several months into the new financial year, which makes it almost impossible for them to plan ahead. Because the staff whom they employ have no certainty about their future employment, they tend to drift away and do not feel secure in their jobs.

What more can the Scottish Government do to ensure certainty of funding for organisations that work in disability employment and are dependent on that support?

**Tom Arthur:** Again, I recognise that point. I will be candid. We have spoken about multiyear funding, the certainty that it can provide and the opportunities that it can create for developing innovative, intensive and supportive practice. The converse is also true: I fully accept that, when there are delays in awarding of funding, that creates uncertainty and can inhibit delivery on the ground.

We work to ensure that we can finalise awards as quickly as possible. The most candid answer that I can give for why that does not take place is to say that it is simply a reflection of the extremely challenging set of circumstances that we find ourselves in with regard to the public finances. Since I came into post, I have been keen to work with colleagues in the Government to identify ways in which we can address the issue that you identify.

We are all familiar with the fact that our broader funding landscape is dependent on various factors that are not within the direct control of the Scottish Government. That creates challenges with regard to our ability to provide multiyear financing. I want to work with colleagues to address the issue so that, when a budget is allocated, we ensure that the award goes out as swiftly as possible, to provide certainty to partners on the ground.

**Murdo Fraser:** That is very helpful. You will appreciate that, for the people whom we have spoken to, this is a crucial issue, because they are not able to properly plan ahead year to year. Even if they knew at the start of the financial year what the funding was, that would be an improvement on the situation that they are in. Ideally, they want to move to multiyear funding so that they can plan two or three years ahead.

**Tom Arthur:** I completely accept and recognise that point. I do not think that any of us in our capacity as elected members engaging with organisations in our respective constituencies and regions would not have had those conversations. I have engaged with organisations in my ministerial capacity in previous roles, so I recognise the challenge. To the greatest extent possible, I recognise the broader uncertainty and challenges that we face in the overall budgetary position, which is just owing to the way in which the public finances and fiscal framework operate in Scotland. I want to work to provide as much certainty as possible, because I completely recognise and accept the legitimate concerns that are raised. The uncertainty has consequences, and I want to work to help address that.

**The Convener:** Before I bring in Kevin Stewart, I have a follow-up to Murdo Fraser's question. The fair start Scotland funding was replaced by the no one left behind funding. It is difficult to compare the figures, because the no one left behind funding is devolved to local authorities, and the Institute For Public Policy Research has raised questions around transparency. Both sets of figures tend to show a reasonable amount of job starts, but the numbers tail off for people still being in employment after three months, six months and 12 months: the numbers reduce. We can get a decent amount of people in work, but how do we keep them in employment? This is about retention.

The first question was about barriers to achieving the target. Do you recognise trying to retain people in employment as being a feature of supporting people into employment? What can be done to address that?

**Tom Arthur:** I touched in my opening statement on the need not just to gain employment but for it to be fulfilling and sustainable. That is a priority: it cannot merely be a numbers game about trying to get as many people into work as possible. We must also create a structure and a package of support that enable people to sustain employment.

I will be engaging closely with partners over the coming weeks and months on those issues in order to fully identify and understand their views on what the drivers and causes are. Clearly, there are instances in which people are sustained in employment, and I want to make sure that we learn from that best practice. However, at the heart of our approach is recognition that everyone is an individual and that a range of circumstances could influence why someone does not sustain employment beyond a certain period, whether it is three months, six months or nine months.

Claire—is there anything that you want to comment on in terms of our wider learning and understanding?

**Claire Renton (Scottish Government):** The data illustrates the minister's point well. There is measurement of people sustaining being in a post, but other measures of success are easier to capture under the no one left behind policy. There are positive destinations in terms of gaining qualifications, gaining volunteering experience and going back into education, so that makes up the balance of the percentages that you are seeing in relation to that.

I re-emphasise that we are working and focusing on that, because it is about getting an individual into the right job with the right circumstances. That is a long-term aspect of the issue. We need to look at longer-term tracking of individuals and we need to make sure that people are fully supported, in order for the policy to be a success.

**The Convener:** Kevin Stewart has questions linked to that.

**Kevin Stewart (Aberdeen Central) (SNP):** One of the things that we have been doing, as always, is listening to the voices of lived experience. Some of the stories that we have heard, particularly from young folk, are very similar. Education does not seem to work for them, and does not prepare them for work, which some stakeholders have also highlighted. Many of the young folk whom we have talked to from certain parts of the country feel that college is a bit of a tick-box exercise and are not really interested in it.

Those are some of the negative views, but we have also heard some positive ones, including about initiatives such as DFN Project Search, which I have been lucky enough to see in operation in Aberdeen, where it has provided successful experiences for young folk who have gone into apprenticeships and training, with many attaining full-time employment at the end. That programme works, as do some other things. You talked about variation because of local delivery, but how do we ensure that such best practice, which works for people and is viewed as very positive, is exported across the country?

**Tom Arthur:** When I read the *Official Report* of your initial evidence session on 1 May, I was concerned by the references to the conversations that the committee had recently had with young people about their experiences. I accept that there was variation, but I know that a number of members in that meeting highlighted concerns that young people who had given evidence had expressed to them.

The first point that I will make is that I take that very seriously. I am also acutely conscious of the importance of a young disabled person's first engagement with work and employability, as well as the importance of discussion of work. It is extremely important that we get that right. Therefore, where approaches are identified as being effective and successful and are leading demonstrably to material improvements and good outcomes, we absolutely want to ensure that they are widely disseminated and understood.

I ask Claire Renton to comment on the existing structures that we have in place to ensure that best practice is shared as widely as possible.

**Claire Renton:** Thank you for the question. It is a good challenge.

As you rightly said, Project Search is an excellent example of working with young people and providing key outcomes. It is a successful model that can be seen in a few other local authorities, apart from Aberdeen. Initially, four local authorities engaged with the programme. The number has stepped up to 11 and we are seeing best practice and the benefit of it starting to roll out.

We are also seeing the benefit of the associated collaborative working—which the minister has emphasised—as Project Search is connected with employers in the individual areas. We have seen good examples of that on site visits. That will certainly form a key part of the minister's summer tour that he has charged us to put together, so that he can see the experiences first hand.

Obviously, we support and empower our local authority partners—in particular, through the local employability partnerships, because they allow a

good range of skill sets and experiences to be shared. We are also involved in a strong forum with the Scottish Local Authorities Economic Development Group—SLAED

**Kevin Stewart:** All that engagement is good; I get all that.

Another thing that we have heard, which is really important in relation to getting things right, is that the various budget holders often do not join up. For example, social care and employment services do not work together to get the best outcomes for people.

I am not going to go on about self-directed support, because I know that Mr Smyth has got particular questions on it, but how do we get local authorities, which are dealing with all this, to take into account the needs, desires and aspirations of each individual in order to get provision right for them?

**Tom Arthur:** In terms of the direction in which we have been moving with the no one left behind programme, we have been creating the structures and approach that will get us there. However, I am conscious that there are challenges in delivering integrated approaches—not just in the realm of employability, and specifically supporting young disabled people into employment, but right across our public services. However, progress has been made.

A number of structural challenges can exist, which we can work to break down. There can also be cultural challenges, such as ways of working that have become ingrained. One of the things that I will consider is how the funding landscape operates and whether it works in such a way that it fully incentivises the level of collaboration that we would like to see. I will give careful consideration to such matters.

10:00

As an aside, in response to Mr Stewart's previous question, I put on record the fact if any member wishes to share with me directly any examples of best practice, I would be grateful to hear from them and would be happy to engage with them directly in their constituency or region. I want to see examples of best practice in operation on the ground, because I recognise that, as a minister, I have responsibility and a role to play in ensuring that we share best practice as widely as possible.

On the question of how we incentivise the most effective collaborative approaches and how our broader work and, more specifically, the move to the no one left behind approach are helping to facilitate that, I invite Claire Renton to comment.

**Claire Renton:** By having the local government partner as our lead accountable body on the local employability partnerships, we are encouraging and supporting key colleagues in areas such as health, social care and housing to be at the table, when it comes to collaborative working. We are supporting that through relationship managers, who work with individual local authorities and bring them together, and through collaborative working with our Convention of Scottish Local Authorities colleagues. There have been some really good discussions. As members will have noticed in the evidence sessions, there is a common energy with regard to working together, doing more to remove barriers and building on the good practice that is already happening.

**Kevin Stewart:** You mentioned data. We have discussed the fact that there are gaps in data gathering. You said that you are going to take stock of that to see what needs to be done.

I have a question that relates to data, but is also about policy formulation and getting this right. How will you include the voices of lived experience in shaping the future and eradicating the disability employment gap? The voices of lived experience are key, as far as I am concerned. People with lived experience know what works for them, they know what does not work and they know what they want.

We have heard from folks who want their independence and who have aspirations. We have even heard from folk who want to create their own businesses. How do we ensure that their voices are heard? How do you go about listening to them when it comes to data gathering and policy formulation?

**Tom Arthur:** On that last point and the direct challenge that you have put to me, how I listen, as a minister, is absolutely crucial. My approach is that I will, of course, engage directly with the various representative bodies and non-governmental organisations, but I also want to engage directly with people with lived experience to hear—unmediated—their views.

With regard to how we are achieving that within the broader structure of delivery, I come back to the local place-based approach that we have spoken about. We want to ensure that the voices of lived experience are at the heart of that approach. That is consistent with the Scottish approach to service design, which is focused on the priorities of fairness, dignity and respect, for which Mr Stewart has, I know, been the staunchest of champions in all the roles that he has had.

That is of the utmost importance to me, because bringing that expertise to bear allows us to ensure that we have a culture in Scotland that is inclusive.

It also leads to better outcomes. On many occasions, involving people with expertise and experience allows us to arrive at the right answer—the correct conclusion—far more quickly than we would have if we had relied on people who do not have such lived experience.

I do not underestimate the challenge involved in getting a complex series of services to operate in such a way that the experience for the user is seamless, holistic and person centred. That is what we must deliver across all our public services, and that is what I want to be delivered in employability.

I think that we are making good progress, but I am not complacent or ignorant of the challenges that we still face. To face them will require engagement from the top down, and I will lead by example in ensuring that that engagement takes place and, indeed, continues. I know that it takes place locally, and I will want to see it built on to ensure that the voices of lived experience are to the fore in how we design, develop and evolve our services.

**Kevin Stewart:** I have a final question. You are the Minister for Employment and Investment, but some of the very sound arguments that we have heard from people involve other areas of Government. How will you ensure that you work with ministerial colleagues to get right the journey from school to college and into work and beyond?

**Tom Arthur:** I come back to my earlier point that, although “Employment” is part of my ministerial title, I have a listed set of responsibilities underneath that title and I might be speaking on behalf of the Government on halving the disability employment gap, delivering that will require—and this is happening—action from across Government. In taking forward this agenda, I will be engaging closely with colleagues in the education portfolio, particularly in the area where Skills Development Scotland sits, and colleagues with responsibility for children and young people, health and transport, just to name some areas, as well as engaging directly with business as part of our broader fair work agenda.

This is a priority for Government and for me, and I will be engaging constructively not only with all of my ministerial colleagues, but with Parliament and members. I want to ensure that all the learning that the Parliament can bring, with individual members sharing knowledge of the services that are available in their part of Scotland and the experiences of constituents who use them, is drawn to my attention, so that we can meet the ask that you have put to us, Mr Stewart, of ensuring that best practice is shared. Where things are not operating in the way that we would expect or in the way that they should be operating,

we can work constructively and collaboratively to address the matter.

**Kevin Stewart:** Thank you, minister.

**The Convener:** Just before I bring in Evelyn Tweed, I should note that, as the minister might know, we did some work on the issue last year before we started our broader inquiry. As part of that, we visited representatives of All In Dundee, which is a consortium that is led by Enable Scotland. Minister, you were asking for good examples of where funding from the no one left behind programme has managed to bring organisations together. I highlight that consortium, which offers a complete employability package and supports a number of people; it might be something that you would be interested in taking a closer look at.

However, one issue that the consortium highlighted to us raised, I suppose, questions about a postcode lottery in provision across Scotland and about unmet need. That brings us back to the data question: do we have an understanding of how many people need to find employment in order to meet the target? Other organisations that have done work on the matter suggest that 6,000 to 7,000 people would need to find employment in that time. Will the work on data cover unmet need? Do you have concerns about there being a postcode lottery? Has the devolving of the no one left behind money led to good provision in some areas but perhaps a lack of provision in others?

**Tom Arthur:** I will not repeat my comments about our work on data, but with regard to unmet need, in particular, we will be looking at those areas closely. I want to ensure that we can get as comprehensive a picture as possible; after all, we have set ourselves a target and we need to be able to measure it clearly.

We also need to be able to understand some of the driving factors underneath all this. I recognise the Fraser of Allander's excellent work on the matter, but nevertheless it can be quite difficult to define and understand some of the factors at play. It is a process, and we are committed to constructive engagement to deepen our knowledge and recognise the roles that other organisations and stakeholders play in the process, too.

On the issue of variation, what is described as a postcode lottery is always an inherent risk when, in order to allow for a tailored response to the needs and circumstances of a particular area, we have local variation. We want to ensure that that variation is used in a way that is additive and positive, that it makes use of opportunities that are unique to a local area and that it does not lead to a situation in which people are losing out or missing

out. We do that by taking a partnership approach, recognising the important lead role that local authorities have in each of their areas, while ensuring that, through the existing forums—Claire Renton mentioned the role that SLAED has in this—we take forward consistency and share best practice.

Again, we are engaged in a process. Parliament's power over devolved employability services is still relatively new, and the no one left behind programme is still a relatively new policy initiative, although it is already delivering benefits—I know that the committee will have heard that in the evidence that it has received. However, there is still significant work to be done.

There is always an inherent risk of variation in having a devolved local approach, and we can work to address that. However, we all recognise that there is also a risk when we try to have a standardised one-size-fits-all approach, because that cannot maximise use of local opportunities and can sometimes lead to unmet need, because there can be a particular model that works for the majority but does not respond for other parts of Scotland. As you have heard, that is a particularly important issue in the context of the delivery of services in rural communities.

**The Convener:** One approach would be to come at the issue from a rights perspective. Article 27 of the United Nations Convention on the Rights of Persons with Disabilities recognises

“the right of persons with disabilities to work, on an equal basis with others”.

We are anticipating the introduction in Scotland of a human rights bill and a neurodivergence bill, which are relevant in that regard. Do you see the establishment of stronger rights for people with disabilities to access employment as a lever that could help to smooth out some of the issues around the postcode lottery or variation? Rather than prescribing what local authorities or anyone else must deliver, you could set out the right that must be delivered.

**Tom Arthur:** You highlight one approach that could be considered in helping to address the issue, as it sets the outcome but recognises that delivery will reflect local circumstances. I do not discount the point that you raise, but the priority for me right now, given what we have in front of us and the current legislative framework, is using the tools that we have at our disposal—the delivery vehicles such as the local employability partnerships and the no one left behind programme—to deliver employability in Scotland. I want to ensure that we continue to progress that collaborative, integrated approach, so that we can realise the strong and positive outcomes that will come from having a system that ensures that the



individual who is using the service is treated holistically in a person-centred way and has wraparound support that recognises their multifaceted needs. That is what we have at the moment and I will work to ensure that we can continue to take that forward.

I will reflect on your point, and I will be keen to understand what the committee's views are on the evidence that it has received and on how we can achieve consistency without stifling or restricting local innovation in practice. That is the balance that we need to strike.

10:15

**Evelyn Tweed (Stirling) (SNP):** Thank you for your helpful answers. It is good to hear that Scotland is taking steps to reduce the disability employment gap. However, we heard in evidence from employers and various stakeholders that employers are worried and scared about recruitment and the long-term employment prospects of the people who they are taking on. What is the Scottish Government doing to support employers so that they feel able to recruit disabled people and to ensure that those people have a good journey?

**Tom Arthur:** As I mentioned, we provided funding for the public social partnership. The partnership looked at identifying and developing solutions to deal with some of the gaps in understanding and expertise that employers might feel they have. We also provided funding over a number of years for the workplace equality fund, which looked at barriers to employment for a range of priority groups, including disabled people. There will be independent evaluations of those pieces of work, which will help to inform the work that we as a Government take forward with a range of partners.

Engagement is taking place, and I recognise that many employers do excellent work already. I also recognise the important work of the Federation of Small Businesses, which I know that you took evidence from. The Government is undertaking that work, and we will continue to take that partnership approach.

It struck me, from the evidence that the committee has received, that one way of looking at it is that a large employer with a well-developed administrative apparatus, human resources staff and so on, could be perceived as being in a better position to provide support for disabled people in employment. However, we also heard the experience of people in small businesses, where close relationships and a less formalised working environment can allow for the flexibility and support that is required.

I know that the committee will have taken evidence on the challenges that can exist in large organisations in respect of the co-ordination of approaches between various members of staff who have different responsibilities, and on the challenges and concerns for smaller operators, such as the time constraints, time pressures and their concern of getting it wrong. Large and small operators can have concerns, but I recognise that both have particular strengths. That tells me that, with continued work and engagement, we can support employers to build their understanding so that they have the confidence and the means not only to attract and recruit but to retain disabled people in employment.

Stephen, would like to add anything?

**Stephen Garland (Scottish Government):** Thank you very much for that question. The minister mentioned the public social partnership and the workplace equality fund. Those two programmes were undertaken with a clear timeframe. They considered what benefits they could deliver for the employers involved, which was primarily to help us to learn about what could be applied more widely.

We have a lot of information from the grant process, and the reporting that we have from that is being taken into account now. We also have—this was set out in the fair work action plan—a strong emphasis on engagement with employers. That is to enable us to understand what information would work best for them, to provide them with that confidence and the understanding of the benefits of employing disabled people, as well as wider fair work benefits. We want to understand how to put that in language that works for them rather than put that in policy language.

We are engaging with a wide range of employers to get that feedback and develop that work. We will try to help and convene that work by bringing forward the information that we have received through the public social partnership and the workplace equality fund, together with a range of information from a range of partners including the Chartered Institute of Personnel and Development and other organisations.

**Evelyn Tweed:** Thanks for that. In taking evidence, we spoke a lot about HR, which is the often the first port of call on employment issues. Is anything being done specifically on HR as something that we must target?

**Tom Arthur:** Would you like to comment specifically on the work that has been undertaken to date, Stephen?

**Stephen Garland:** I would refer to the range of work that the CIPD has already undertaken and is doing. As the minister said, how we would look to engage with an organisation very much depends

on its size. In considering the next stage, we are seeking to understand how to provide the right information, guidance, support and advice to employers. For some employers, that involves working with HR; as some work in other ways, that will involve working through other routes. Peer-to-peer support might be more appropriate with other employers, for instance. We are looking at all the routes.

**Evelyn Tweed:** Thanks for that. What are you looking for from employers? What are your asks of them? What are you expecting them to do?

**Tom Arthur:** One thing that struck me from an earlier evidence session arose from a question that Kevin Stewart asked. He raised something that was not directly related: the carer positive accreditation scheme. I have been a champion of that in my capacity as a constituency MSP. Carer positive recognises employers that have workforce practices that support people who are balancing care with work by providing flexibility to enable them to meet their caring responsibilities while retaining employment.

One thing that I have picked up in engagement with employers is that there can be a bit of hesitancy, initially, as they are not sure what the scheme means, what it requires and what they have to do. When it is explained, people realise that they are doing a lot of it anyway. They might say, "We have this in place—I didn't realise that. We can just make one or two tweaks."

It has been reflected in some of the evidence that the committee has heard over the past few weeks that there are already some very good examples of what employers are doing. There are others who could become very confident with only a limited or small amount of support and information. With that, they could realise the significant opportunities that arise for them as employers, both in having an inclusive and diverse workplace, which is a key principle of fair work, and in improving productivity, with the tremendous economic contribution that disabled people can make to their business.

I say without prejudice to my earlier remarks to Maggie Chapman that, first and foremost, this is about ensuring that people have the opportunity and the right to have rewarding and fulfilling employment.

There is a cultural shift to be made. Examples of practice can be powerful and compelling—those are certainly more powerful and compelling than a minister or any politician talking about things.

When it comes to asks of employers, it is for those employers who are already doing excellent work in delivering fair work and opportunities for disabled people to participate fully and have rewarding and fulfilling work to carry on speaking

up and highlighting and sharing best practice. They will find in me someone who is more than willing to work constructively with them, to engage and to ensure that that best practice is as widely understood and shared as possible.

**Evelyn Tweed:** Culture has been talked about a lot. You have talked about it this morning, and a lot of comments about culture have been made in evidence. We heard from the young people whom we spoke to that people often had no expectations of having a working life or contributing to society. There were limited expectations. How do we move forward on that? How can we really make a difference?

**Tom Arthur:** You identify what can be some of the most challenging barriers to remove: those that can be created in our minds. That is indeed a challenge.

Without rehearsing all the things that have already been discussed this morning with regard to support for employability, joined-up approaches, engaging with education, schools and so on, I emphasise the power of example and the importance of ensuring that examples are widely shared and understood.

I mentioned the work that is under way on our national transitions strategy in my opening remarks. There is policy intervention, and there is partnership working, but—going back to the point about being ambitious while recognising the scale of the challenge of halving the disability employment gap by 2030—there is also recognition that cultural change can take time, and it does not always take place in a straight line, as there can be setbacks.

The broader direction of travel is clear, however. We are making progress and, as we move closer to achieving that ambition, that can serve as a way to deconstruct some of the cultural barriers. It becomes more real: going back to one of the key things that has been mentioned, it is a matter of making fair work the norm. That in itself can help people and can break down some of the cultural barriers.

I am under no illusion, however: that takes time, and it will come about only through demonstrable improvements—which have been made, but we still have a lot of work to do.

**Evelyn Tweed:** Thanks for that, minister.

**The Convener:** If Gordon MacDonald will excuse me, I have a quick question. Getting down to some of the practicalities, one of the recommendations that I have heard involves job coaches being more widely available, which is something that the Government could drive. We used to have the workplace equality fund, but it closed. The last period for the fund was in 2021,

and we heard some quite positive feedback about it. Do you see anything that replaces that or provides that level of support?

When it comes to the practical things that people were looking to the Government for, we had a workplace equality fund, which was a good thing, but it is no longer there; another practical thing is to increase the availability of job coaches so that, when people start employment, they are given support. The idea is for that to be more easily and more widely available.

**Tom Arthur:** We touched on the workplace equality fund earlier, and there is going to be an independent evaluation of it. A number of different projects were supported over a number of years, and there is learning to be taken from that, which can be applied, and that will inform future policy initiatives that we pursue collaboratively and in partnership. That was a piece of work that we can learn from and which can inform future policy development.

We have spoken about the fair work evidence plan. Part of the process around evidence and data gathering involves informing future policy development.

**The Convener:** There is a gap here while we are waiting. The project that I referred to ran for a few years. People liked it and thought that it was positive. We are evaluating it but, while we are evaluating it, there is no equivalent fund or support available.

**Tom Arthur:** We can give some background to the workplace equality fund and how it has operated in relation to a number of priority groups for whom there have been barriers to employment and referring to some of the work that has taken place to date and how we can apply it. I do not know whether Stephen Garland wants to add anything to his earlier remarks.

**Stephen Garland:** The workplace equality fund ran until 31 March this year. It was always intended to run for two years in its current iteration, very much as a point of learning. As you would expect with any fund, you need to get to the end of the year to get the full understanding and learning from it. That is what we are doing in the current year. We are already considering how we can start to disseminate the learning from that more widely in advance of the independent evaluation, which will give us greater depth. Notwithstanding the financial pressures that the minister has noted, that will help to inform any future decisions on similar kinds of funding. The workplace equality fund was very much about making significant benefits for the workplaces that it was supporting, as well as longer-term term learning. We are in that place now.

**The Convener:** I will perhaps leave this next issue to Gordon MacDonald, as it is covered in the report as a recommendation on job coaches.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** Good morning, minister and panel. The review of supported employment back in 2022 made a number of recommendations and findings. They were all accepted in full by the Scottish Government. What progress has been made in implementing those recommendations?

10:30

**Tom Arthur:** The employability landscape has moved on since the supported employment review and the individual placement and support review—which the committee has had some interest in—and I think that the committee will recognise that.

I will give that detailed consideration very soon, and I am happy to update the committee in writing about the outcome. I do not want to pre-empt what the outcome will be, but I can provide an update on the thinking that has taken place to date. We recognise the importance and value of specialist support, which will be critical for some disabled people in accessing work.

**Claire Renton:** On the two evaluation reports that the member and the minister referred to, an initial response was given on the progress that has been made in accepting those recommendations. The reports happened at a key time because of the changes in the employability landscape, particularly when it changed from fair start Scotland to no one left behind. The reviews were appropriate and useful in informing no one left behind. We are making progress against the seven recommendations. The intention is to follow up with a supplementary briefing to demonstrate the full impact and how work on the recommendations has been embedded.

Recently, we have been doing a review of the initial aspects. We are checking that we are still on the right course and that we are learning lessons. As the minister said, this is a constantly evolving situation. There has been movement since the recommendations were announced, but we will follow up with a written report on that to ensure that the committee has the most up-to-date response.

**Gordon MacDonald:** The Scottish Union of Supported Employment has raised a couple of issues in relation to developing a supported employment guarantee and quality standards for supported employment. As you said, the landscape is changing all the time; for example, the UK Government announced the chance to work guarantee coming in. What is the Scottish Government's thinking on those two areas? Does employment law being reserved to Westminster

make it more difficult or does it restrict us on where we can act in those two areas?

**Claire Renton:** There is a lot in that question. We welcome the work that the Scottish Union of Supported Employment undertakes. We have been in discussion with it, and we are actively involved with it. It has been developing the quality standard, and we are working with local government on how best to adopt that. That is about focusing on the qualitative and consistency aspects. There are a number of different ways to look at those. There is the five-stage supported model, and there is also project search. There are a lot of good systems out there. It is important that we work across all of them to get the best for the people of Scotland to ensure that we have an impact in that area.

On the question about reserved and devolved areas, we are working within the devolved area to ensure that we have the most impact. We are working closely with the UK Government and the DWP on items that are under reserved control, because it is about getting the most impact from all the resources that are available to benefit the people of Scotland.

**Gordon MacDonald:** One of those areas is access to work, which is recommendation 7. The committee heard that access to work is

“slow and restrictive”,

that the

“application process can be cumbersome”,

and that

“the scope is too restrictive”.

It also said that

“claims should involve the employer.”

Has there been any discussion about the UK Government changing the application process so that employers can apply directly for access to work funding?

**Claire Renton:** A forum has been set up on Scottish access to work to ensure that we have closer links to raise and address those issues. Stephen, do you want to talk about the progress of that group?

**Stephen Garland:** As Claire Renton noted, the Scottish access to work forum brings together the Scottish Government, the DWP and other partners. It is co-chaired by one of the Scottish stakeholders, Heather Fiskin, and it provides a forum to raise such issues. It recently had its first meeting under the new structure, and we will use it to address a lot of those issues.

**The Convener:** Issues have been raised about the implementation gap. We took evidence from the Scottish Commission for People with Learning

Disabilities about its 2018 report on pathways to employment. It said that what it found in that report, which talked about job coaching and becoming a profession, is still relevant. Does the minister have any concerns about that?

We have talked about a number of reviews, and it is important to review to make sure that we are heading in the right direction, but there is concern that there is a lack of action and implementation, because we spend a lot of time reflecting, reviewing and coming up with different strategies. That organisation said that what it said in 2018 is still relevant now, and that it could see more progress. That follows on from Gordon MacDonald’s question about the 2022 report and what progress there has been since.

Everybody is bringing out recommendations and suggestions, but there is some frustration on the ground. What the minister said this morning is positive, and we have seen positive examples, but the general mood during the inquiry is one of frustration and not enough being done quickly enough.

**Tom Arthur:** I accept all the points that have been made but, to use an oft-used phrase in Scottish politics, it is important to remember that this is a process and not an event. Quite a lot has happened in the employability landscape since 2018—as we all recognise. The figures—both the disability employment gap and the percentage of disabled people who are now in work—speak for themselves. I do not want to play down the challenges. Throughout this morning, I have sought to recognise that we still have to undertake a significant amount of work to achieve our 2038 target, but progress is being made. It is important that we do not lose sight of that.

The process will be iterative. We will continue to learn and we will continue to apply that learning. We have touched on the reviews that have taken place previously on how the supported employment and IPS reviews are informing our approach and how they are informing no one left behind. There will be further responses to that forthcoming and further consideration.

I reassure stakeholders that we are continuing to consider all the recommendations and that we are working constructively with partners to ensure that we can maximise the impact on the ground and maintain the flexibility that comes with local delivery. I do not know whether Claire Renton wants to add more on the specific point about the 2018 report.

**Claire Renton:** On work coaches, who we call key workers in the no one left behind approach, once somebody is into employment, they are given support for quite a long period of time—12 to 18 months and maybe more—so that they sustain

work and also to guide the employer on how to work together to make their position sustainable.

We may be able to draw out feedback to the committee to give you a golden thread, because I heard what you said about the mood of frustration and wanting to understand what is happening.

**Colin Smyth:** I will raise an issue that Kevin Stewart promised that I would raise with you, which is about the use of self-directed support budgets. That was brought to the attention of the committee during our evidence session.

Concern was raised because some disabled people were being encouraged by local authorities to use their self-directed support budgets to undertake placements. It has been suggested that that is done to plug funding gaps that are caused by pressures on the availability of traditional grant support to organisations. It has also been suggested to the committee that, in effect, that amounted to unpaid work. One witness said that it was a “potential misuse” of self-directed support funds, and another said that it was a case of people “paying to be volunteers”. Is the Government aware of that?

**Tom Arthur:** I will answer you very directly, Mr Smyth. There is a concern. I respect the role of the local authorities in the administration of SDS, but I have asked officials to look at the issue, and I will be happy to update you directly—with the rest of the committee, if it is interested.

**Colin Smyth:** That would certainly be helpful, minister, because some witnesses suggested that there was almost an unintended consequence of the use of that support—for example, there was less scrutiny of those funds. When an organisation receives a direct grant, it has to report back to the funder on its meeting of the objectives of that grant, but that is not the case with self-directed support, the use of which is ultimately up to the individual.

The second concern was that there was almost an incentive for an organisation to hold on to somebody for longer because they were funded through self-directed support. If that person left—for example, to go into employment—they would take the funding with them. That was an unintended consequence. Will you absolutely investigate those issues?

**Tom Arthur:** Yes. In response to a question from Kevin Stewart about the range of funders, I may have touched on ensuring that funding structures incentivise the right kind of outcomes. You have expressed a concern that that is not taking place. I reiterate that I have asked officials to consider the specific instance that you raised and I will be happy to update you. On the broader point about considering any wider issues, again I give a commitment to you personally, Mr Smyth,

and to the rest of the committee, that I will look at that and give it detailed consideration, and I will be happy to follow up directly with you.

**Colin Smyth:** That is helpful.

**The Convener:** I have a couple of closing questions. The Fair Work Convention recently published a report on Scotland’s progress on fair work, which looked at international comparisons. Has the convention had a chance to discuss those with you? The report contained some interesting conclusions about the progress that we are making on the disability employment gap. Has the Government discussed that with the convention, and are you looking at its recommendations?

**Tom Arthur:** My first meeting with the convention since my appointment is coming up in the next few weeks. I will be looking to discuss that issue directly with the convention at that opportunity, and I will be happy to update the committee about any outcomes from that.

**The Convener:** With our final panel, we had a brief chat about the impact of the pandemic on this group of people—in particular, on young people who are looking to get into employment. It feels as though the pandemic had a significant impact on public services and on all of us but, as politicians, we move on quite quickly while everyone else is living with the impact of the pandemic. In thinking about how we make progress on the disability employment gap, does the Government recognise that area? What impact has it had on achieving that target? Have you taken into consideration the impact of the pandemic on the group that we are looking at—in particular, the young people?

**Tom Arthur:** Absolutely nothing that we can consider within the whole gamut of public policy or how society operates has not been impacted or touched on by the pandemic. I appreciate that that is a statement of the obvious, but the point that you made is that we can move on quite quickly.

I am conscious of some of the evidence that the committee took about concern that some of the flexible working practices—the home working practices—that were developed during the pandemic are not as readily available as they once were. If I recall correctly, one witness described to the committee the pre-pandemic perception that home working was simply not possible until it was required, and it then worked quite effectively and created opportunities for a range of individuals and groups to sustain employment. A concern was expressed that perhaps those options are not as readily available as they were.

We have provided some resource on flexible working. I ask Stephen Garland to pick up on that, to give the committee some information.

**Stephen Garland:** We have been supporting that area for some time in relation to fair work, but it is particularly relevant for people with disabilities. We have been providing support to various organisations to develop support, guidance and advice to employers on how to provide flexible working. That is part of how we promote more widely the guidance and advice that I mentioned to Evelyn Tweed, and the benefits of that. We are considering how to continue that approach in the coming year.

It is about looking not just at working from home or hybrid working but at all the different elements of flexible working that are appropriate for an individual's circumstances, whether that be providing care, receiving care, mixes of both, or other issues.

**Tom Arthur:** Convener, I am conscious that, in responding, I touched on just one very narrow aspect of the impact of the pandemic on workplace practices. In taking forward my engagement with people who have lived experience, I will pose that question directly to them, so that I can develop my understanding of the impact that the pandemic has had. Through that—to touch again on the evidence plan and being informed—we can capture the strongest evidence base for future policy development.

**The Convener:** We heard evidence about the gaps in the education of young people with disabilities—at school, and the college sector spoke about it as well—and the impact that that has had on their employability skills.

That brings us to the end of the evidence session. I thank the minister and his officials for attending. I briefly suspend the meeting as we move to our next item.

10:46

*Meeting suspended.*

10:53

*On resuming—*

## Subordinate Legislation

### Protected Trust Deeds (Miscellaneous Amendment) (Scotland) Regulations 2024 [Draft]

**The Convener:** The next item of business is consideration of the draft Protected Trust Deeds (Miscellaneous Amendment) (Scotland) Regulations 2024. The committee has received representations from the Institute of Chartered Accountants of Scotland setting out its concerns about the draft regulations, which members might want to ask questions about.

I welcome to the meeting Ivan McKee, who is the Minister for Public Finance. The minister is joined by Scottish Government officials Amy Burns, who is the protected trust deed team leader, and Graham Fisher, who is a deputy director in the legal directorate, and by Fiona Henry, who is the policy development manager at the Accountant in Bankruptcy. I invite the minister to make a short opening statement.

**The Minister for Public Finance (Ivan McKee):** Thank you, convener, and good morning, members of the committee. I am at the committee to talk about the regulations on protected trust deeds. The regulations aim to take forward stakeholder recommendations that will make improvements to the current protected trust deed process. They are accompanied by further provisions that will help to ensure that the statutory debt solution is fit for purpose, and they provide the necessary support and protection to people who need to access debt relief through that solution.

There has been wide consultation on the changes in the regulations. The provisions that have come from stakeholder recommendations were included in the public consultation document “Scotland’s statutory debt solutions and diligence: policy review response”, and were broadly supported. Additionally, members of the protected trust deeds committee, which is a group of prominent stakeholders who are involved in protected trust deeds, have been consulted throughout the process of developing the regulations and we have worked with them to address their concerns.

The regulations aim to help the most vulnerable people in our society by streamlining the discharge process and allowing an individual to be discharged early from their PTD if there are extenuating circumstances that mean that they can, through no fault of their own, no longer make

contributions. That will allow people to be clear of problem debt at the most challenging times in their lives.

Reflecting the existing voluntary PTD protocol in legislation will ensure that all PTDs work to that best practice, which will end the current two-tier system. Ninety-one per cent of the current live PTD case load works under the voluntary system, which proves that it works. The regulations will build on that to ensure that all individuals who are involved in PTDs benefit from the same protection, irrespective of the trustee organisation that is involved.

That includes giving an individual who is in a PTD extra security by ensuring that the trustee will seek the Accountant in Bankruptcy's agreement before refusing discharge and that, when a dividend is payable, creditors are paid at an earlier date. The new provision to allow the AIB to act as a trustee of last resort will provide security in the event of the failure of a volume provider of PTDs, if no other firm has the capacity to take on its cases. That will provide to all who are involved reassurance that the case will not be left without a trustee and that the administration will be able to continue under AIB until a new trustee is appointed.

The increase in the supervision fee will assist the AIB in its aim of continuing to generate sufficient funds to cover costs from conducting its statutory duties. That should combat the agency's forecast shortfall over the next few years resulting from the reduction in bankruptcy application fees, which is a policy that was implemented to help the most financially vulnerable people in our society and was done in response to the pandemic.

In conclusion, I believe that the regulations provide a great opportunity to streamline and improve the protected trust deeds process and to ensure that it is fit for purpose. They will provide the necessary support and protection to those who need to access debt relief through that solution, as well as making it work well for others who are affected by the rules. I am happy to take questions.

**The Convener:** As the minister will know, in session 5 the Economy, Energy and Fair Work Committee made recommendations on protected trust deeds, which the Government took forward as a voluntary code. Why has the change been introduced as a statutory code? What has changed in the Government's thinking?

**Ivan McKee:** The voluntary code was a step in the right direction. It brought in the requirements that were felt to be necessary, and which have since proved to be necessary: I think that we would all agree that the voluntary code has been working.

However, as I indicated in my opening remarks, we have a two-tier system and not all providers are operating under the voluntary code. The reason for the change is to ensure that the remaining challenge is dealt with and that the requirements in the voluntary code are brought into legislation so that everyone has to comply with them. Along with other measures that are in the provision, that provides security and comfort to those who are involved in the process.

**The Convener:** The voluntary code made changes in three areas, two of which are being taken forward in the regulations and are being placed on a statutory footing. However, the third provision in the voluntary code, which requires insolvency practitioners to accept referrals only from lead generators that are regulated by the Financial Conduct Authority, is not being taken forward. What is the thinking on that?

**Ivan McKee:** We have taken some advice and have consulted on that. The conclusion was that, at the moment, if people charge fees to provide that work, misselling is being effectively combated by the existing process. There was also a danger that there could be unintended consequences if accountants or other professionals are not able to bring forward cases or point people in the right direction. On balance, and having sounded the matter out with sector stakeholders, we felt that we did not need to put that particular requirement into the regulations.

**The Convener:** Do members have questions?

**Murdo Fraser:** Good morning, minister and officials. ICAS has communicated a number of concerns about the approach that the Government is taking. In its view, the current regime is working well on a voluntary basis, so it does not see the need for legislative intervention, which it regards as "disproportionate and unnecessary" at this stage.

ICAS gives a specific example. Regulation 5 would introduce

"A new procedure to apply to the"

Accountant in Bankruptcy

"for agreement to refuse to discharge a debtor from a trust deed."

The provision has been introduced

"due to concerns that debtors were frequently being refused discharge inappropriately due to circumstances beyond their control."

11:00

The ICAS paper says that there is no evidence to support that approach and that, at the last meeting of the Accountant in Bankruptcy's protected trust deeds standing committee,

“it was confirmed that 732 applications to refuse debtors discharges had been received and all 732 were approved.”

ICAS has queried why it is necessary to put the requirements in legislation, given that there is no social ill that has been identified that needs to be cured.

**Ivan McKee:** First, I suppose that you could flip that around and ask what is the problem with having that requirement in regulations if it is working and everyone is happy with it.

Secondly, there is an issue in that there is the potential for operation of a two-tier system because not everyone is signed up to the voluntary code. It is worth noting a recent legal case in which the sheriff was clear that the voluntary code does not have a statutory basis.

On the specific example that you have mentioned—colleagues might want to talk to this—the reality is that AIB engages extensively throughout the process. You and I would see only the cases that get to the application stage, but an awful lot more cases are, I expect, headed off at the pass—if I can use that term—during the conversations that AIB has in order to ensure that people are able to work within the process and that they do not have to take cases to the final stage. Do officials want to add anything?

**Fiona Henry (Accountant in Bankruptcy):** It is true that AIB was in agreement with all 732 cases, as Mr Fraser mentioned, but that hides the work that is involved when applications come in. AIB does a lot of work to discuss every case with the trustee and to see whether a refusal was appropriate or not. It then tries to get the trustee to overturn the matter or to change their minds.

**Murdo Fraser:** Thank you. I will pick up on a couple of points, minister, if I can. In your last point, you were, in effect, saying that the system works well. I query whether it is necessary to put those things into legislation—I presume that we should legislate only when there is a requirement to do so. If the voluntary approach is working well, should we not persist with it?

**Ivan McKee:** The issue comes down to the two-tier system. The process works well in the majority of cases, but not everyone has signed up to the voluntary code.

**Murdo Fraser:** The evidence suggests that it is working well in all cases.

I will expand on ICAS’s concerns. It is concerned that including in statute the provisions that are in the voluntary code will lead to market distortion. Currently, there is a very small number of providers of protected trust deeds and the market is concentrated. I am sure that neither you nor I have time to watch daytime television, but if you do, you will often see protected trust deeds

being heavily marketed by a small group of operators that target the market aggressively. Current figures that are provided by the Accountant in Bankruptcy show that 90 per cent of protected trust deeds in Scotland are administered by only four firms, with two firms accounting for a 70 per cent share of the market.

ICAS’s concern is that, the more we regulate, the more burdensome it will become for other, smaller practitioners to want to take on the work; therefore, that would narrow the market even further for those who might benefit from protected trust deeds. ICAS feels that including the provision in statute would be a disproportionate approach.

**Ivan McKee:** I hear what you are saying. I do not want to cast aspersions, and I am not familiar with the providers or with anyone who might want to come into the market, but the other way to look at it is that you would want any providers of protected trust deeds to comply with the voluntary code. Protecting that and putting it in statute will ensure that other players that might want to come into the market are on a level playing field with everyone else. More important is that it would protect the debtors and creditors that are involved in the process. Putting the voluntary code on a statutory footing allows us to do that for any providers that are coming into the market or anyone who is already in it.

**Maggie Chapman:** Good morning, minister, and thank you for being here. I want to follow on from Murdo Fraser’s question about potential unintended consequences. Do you see any unintended consequences from the regulations for consumers?

**Ivan McKee:** Do you mean for debtors?

**Maggie Chapman:** Yes.

**Ivan McKee:** The regulations have been worked through over a period of time with the expert committee and various players in the sector that come at the matter from different perspectives in order to ensure that problems have—as I hope—been ironed out. Are there any consequences in particular that you have concerns or thoughts about?

**Maggie Chapman:** There was a lack of direct engagement with people who are in debt as the regulations were pulled together. There was clearly discussion with people from the advice sector, but not much with people who are in debt directly. What will be the impact of the regulations for people who are in debt—for consumers themselves?

**Ivan McKee:** The regulations should offer more protection. As I have said, putting the voluntary code on a statutory footing removes the two-tier system and the potential for people not to apply



the voluntary code. The regulations give clarity on the process so that everybody will know what it is.

Tomorrow, we will deal in Parliament with the Bankruptcy and Diligence (Scotland) Bill. One of the provisions in that bill is on provision of a leaflet with information on the cooling-off period and so on, which is also helpful.

It is clear that the process that has been worked through was to bring in, through the consultation and through the expert panel, people who understand the process. As you have rightly identified, that includes debt advice charities and organisations and others. I hope that they will be able to reflect the perspectives and needs of debtors who will use the process.

**Maggie Chapman:** Okay. Thank you. Do you see any potential issues with the possible market distortion that Murdo Fraser alluded to?

**Ivan McKee:** I do not, for the reasons that I have identified.

**The Convener:** The membership of the standing committee, which Maggie Chapman has referred to, is not public. We have managed to establish that on it there are 10 creditor representatives, four insolvency practitioners, two regulatory bodies and two advice sector bodies, so it is weighted towards the interests of creditors. Can the minister exert some influence so that we can find out what its membership is? That has been difficult to find out.

**Ivan McKee:** I do not have that information in front of me. I assume that it is not secret.

**Fiona Henry:** We approached the members of the PTD standing committee to ask for their permission to give their names, but I am afraid that we could not get that fully awarded. That is why we have had to give you the statistics in that way. However, we can go back to them and ask whether we can send their names to the committee in writing after this session.

**The Convener:** We have an idea of what bodies are involved. The larger point with regard to who they are is that membership is weighted towards creditors and only two money advice sector bodies are represented. We raised concerns about unintended consequences and the degree of consultation that has taken place.

**Ivan McKee:** I can understand that observation. To be fair, I note that I was not aware of the committee's membership. However, if people from the money advice sector or people with other perspectives are on the committee, I am sure that they will make their voices heard. The committee is there to gather views and to reflect and sense check, and to see whether there might be unintended consequences. I am sure that its members would be well able to highlight where

they saw concerns, and that those concerns would be taken on board. However, if you require any more information about the committee, I will seek to get it.

**The Convener:** Finally, the regulations will increase the fees by £20, from £100 to £120. Have you given any consideration to the impact that the increased fees might have for debtors and creditors?

**Ivan McKee:** Yes. First of all, it is important to recognise that the fees have not been increased since 2012, I believe. Inflation over that period has been 36 per cent. It is significant that we are looking at just more than half the inflation increase over that period being clawed back through the fee increase. That will flow through and be picked up on the creditor side. We reckon that there is about a 3 per cent reduction in the amount of money that creditors will receive through the process as a consequence of that change.

I think that it is a fair increase. As I said, it represents barely half of inflation over the period. It reflects increased costs and allows the process to continue to function and be administered effectively.

**The Convener:** Okay. Thank you.

There are no more questions. That brings us to agenda item 9, which is formal consideration of the motion to approve the instrument. I invite the minister to move motion S6M-13108.

*Motion moved,*

That the Economy and Fair Work Committee recommends that the Protected Trust Deeds (Miscellaneous Amendment) (Scotland) Regulations 2024 [draft] be approved.—[*Ivan McKee.*]

*Motion agreed to.*

**The Convener:** Given the tight timescales involved, I invite the committee to delegate responsibility to me, as convener, to sign off the report. Do members agree to that?

**Members indicated agreement.**

**The Convener:** I thank the minister and officials for attending the meeting.

11:10

*Meeting continued in private until 11:17.*



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