

**BRIEFING FOR DEPUTY FIRST MINISTER AND CABINET SECRETARY FOR
COVID RECOVERY**

What	Business Organisations Meeting
Where/ When	22 February 2023, 11:00-11:20 via Microsoft teams Teams Meeting link: Click here to join the meeting
Key Priorities	<p>[REDACTED]</p> <p>[REDACTED]</p> <ul style="list-style-type: none"> ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED] ● [REDACTED]
Who	<ul style="list-style-type: none"> ● Tracy Black/Mags Simpson, Confederation of British Industry (CBI) ● Colin Borland, Federation of Small Businesses (FSB) ● Liz Cameron/Charandeep Singh, Scottish Chambers of Commerce (SCC) ● David Lonsdale, Scottish Retail Consortium (SRC) ● Sara Thiam/Claire Reid, Scottish Council for Development & Industry (SCDI) ● John Davidson, Scottish Food and Drink (SFD) ● Sandy Begbie, Scottish Financial Enterprise (SFE) ● Aidan O'Carroll/Catherine McWilliam, Institute of Directors (IoD) ● Marc Crothall, Scottish Tourism Alliance (STA)
Why	You requested this meeting be set up as an opportunity to update the business organisations on where we are during this period of leadership change.
Supporting official	Aidan Grisewood , Deputy Director of Economic Strategy, [REDACTED]
Briefing contents	<p>Annex A: Purpose and suggested lines to take</p> <p>Annex B: SG & Business Organisations summary of meeting note - 26 January 2023</p> <p>Annex C: Attendees</p>

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ANNEX A

PURPOSE

You requested this meeting as an opportunity to update the main business organisations on where we are during this period of leadership change. Please note regarding upcoming engagement with the group of business organisations, you were invited to attend the Scottish Business Growth Group but declined and Mr McKee will attend in your place on 2 March 2023.

SUGGESTED LINES YOU MAY WISH TO TAKE:

- Recognise that business organisations have come together at short notice and welcome their continued engagement. Recognise the importance of this group representing a wide cross section of business voices from across Scotland.
- Update them on the process for appointing a new First Minister
- Advise what will happen until the new First Minister is formally in post
- You may wish to recognise the recent press around the relationship between business and the Scottish Government during the current First Minister's tenure, drawing on the following:
 - SG is investing up to £42 million in a network of tech scaler hubs to grow businesses through advice and mentorship. It has created the National Manufacturing Institute of Scotland to transform productivity and make companies more competitive and established the Scottish National Investment Bank to independently invest in businesses which deliver environmental and community gains.
 - This has helped Scotland outperform the rest of the UK in investment growth. Latest results show support which Scottish Development International provided in 2021-22 will result in £1.44 billion of planned international sales over the next three years.
 - Ministers have appointed leading business figures to inform and help drive policy – Mark Logan as Chief Entrepreneur, Ellis Watson as Business Advisor to the First Minister - to act as a direct link to industry. A National Strategy for Economic Transformation was launched after detailed consultation with business organisations.
 - We are consulting until 9 March on views on the most appropriate next steps in reducing alcohol-related harm, no decisions have been taken on scope or on the type of restrictions that might be taken forward in future. Like similar schemes around the world, Scotland's deposit return scheme is being delivered by industry and will be a major part of our efforts to reduce littering, cut emissions, and build a more circular economy. Ministers – including the First Minister – and senior officials continue to engage regularly with the business community and average around 100 engagements per month.

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ANNEX B

SG & BUSINESS ORGANISATIONS MEETING NOTE - 26 JANUARY 2023

Business Organisation Priorities Feedback

- **STA:** little consumer spend, increased costs and slowdown in domestic bookings. Visitor Attractions sector is patchy – some are closing down elements of operations. Shared sector view that “The Scottish Government has an **anti-growth agenda**”.
- **SRC:** Grateful for NDR freeze, caveat still remains around high property rates. Members struggling with quantity and quality of **regulations e.g. – DRS** (retailers are investing up to £100m for infrastructure etc and small producers in supply chain will be disproportionately affected). **Alcohol promotion consultation** a real issue as done without a BRIA, industry find this “unacceptable”. A perceived SG drive to push through regulations impedes investment.
- **CBI:** Concern that environmental and renewables are becoming missed opportunities for investment and growth. **DRS** is an issue for members and **alcohol promotion consultation** was a general “shock” to members with confusion around what it is expected to achieve.
- **FSB:** Members disappointed Scotland did not align **hospitality reliefs** with England and Wales. Working with members on **DRS fees** for producers, strong view that the timing isn’t right for this to go ahead. Members “incredulous” at **alcohol promotion consultation** primarily around timing when Task force is ongoing. **Energy support** withdrawal from UKG is a significant blow.
- **SFE:** There is limited hope for the **regulation review**, compounded by the **alcohol promotion consultation** and suggested SG should put drop the consultation. 76% of people surveyed don’t think UKG or SG have any **growth strategy**. **Rent freeze** having damaging effect on market.
- **SCDI:** **Short term energy relief** causing uncertainty for businesses. There is not enough investment to support **growth**. **Regulation and legislation** remain concerns and reiterated comments on **alcohol promotion consultation**. Unintended consequences of **rent freeze** has led to a shortage of student accommodation.
- **IoD:** still **resource constrained**. SG/ Ministers “listening with deaf ears” - business not seeing much response to the challenges raised E.g. **alcohol consultation** (“utterly perplexing”) showing SG did not consider the consequences on the supply chain. Massive issues with **planning** - no experience on the ground of streamlining processes to make this easier. Not a lot of positive action being taken to support **growth agenda** when business are struggling to survive.
- **SCC:** record number of firms are expecting to increase their prices. Labour costs now overtaken energy bills as top pressure. Too much **regulations** going through.

The agenda for the meeting on 23 February is:

- Business Priorities
- Update on Deposit Return Scheme
- Update on Regulations Taskforce
- Update from SG Health Improvement on Alcohol Promotion pre consultation
- AoB & Close

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ANNEX C

ATTENDEES



Tracy Black Scotland Director, CBI since January 2018.



Mags Simpson, Deputy Director of Policy, CBI Scotland since September 2022 following 3 years in Logistics UK and 12 years at FTA.



Colin Borland, Director of Devolved Nations, FSB since 2018 and worked for FSB for over 14 years. Colin is also a member of the FSB UK senior management team.



Aidan O'Carroll Chair IoD Scotland recently retired as a senior tax partner at EY, based in Glasgow. He is Chair of Revenue Scotland, a non-exec director at Hillhouse Estates Group and ABE Group.



Stephen Leckie BA CDir, President of SCoC is Chairman and Chief Executive of Crieff Hydro



Dr Liz Cameron OBE Director & Chief Executive, whose business expertise is widely utilised through a number of non-executive Directorships in Scotland and the USA.



Sara Thiam Chief Executive, SCDI since June 2019, her focus is on the opportunities that climate change and digital transformation can deliver for Scotland's economy.



Clare Reid, Policy and Public Affairs Director, SCDI since 2020, Clare leads on SCDI's policy, public affairs and research activity.

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Sandy Begbie, CBE, Chief Executive, SFE.

Sandy led the development of the Scottish Government's Young Person's Guarantee and holds several non-executive positions including Chair of Career Ready, Non-Executive Director of Place 2 Be and Chair of the Centre for Moving Images.



David Lonsdale Director, SRC and Head of Devolved Nations for the British Retail Consortium. Prior to this he was Assistant Director at CBI Scotland for 8 years.



Marc Crothall, Scottish Tourism Alliance, Chief Executive Officer since 2012. Marc has led the organisation to becoming one of the strongest representative trade bodies in the country.



John Davidson, Interim Chief Executive, SFD and Strategy & External Relations Director. John has had overall responsibility for industry development and growth since 2020.

