Building the innovation nation

Pioneering, sustainable, inclusive – Keith Brown’s vision for the Scottish Economy

The SNP magazine for business

Into the fast lane for foreign investment

The Brexit briefing

Tapping Scotland’s natural forces
Welcome

Welcome to the second issue of SNP Insight. Our first issue, published during the Scottish Parliament Election, was very well received and I hope you enjoy this instalment as much. After a summer in which the work has never really stopped, our second issue has required several updates to ensure we keep on top of the ever-changing situation.

Recently, I set out our Programme for Government for the year ahead, which builds on the progress we have already made as a country. It is based firmly on the manifesto we were resoundingly re-elected on in May and focuses on the big challenges that confront us.

The measures we are implementing are set to support our economy, improve education and close the attainment gap. Alongside these are measures to tackle child poverty, expand early years education and build a social security system with fairness and dignity at its heart.

Our Programme for Government came against the backdrop of the damaging uncertainty caused by the UK-wide vote to leave the EU. As of 23 June, Scotland faces the prospect of being dragged out of Europe against our will. If that happens, the damage to our economy will be deep and permanent, but as First Minister, I am not prepared to stand by and let that happen without a battle.

Part of our response has been to set up a Post-Referendum Business Network, bringing together the Scottish Government, the Scotland Office, the STUC and business organisations, to help shape future policy and support. In this issue, Stephen Gethins MP reviews what we are already doing to protect Scotland’s interests in these discussions and highlights the challenges we will face going forward.

I intend to hold the Prime Minister to her word that Scotland’s voice will be heard. As the UK Government develops its position ahead of triggering Article 50, we expect to be at the table and we intend to make our presence count.

Scotland is a wealthy country and our economy has proven resilient in the face of considerable challenges. We have resources and talents that other countries can only dream about, just some of which are our powerful natural resources. When we combine the country’s wave, tidal and wind energy capacities with our talent and innovative technology, the potential for the future is staggering.

In this issue, Gill Ross MSP explains how the Beatrice Offshore Wind Farm is going to transform her constituency for the better.

I am incredibly proud of Scotland’s role in leading the way in tackling climate change, and investment in marine renewables is a hugely important part of this. I recently visited the Nigg Energy Park on the Cromarty Firth to see the first turbines built for the MeyGen tidal stream farm in the Pentland Firth. These projects are set to invigorate the marine renewables industry in Scotland and provide vital jobs for a skilled workforce, retaining valuable offshore expertise here in Scotland that would otherwise be lost overseas.

There is no doubt that the eyes of the world are on this project, which is why the Scottish Government’s investment is so crucially important. But it is absolutely vital that the UK Government honours its earlier commitment to provide a ring-fenced allocation for marine energy in its renewables support scheme. They must tackle the current uncertainty that exists before they cause irreparable damage to the long-term prospects for the sector.

The journey to a fairer, more equal and prosperous Scotland is far from over. There is real work to be done, but Scotland is open for business. So let’s get on with the job.

Nicola Sturgeon
SNP Leader
£12.5 million will be made available for oil and gas innovation and business support and a comprehensive Decommissioning Action Plan will be developed. A business case will also be developed for a new National Manufacturing Institute to help companies innovate and compete in international markets.

Ten ways we are supporting Scotland’s businesses

1 Small Business Bonus expansion
   - We will expand the Small Business Bonus to exempt 100,000 premises from business rates and use the full powers of the parliament to secure the most competitive business rates in the UK.

2 Support for start-ups
   - The Scottish Growth Scheme will provide up to £500 million over three years of investment guarantees and loans, and will be focused on start-up companies with potential for growth and exportation.

3 Broadband promise
   - We will invest £60 million over the next year to ensure we deliver broadband to 95 per cent of premises by the end of 2017. And, we’ll reach 100 per cent by 2021.

4 Encouraging innovation
   - £12.5 million will be made available for oil and gas innovation and business support and a comprehensive Decommissioning Action Plan will be developed. A business case will also be developed for a new National Manufacturing Institute to help companies innovate and compete in international markets.

5 Public sector equality
   - We will legislate for 50:50 gender equality in public sector boardrooms by 2020.

6 Stand up for fair play
   - We will ensure companies engaging in unacceptable practices like blacklisting, exploitative zero hours contracts or tax evasion do not benefit from public procurement.

7 Invest in support services
   - An additional £20 million will be invested in employment support services. We will take forward our new Labour Market Strategy and use new powers to abolish fees for Employment Tribunals.

8 Boost Living Wage employers
   - Promotion of the Living Wage will be targeted at key low-pay sectors and we will double the number of accredited Living Wage employers from 500 to 1,000 by Autumn 2017.

9 Overseas investment
   - The number of exporting advisors will be trebled and we will put £3.5 million into establishing new Innovation and Investment Hubs in London, Dublin and Brussels to attract inward investment and help companies and academia access new markets and investors.

10 Double free childcare
   - We will double the provision of free childcare – helping more parents back into work, and boosting opportunities for business.
Innovation nation

Recently appointed as Cabinet Secretary for the Economy, Jobs and Fair Work, Keith Brown MSP wants to grow the Scottish economy in a sustainable and inclusive way. He tells SNP Insight why an innovative spirit will be essential

Scotland is a nation of pioneers. From the past inventions of James Watt, Alexander Graham Bell and John Logie Baird to the modern-day innovation of Rockstar North, the country has always pushed the boundaries of what is possible.

It is this inventive spirit that Keith Brown MSP is looking to harness in the economy, as he undertakes his new position of Cabinet Secretary for the Economy, Jobs and Fair Work. "We have an incredibly rich history, whether it’s Dolly the Sheep, the tarmac we drive on, the tyres on our bikes, the telephone or the television. Scotland has a fantastic heritage, and there shouldn’t be a mental barrier or any other barriers to what we want to do."

"The imperative for innovation, it’s absolutely essential for the economy – people need to have the mindset for innovation," he says. "When I was in the Marines, one guy I knew came up with an idea for a flexible antenna as a signaller – I think he only got 50 quid for the suggestion. But it’s about doing things differently and feeling you can without being pilloried if it doesn’t work."

He’s speaking to SNP Insight at the Sterling Furniture Warehouse in the heart of his constituency of Clackmannanshire and Dunblane. Set against the overcast yet still stunning backdrop of the Ochil Hills, it’s a fitting meeting place – itself a microcosm of Scottish innovation past and present. Stirling-based furniture retailer George Knowles converted the disused mill in 1974, bringing the ground-breaking US concept of ‘out-of-town’ shopping centres to Scotland. Over 40 years later, it remains one of the UK’s largest furniture stores and today, a buzzing hub of activity.

As part of Keith’s focus on innovation, the Scotland CAN DO Forum will take forward three pilot projects concerning innovation and manufacturing excellence, digital care systems, and how to scale up digital businesses, as well as launch an annual innovation prize. For Keith, CAN DO is equally about encouraging a change in attitudes. "Say compared with the US where people set up businesses without thinking about the possibility of failure, if someone does fail, it is seen as a learning process. Sometimes in this country in the past if you fail in a business, you get stigmatised for it. Innovation is about that entrepreneurial side."

“Gordon Lindhurst, a Tory MSP, said something to the effect that since the SNP came in, people do feel that things can be achieved – ‘can do things’ was essentially what he said. That’s one of our opponents saying that, we’ve achieved something, but we’ve got more to do.”

In addition to innovation, Keith’s remit encompasses infrastructure investment policy, productivity, trade and inward investment, internationalisation, and employment policy, to name but a few areas. Overall, the newly created position has a strong emphasis on protecting jobs and engaging with industry to encourage economic growth. It assumes many of the responsibilities previously held by the finance minister, while allowing the latter more time to focus on the new tax powers coming to Holyrood.

By all accounts Keith’s portfolio seems far-reaching and varied; was it at all daunting to take on? "Over the past seven years in Government, I’ve had a range of ministerial posts. These have mainly been focussed on transport and capital infrastructure projects, aimed at developing well-connected communities for a thriving economy. Covering energy and business innovation is as new to me as this role, but I am keen to ensure that the potential of these two areas for Scotland are fulfilled. Of course, I am not doing it alone. I have two ministers working with me: Paul Wheelhouse on business, innovation and energy, and Jamie Hepburn on employability. We’re a good team with a really exciting portfolio, particularly assessed alongside Scotland’s untapped potential in these areas."
When that upturn comes back we need to have people ready better times in the future, and we need to have people ready to do so. We are looking forward to most?

I want to work with businesses big and small to develop strategies to promote economic growth and job creation. In doing so, we will be able to get more people into fulfilling work that they enjoy, which can only be beneficial to society as a whole.

Keith’s team for the economy

What are your top priorities?

Implementing our Labour Market Strategy, which will seek to embed the Work, Work, Work agenda we have been supporting to improve people’s experience of work and create a more equal economy. This will drive greater levels of productivity. How will past experience help in your new role?

My previous work in the sport, health improvement and mental health brief has shown the effects that outside influences can have on someone’s ability to gain employment or training. I am able to apply positive experiences from improved access to sport and improved health support to ensure that these factors are considered when looking at employability and training.

What are you looking forward to most?

I look forward to working with the people of Scotland in order to develop sustainable solutions in employability and training. This includes working with industry partners to create jobs that allow people to contribute to Scotland’s economy. What do you hope to achieve in the next year?

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Paul Wheelhouse MSP, Minister for Business, Innovation and Energy

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What are you looking forward to most?

I am looking forward to meeting businesses and working with them in order to progress through the current economic difficulties we face in light of the Brexit vote, and helping to represent their interests in keeping Scotland in Europe.

What do you hope to achieve in the next year?

I hope to continue to achieve positive results for Scotland, by creating jobs and boosting investment and innovation in our economy.

Jamie Hepburn MSP, Minister for Employability and Training

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Keith’s first task is to chair a review group looking at the roles, responsibilities and relationships of the country’s enterprise, development and skills agencies. “We want to try and use the review of different groups to change approaches. For example, the gender-specific cultural references we have such that girls will do beauty therapy and boys will do mechanical engineering in secondary school, as well as the apprenticeships we have. People assume it will always be men that go into building and trades, similarly on the other side, care workers are not always women. It’s about making sure that anyone can take any opportunity they want to, regardless of gender, race or disability.”

More than 200 companies have already signed up to the Scottish Government’s Business Pledge, a voluntary code for companies to commit to policies that increase diversity, boost productivity and recognize fairness. It is a figure Keith hopes to increase. “It’s something that has to go over time, and we want to ensure we increase the number of companies so it becomes the norm in Scotland for companies to follow the practice,” he explains. “People have talked about a fair trade country in the past. Let’s be a fair work country — I would like Scotland to have a reputation for being a country that promotes fair work above all else.”

One of Keith’s main aims as Cabinet Secretary is to develop better practices in terms of employment in Scotland. This includes ending the practice of blacklisting, developing mechanisms for employee consultation, and increasing the uptake of the Living Wage in more businesses. “In the 1990s, Henry Ford paid his employees well above the going rate so that his employees could afford to buy his cars. Paying the Living Wage today develops the same positive economic cycle; it provides companies with more demand for their goods and services.”

Another aim of the Business Pledge and a key concern for Keith is boosting productivity. Historically, both Scotland and the UK have lagged behind their international counterparts, although the Scottish Government has made progress productivity has increased in the country by around a per cent since 2007. “We’ve improved our relative position to the UK but that’s not our goal, we want to improve it in relation to leaders like Germany,” says Keith. “The productive potential of a country is very much dependent on the skills of the people in that country so trying to make sure we have the skills that the markets require is very important.”

Likewise, Keith believes improving infrastructure will further support productivity. “Take the building of the dual carriageway on the A9 or the new crossing over the Forth. At the same time as providing those jobs, you are increasing the productive potential of the country as you are improving the transport links, which are very important to productivity.”

Keith’s appointment as economy secretary comes as the oil and gas industry faces a myriad of challenges, not least rising production costs. As part of the Energy Jobs Taskforce, which was established by the Scottish Government in early 2011, a Training Transition Fund of £2 million has helped those facing redundancy move into other employment, while the Partnership Action for Continuing Employment (PACE) has hold a number of free events offering support to oil and gas workers. “We really want to retain the skills in that area,” he continues. If we can’t retain them in the area, then we want to retain them in the industry, as it’s a very mobile workforce that moves around the world. As we hope, and the industry suggests, we are looking forward to better times in the future, and we need to have those people ready and available when that upturn comes back.”

As indicated in the 2016 EY attractiveness survey, Scotland is flourishing in other sectors including software, and the country has attracted a surge in foreign direct investment. “When people and companies come and invest in Scotland through specific projects or enterprises, they often bring innovative ideas with them. There are still great opportunities for further internationalisation of Scotland particularly through encouraging small and medium enterprises to think about exporting and implementing systems to make it easier for them to do so.”

Following the EU referendum result, Keith will be engaging personally with the business community to provide reassurance: “Trade and business should continue as normal and we are determined that Scotland will continue now and in the future to be an attractive and a stable place to do business. There will inevitably be a period of economic uncertainty, but I am clear that we will act to support businesses wherever we can. That’s why maintaining and strengthening our links with our key European markets will be a key priority in the weeks and months to come.”

As Keith leaves for his afternoon surgery meeting businesses and know the importance of social change, I have an excellent idea that the role is well suited for someone who has seen the effects of poverty and is keen to bring my knowledge and expertise in this into my work as Minister for Business, Innovation and Energy. What do you hope to achieve in the next year?

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Keith’s team for the economy

We are looking forward to better times in the future, and we need to have people ready when that upturn comes back
Scotland is second only to London, within the UK, in attracting foreign direct investment (FDI). It’s an inspiring statistic, which was unveiled in the recent EY attractiveness survey. ‘Scotland moves into the global fast lane’. In 2015, the country achieved its most impressive performance on record, securing an increased share of total UK FDI projects alongside an outstanding growth rate of 51 per cent. The annual survey, widely regarded by major public stakeholders and the media as a key source of insight on FDI, concludes in no uncertain terms that ‘Scotland is a commanding economic force within the UK and beyond’.

Philip Milne, Partner at EY, and Ash Denham, MSP for Edinburgh, discuss what the findings mean for business in Scotland and how the Scottish Government can build on the survey’s results to encourage future growth.

PHILIP MILNE
PARTNER, EY
Corporate Finance: Infrastructure, Government & Transport

We began the FDI reports in 1997 as a means of tracking investment not just into Scotland but across Europe and global economies such as Brazil and China. The report focuses on investment in terms of new factories, business premises and projects – anything that creates jobs. A second aspect to the report is our global questionnaire. We speak to investors across the world about where they are going to invest over the next twelve months, which enables us to gauge how attractive Scotland is to the investment community. In 2015, Scotland enjoyed its best year on record, with 195 projects in the country – a jump of more than 50 per cent from the previous year. It outperformed the South East and new projects outnumbered expansions of existing projects – a confident sign that people are willing to invest in a country. There are many positive aspects to investing in Scotland. English is the first language, there’s a relatively good skills base, transport and connectivity are also generally good. When you events like the Ryder Cup and the Commonwealth Games around this, it raises Scotland’s profile even more. The success has been the result of a combination of ‘Brand Scotland’, which is important to foreign investors, and support mechanisms through the likes of Scottish Development International, Scottish Enterprise, and Highlands and Islands Enterprise, which help to get deals done. The Scottish Government has invested in these skills agencies and the role of local councils has been very positive in the promotion of inward investment. Countries need to build a supportive eco-system around businesses as it is competitive: why would a business come to Edinburgh versus Dublin? A lot of work goes on behind the scenes to make this happen and there’s been a concerted effort to bring investment into Scotland by everyone involved.

In terms of skills, it is encouraging that there are different types of investment coming to Scotland: business services, software, scientific research. These are high-skilled sectors and jobs, which demonstrates that the resource pool is here in Scotland for those businesses requiring specialised skills. The survey promotes the good work that has been done over the last twelve months. It also raises opportunities around what Scotland needs to focus on in the future, for example India and China are investing in the rest of the UK, and there is potential here. We are in uncertain times but FDI has always been a long-term play in my book. You have to work at relationships over years, get the brands right and get the locations right. We have the framework to bring us to that point, we need to look to where the wider UK economy is going and where policy is going over the next six months. Yet, the country is nimble and diverse, if you look at the investment coming in, Scotland is not overly reliant on one sector, which stands us in good stead for the uncertain times ahead.

What really brings it home is that 53 per cent of the workforce are interested in careers in the public sector. It’s interesting also that 7 per cent of the population have already worked in the public sector, showing that Scotland is much better placed than our population share at 11 per cent. It’s attracting more than the rest of the UK, with even our market share coming in higher than our population share at 11 per cent. It’s a very strong result for the country, especially considering that there are other regions in the UK which have also improved on their performance. What really brings it home is that 53 per cent of investments in Scotland are new, rather than expansions of existing investments, which shows that Scotland is really succeeding in bringing in new money. The UK receives much of its investment from the US, but unlike the rest of the UK, Scotland is much better at attracting investment from elsewhere such as the Scandinavian countries. It’s interesting also that 7 per cent of businesses want to invest in the UK ranked Scotland as the most attractive region, and this survey will flag up Scotland even more to potential investors. With more than 5,000 jobs created as a result of FDI projects in 2015, what are we doing right?

We understand that investors base their decisions on where to invest on the availability and skills of the workforce, as well as on transport and infrastructure. Scotland’s highly educated workforce was placed an emphasis on innovation. Just one example of how this work is paying dividends is the significant software sector.

ASH DENHAM
MSP, EDINBURGH EASTERN
Member of the Finance, and Economy, Jobs and Fair Work Committees

TALKING UP SCOTLAND

It is attracting investors from around the world and there are a huge number of start-ups coming out of Scottish universities brimming with talent and expertise. We have a strong record of investment in infrastructure, and the SNP Scottish Government will be prioritising this over the next five years. Personally, I’m on the Economy and Finance Committees so I’ll be looking at what more we can do here. One of the main aspects of infrastructure emphasised in the report was that investors are interested in regional airports. The SNP has fought a long campaign for the reduction of Air Passenger Duty with a view to improving the number of routes that go out of our regional airports. More routes equal better connectivity and investors will see Scotland as a more attractive destination for investment and development.

As the economy transitions, we have a lot of work to do to ensure that people coming out of university and college have the right skills for the job market. We don’t know what sort of jobs today’s primary school children will be doing in the future. Keeping our finger on the pulse and staying informed about what employers need and what sectors are coming to the forefront is critical. If we can match those two things up and get people with the right skills, this will lead to huge growth for Scotland.

Destination Scotland
From the crashing waves off the coast of Orkney to the blustery moorlands of Whitelee in East Renfrewshire, Scotland has an abundance of powerful natural resources just waiting to be fully tapped. The country’s wave, tidal and wind energy, combined with our talent, innovative technology and strong leadership, has already seen sustainable, green energy play a fundamental role in meeting Scotland’s energy needs – and the potential for the future is staggering.

The latest project to be announced in the renewables industry is the Beatrice Offshore Wind Farm: 84 wind turbines will stretch from the Caithness coast to Moray, with the potential to generate electricity for 450,000 homes, support almost 900 jobs, and quadruple offshore wind capacity in Scotland. The £2.6 billion project is a major endorsement of Scotland’s renewables industry and a huge economic boost for the north of Scotland.

Gail Ross, MSP for Caithness, Sutherland and Ross, has welcomed the project: “The Beatrice project is a clear sign that Scotland is open for business. We’ve got huge potential all over the country for renewable energy, particularly in my constituency. With the decommissioning at Dounreay, there was a lot of uncertainty. Beatrice is happening at the right time and it’s going to create the jobs we are looking for in engineering and those areas.”

RENEWABLES SUCCESS

Whether it’s wind, wave or tidal, Scotland’s renewables industry is an asset to the country; it contributes to economic growth and creates jobs, all the while providing clean energy. The country’s first commercial offshore wind farm was constructed in Robin Rigg in the Solway Firth and began full generation in 2010. Scotland has since become a world leader in the renewables sector, delivering real results on the reduction of carbon emissions, and has exceeded the 2020 target to cut greenhouse gas emissions by 42 per cent, six years early.

“We are an outward-looking country, preparing for what the future may bring,” Gail continues. “We are working hard to combat climate change and investing in our renewables capacity to future-proof our energy supply. We’ve got the renewables capacity to be able to power the whole of Scotland and we are going to take advantage of it.”

Between 2010 and 2014, £14.2 billion of investment was announced in the renewables sector to ensure we reach our target of 100 per cent of Scotland’s electricity needs coming from renewables by 2020.

The Scottish Government has given £1.5 million in funding to the Carbon Trust for its Offshore Wind Accelerator (OWA) research and design programme, which aims to reduce the costs of offshore wind through technological innovation. Past funding has been...
Companies in the offshore wind sector will benefit from £1.5m owned energy by 2020 and new targets of and encourage further investment in wave energy converters.

Technology developers and consortia following a call for novel wave energy converters. WES focuses on the development of technology to produce low-cost, efficient and reliable components and subsystems. More recently, awards worth over £2.25 million were given to eight technology developers and consortia following a call for novel wave energy converters.

EU ENERGY

Since the EU referendum, the importance of our place in Europe to our renewables industry and wider economy has never been more obvious. The Beatrice project has secured £65.5 million in backing from the European Investment Bank (EIB), while Global Energy Group and German energy company Siemens has signed a contract for the use of Nigg Energy Park for the wind farm. As Gail says, the SNP Scottish Government will do all it can to protect the country’s interests. “We are living in uncertain times but Scotland voted to remain in the EU and that is what we are going to do our utmost to achieve.”

Tackling climate change requires collaboration between neighbours, and as part of the EU, Scotland can work with other member states to confront the challenges that lie ahead. We are, for instance, working in partnership with Ireland on marine renewable energy and Denmark on the development of district heating. What’s more, if member states work together, we can increase our impact in negotiations alongside big powers like China and the US. A recent example of this was the UN’s Climate Change Conference in Paris in December 2015, where the EU’s diplomacy was instrumental in reaching a historic agreement.

DIVERGING PATHS

It has become increasingly apparent that the Scottish Government and Westminster are following divergent paths in their energy policies. Whereas Scotland regards renewable energy as its future, Westminster is pursuing a programme of nuclear energy. As a result, the UK Government has cut subsidies for renewable energy generation, despite pre-election assurances that wind subsidies would be phased out gradually. A £6 billion grant for the long-planned Carbon Capture and Storage scheme in Peterhead has already been scrapped, costing 600 jobs in the North East. In total, the cuts could see a loss of investment of up to £3 billion, putting more than 3,000 jobs at risk. Yet, in the face of these detrimental cuts, Scotland has made outstanding progress in producing clean energy, and the SNP Government will continue to invest in renewables. “Westminster’s energy policy, like we said, is focused on nuclear and we don’t want to go down that route,” says Gail. “I think we could have been a lot further on if this hadn’t happened. It’s not just wind; subsidies were cut for solar first before they cut them for wind. There is no other option but to go down the renewables route, as far as I can see.”

The SNP Scottish Government is, therefore, developing a long-term energy strategy, which will strive to make electricity cheaper, more affordable and secure for all consumers. By undertaking a ‘whole system view’, the strategy will encompass energy efficiency, a balanced energy generation mix, a role for storage, and the requirement for a low-carbon transition in transport and heat use. Within the strategy, creative approaches will be utilised, for example, examining collective switching models and group buying of energy with an emphasis on those off grid.

COMMUNITY SPIRIT

Community benefits and the Scottish Government’s Community and Renewable Energy Scheme (CARES) have empowered communities across Scotland to own and manage renewable projects. By 2020, at least half of newly consented renewable projects will have an element of shared ownership. Likewise, the SNP Scottish Government has set targets of 1 GW of community and locally owned energy by 2020 and 2 GW by 2030. The SNP will also consider the opportunities in establishing a Scottish Renewable Energy Bond that could allow savers to invest in the sector, as well as in creating a government-owned energy company to facilitate the growth of local and community energy projects. This will enable communities to use the income from energy developments to support other communities to advance their energy potential.

In Gail’s constituency, the harbour at Wick will benefit from the Beatrice Wind Farm. “The Harbour Trust and its volunteers have gone out of their way, above and beyond to support and facilitate the infrastructure requirements of the project,” she says. “I really can’t praise them enough – they have been super. As a community, we are hugely excited about the possibilities and the benefits – the investment and the job creation. I think now this has happened it has whetted their appetite to go further and do more – there are so many knock-on benefits.”

Gail believes that the benefits received from renewable projects are a huge boost, especially in rural areas: “It’s a vote of confidence and a vote of trust. And very important for us, it sends a signal not only to the UK and Europe but to the rest of the world – look what we are doing, look at what is possible. For it to happen in my constituency and hometown makes me feel immensely proud.”

**GAIL ROSS MSP**

**THE BRIEFING**

We’ve got the renewables capacity to be able to power the whole of Scotland and we are going to take advantage of it.
On 23 June, the UK voted to leave the European Union; Scotland, however, voted overwhelmingly to remain. Stephen Gethins, MP for North East Fife and Europe spokesperson at Westminster, explains what the result means for businesses.

What’s next for Scotland?

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Hope in unsettled times

Over the past few months, a barely a day has gone by without a major political development. To start with, we became the first party to win a third consecutive Scottish Parliament election, becoming the first devolution-era party to poll more than one million votes.

Following that, the result of the EU Referendum highlighted, yet again, the difference of opinion across the four nations. Scotland’s overwhelmingly vote to stay demonstrated once again the need to keep the option of a second independence referendum on the table.

And if all that wasn’t enough for one summer, we then got a new Prime Minister, who has already overseen a renewed commitment to wasting at least £6 billion of public money to a new generation of nuclear weapons; and plans to divert aid spending to other areas. As one of her first acts she decided to scrap bursaries for nurses and midwives, and has requested a review of the Human Rights Act, which the UK Tory government is planning to scrap.

My experiences during the Scottish Parliament Election have given me some hope in these unsettled times. I was extremely honoured to be asked by the First Minister to spearhead the youth campaign. It took me the length and breadth of our beautiful country, from Ullapool to Lofth, and Dundee to Portree to meet voters as well as speaking at public meetings and spending time at street stalls. What struck me on these visits was the huge interest in politics, which remained from the 2015 Referendum.

So the SNP is clear that the best outcome for Scotland is to remain part of the single market – an estimated 300,000 jobs in Scotland rely on our trade with the rest of the EU. “We have these extraordinary benefits and so we will be maintaining that,” continues Stephen. “England might find that they want much better relations with Scotland because of our access to the European market, with Scotland acting as a stepping stone, which will give business in Scotland a competitive edge.”

The situation is changing daily, if not hourly. MPs and MSPs are working closely together to protect Scotland’s place in the EU and to remind Westminster that Scotland intends to remain. Stephen will be travelling to Brussels and speaking with fellow EU politicians to ensure Scotland’s voice is heard. He, like many of his colleagues, also plan to meet with businesses in his local constituency to reassure them going forward. “The University of St Andrews, for example, reckons that for every £1 that goes to St Andrews in terms of research, £2.3 goes out to the local economy,” he says. “So I’ll be speaking to businesses about how we make sure we maintain that investment and protect interests.”

Analysis published by the Scottish Government has shown that leaving the EU could reduce Scottish tax revenues by between £1.7 billion and £6.7 billion a year by 2030. In the weeks following the EU referendum, the pound hit a 31-year low, while it emerged the ‘leave’ side had no plan in place, resulting in a policy vacuum and a devastating lack of leadership at Westminster. While the UK government is yet to take any meaningful action to alleviate economic uncertainty, the Scottish Government is bringing forward an additional £200 million of capital spending to boost the economy post-Brexit. Projects worth almost £6 billion are already under construction as part of the Scottish Government’s Infrastructure Investment Plan. There is a clear choice between economic recovery with a continued place in Europe – or economic retreat with Brexit.

Stephen understands we are in uncharted waters, but says Scotland is and will continue to be a good place to invest. “In terms of the next few years, this is a good place to be, given the political leadership and the commitment to the EU and European partners, I think Scotland will become an increasingly attractive investment destination.”

In terms of negotiations with the EU, the SNP has pressed the UK government for urgent clarification on how they are going to deliver on the Prime Minister’s commitment to full involvement for Scotland in the process around Article 50. During the summer, the First Minister set out what Scotland’s vital interests in the EU are – democracy, economic prosperity, social protection, solidarity and influence – and they must underpin any agreement that emerges. The SNP disagrees fundamentally with the decision to leave the EU, but we have an interest not just in making that point but also in trying to get the UK into the most sensible and beneficial position we can.

Since the result, Stephen says that his phone hasn’t stopped ringing with messages of support from friends and colleagues from across Europe. “The door is still open and there is more recognition than I have ever seen in terms of helping Scotland remain part of the EU.”

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There are many opportunities for you and your business at SNP Conference. Corporate Day on Friday 14 October offers you the opportunity to meet SNP policy makers and your business peers in a friendly and relaxed atmosphere to discuss recent developments and what’s next for business in Scotland.

To book your place at Corporate Day and to find out further information about all the other business and commercial opportunities at our Conference, please email conference@snp.org or call 0131 525 8922 to discuss which option is right for you and your business.