

New Deal for Business Group Implementation Plan

**Business and Government – working
together for a better Scotland**

October 2023

New Deal for Business Group Implementation Plan

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New Deal for Business Group Implementation Plan

Foreword



Earlier this year the First Minister set out a bold policy prospectus to chart Scotland's course to tackle poverty, build an economy that is fair, green and growing and improve public services. Central to this is the development of the New Deal for Business, which offers a refreshed way of working with business, based on mutual trust and open dialogue. It recognises that business' commercial success is central to achieving a thriving Wellbeing Economy.

Delivering the actions in this Implementation Plan will change what the Scottish Government does, and how it does it, for the better. It will deliver real benefit to businesses on the ground, by helping them to navigate policy development and by enabling them to understand their role and contribution to the process.

The New Deal for Business, and the implementation of its actions, presents a new and exciting long-term commitment to partnership. We want to create the conditions where business feels empowered to invest, to innovate, to provide good jobs, to offer products and services that consumers value, and to thrive, supporting an economy in which revenues provide sustained benefits for all the people of Scotland. Our aim is for a business sector that works in partnership with the Scottish Government in key areas of mutual interest, such as attracting private finance and increasing investment in the net zero transition, or in improving the mental and physical health of employees so that they remain in satisfying employment for longer and contribute to the economy.

The New Deal for Business will improve the operating landscape for all types of business in Scotland, from small businesses on the high street and elsewhere, across all our communities, urban and rural, to the largest companies, running multinational operations. It will do so by ensuring that there is honest dialogue between business and the Scottish Government, based on 'no surprises', and making policy choices that both achieve wider objectives, and enable business to thrive.

This is a significant undertaking. It will require a concerted 'whole of Government' effort and the buy-in of business, and it will take time. There will remain occasions where the Scottish Government's legitimate policy interests and those of the business community (or parts of it) remain at odds. It is not realistic to think we will be perfectly aligned, nor that business will always speak with one voice. But the actions in this Implementation Plan will ensure that informed choices are made around the timing, content and practical consequences of new policies which are introduced.

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Actions in the Implementation Plan are largely focused on improving process and practice, and delivering cultural change, rather than individual policies that affect business.

Specific policy action will continue to be led by portfolio Ministers, who have made a collective commitment to ensuring that policy takes account of the impact it will have on business, and to adhering to the New Deal for Business principles and actions. This is underpinned by a similar commitment from the Scottish Government's Executive Team in their roles as Accountable Officers. This will deliver certainty, ensure consistency in decision making, and enable businesses to plan with full knowledge of the operating environment. That in turn will create the stable and supportive business environment central to achieving a Wellbeing Economy.

Both the New Deal for Business Group and the Scottish Government are committed to the Implementation Plan being delivered at pace. We look forward to working with business across Scotland to ensure that the benefits are realised. We are grateful for the commitment shown by business to the New Deal for Business programme thus far, and for all the work that has gone into developing and formulating this Implementation Plan in response to the recommendations in the New Deal for Business Group's initial report.

This plan is action orientated and the New Deal for Business Group Recommendations are now agreed actions. We do expect this plan to evolve as work progresses and going forward our ask is that business continues to contribute and be involved. Getting the metrics right and regular reporting of progress against deliverables will be essential. The actions in this Implementation Plan will directly contribute to the delivery of the National Strategy for Economic Transformation.

Only by working together positively can we change the dial on business/Government relations and deliver a Wellbeing Economy, creating the best possible place for business, people and planet to thrive.

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Executive Summary

Background

Our [National Strategy for Transformation \(NSET\)](#) made clear that transforming our economy requires a radical change in the way we deliver, based on the public, private and third sectors respecting each other's strengths and drawing on each other's talents.

That concept of a new Culture of Delivery is embedded in NSET, and New Deal for Business will be the core of that programme over the next 18 months, recognising that how business and the Scottish Government work together is a critical enabler in delivering a fair, green and growing economy.

The New Deal for Business Group (NDBG) was established following the publication of the First Minister's [Policy Prospectus](#), to develop a high-quality functioning relationship between the Scottish Government and business and other partners by July 2025, which is key to delivery of NSET.

The New Deal for Business Group and its five sub-groups worked at pace publishing its [report](#) on 29 June, with the First Minister accepting all the recommendations.

What the Implementation Plan does

This implementation plan sets out the road map to deliver the NDBG recommendations, using an action orientated, product-based approach, focused on 10 key priority recommendations derived from the 78 individual recommendations, which are now agreed actions. This document sets out how those actions will be delivered and the products that will be developed as a result. This work is presented in this implementation plan by the relevant subgroup of the NDBG.

Most actions relate to developing and improving existing Scottish Government processes and changing culture, and business will have a role in helping achieve these.

Our aim is to implement the full plan within 18 months of this publication, with short term priorities delivered within 6 months and medium-term priorities within 12 months.

Products that will be delivered to help business

Developing this Implementation Plan is a significant milestone and is itself an important product.

This builds on tangible progress made already, which includes:

- We extended the deadline for lodging Non-Domestic Rates (NDR) proposals from 31st July to 31st August 2023, providing businesses with an extra month to submit their 2023 revaluation proposals following the introduction of a

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new two-stage appeals system on 1st April 2023. This was welcomed by business.

- We assessed the cumulative impact of this year's Programme for Government (PfG) on business, and business was informed about this (as far as possible, having regard to parliamentary privilege). This will be developed into a formal procedure to increase transparency of PfG process and ensure cumulative impact is identified at the earliest opportunity next year.
- In the 2023/24 Programme for Government, we set out our commitment to establish a new Small Business Unit, to work more closely with small businesses and ensure that their voices are heard during policy development, building good practice in participation and engagement. We also announced plans to collaborate with the Scottish Council for Development and Industry (SCDI) and other representatives of small business, to deliver a three-year programme to raise productivity and deliver cost savings for small businesses.
- We have canvassed views from the business community on the development of specific sectoral Just Transition Plans, making a commitment to develop and deepen that engagement as we produce, and consult on draft plans, to be finalised in mid-2024, enabling business to inform this work upstream in the policy cycle.

Future products and associated key milestones linked to each action are set out in full in the Annexes, by relevant sub-groups.

These include:

- The independent Regulatory Review Group will be re-established with its first meeting on 26 October this year, with a fresh remit and membership. It will meet regularly to inform development of regulations and will include the business voice.
- We will commence a reform programme, to identify, consider and, if appropriate, remove regulations no longer required. We will continue to be open to ideas for proactive regulations which will support businesses in Scotland, especially our small businesses.
- We will work with business stakeholders to develop a new Business Regulatory Impact Assessment (BRIA) Toolkit and associated guidance for policy makers. This will include work to ensure that the impact specifically on small businesses is considered. Opportunities for business to contribute evidence will be embedded in our policy development cycle.

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- We will publish of a matrix of consultations, Bills and Regulations in development. This will give business improved visibility on policies which are in development.
- We will improve our systematic mapping of current engagement with business, across Scottish Government, to capture the range of business voices in the development of particular policies. This will improve transparency in our approach and enable any gaps to be filled.
- NDR policy reforms will be kept under review to ensure that the system delivers the most competitive environment to do business, whilst supporting our communities.
- We will develop a description of Wellbeing Economy that is meaningful to and understood by business, informed by the Wellbeing Economy Expert Advisory Group (by July 2024) which includes two of the co-chairs of the Wellbeing subgroup.
- We will use data on the type of support for which business is searching to inform Government's understanding of business needs.

Measuring Success

The actions in this Implementation Plan are interconnected. In combination, they should lead to measurable improvements in business confidence and deliver improvements in the process by which business is engaged in policy development. Progress against each of the actions will be monitored by the NDBG.

We will measure the overall success of the actions included in this Implementation Plan by reporting on metrics that focus on:

- Business sentiment
- Business engagement
- Business confidence

However, improved processes are not the end in of itself. Improved processes should contribute to improved policy outcomes. The business metrics should therefore be read alongside the measures of success of our various policy interventions across the Scottish Government under reference to broader performance matrices including the National Performance Framework, the Wellbeing Economy Monitor and the NSET measurement framework.

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Key Actions

Sub-group 1 – Regulation

Key Actions

1. The Regulatory Review Group (RRG) (chaired by Professor Russel Griggs) will be re-established from 26 October 2023 and will work with industry and the Scottish Government on a renewed remit to advise Ministers.
2. By April 2024, a new Business and Regulatory Impact Assessment (BRIA) and Toolkit will be developed with business. This will include stronger focus on the specific impacts on small business, as well as the impact on consumers.

Business understands that there is a role for regulation when there is a wider societal benefit, and that the government will require them to do things that they may not choose to do and that may come at a cost. When these situations arise, it is even more important to involve them in finding ways to deliver the purpose and outcomes desired by the policy in a way that benefits business and society.

The Business Regulation Sub-group has presented 38 recommendations, with 23 to be actioned in the short term, 11 over the medium term, and 4 over the longer term. The success of implementing these recommendations will be measured in the long-term by the improved relationship with businesses in developing and applying new regulations. We recognise that an improved relationship with businesses will not mean that business does not raise any issues with regulations. However, it should result in fewer significant concerns and more effective implementation of new regulations.

Sub-group 2 – Business Partnership

Key Actions

3. By April 2024, conduct a full and deep dive into the Scottish Government policy development cycle to reinforce the need for and capability to undertake effective engagement at all stages wherever possible – including pre-policy, particularly when regulation is a potential outcome.
4. By October 2024, a systematic mapping of current engagement with business by policy areas across Scottish Government to properly capture a wide range of business voices in the development of policies.

Developing an improved business partnership requires a culture shift and an improved and consistent approach to working with business. This will require a sustained and concerted effort across the Scottish Government. We are

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pleased to note that the Scottish Government's senior management team is fully signed up to ensure this happens.

The recent publication of this year's [Programme for Government](#) not only reinforced the Scottish Government's commitment to reset the relationship with business but also offered a useful opportunity for officials engaged with the Programme for Government team to analyse, as far as possible, the cumulative impact on business of the content to inform senior leaders and Ministers. Discussions are ongoing to develop a formalised process for next year.

The Business Partnership sub-group 2 presented 15 recommendations: two immediate covering a timeline for implementation of all 78 recommendations, included in this plan, and a review of the membership and terms of reference for the NDBG. A further 7 are short-term (6-months) recommendations, 4 are medium-term (12 months), and 2 are for longer-term (18-months) implementation. To date, as well as working with the Scottish Government's Policy Profession to undertake a deep dive into the policy development cycle, we have ensured that all Cabinet submissions and Accountable Officer templates now have a New Deal for Business section to consider and outline the impact of policies and regulation on business.

We recognise that small businesses are at the heart of our communities, providing not only jobs but goods and services. As part of the New Deal for Business, we will work with small businesses to ensure their voices are heard and improve the support the public sector offers. A new Small Business Unit is being set up in the Scottish Government to work more closely with small businesses and ensure their voices are heard in the policy development process.

Sub-group 3 – Non-Domestic Rates (NDR)

Key Actions

5. Over the next 18 months (to April 2025), keep all NDR policy reforms under review to ensure that the NDR system delivers the most competitive environment to do business whilst supporting our communities.
6. Over the next 18 months (to April 2025) review the design of the administrative and digital processes of the NDR system to ensure a more productive and efficient environment for all.

The consultative sub-group on NDR was established under the NDBG to advise on further enhancements to the NDR system. The initial sub-group meetings considered the current operation and administration of the NDR system, with the objective of ensuring the best environment to do business and deliver a growing economy whilst supporting our communities and recognising the importance of NDR income in funding the delivery of local public services. The

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sub-group presented 10 recommendations broken down into short, medium, and long-term measures. The sub-group reconvened after the summer and agreed a forward work programme and structure of future engagement.

Sub-group 4 – Wellbeing Economy

Key Actions

7. In the first 6 months (to April 2024) as early examples of Scottish Government engagement with business in support of Wellbeing Economy aims, there will be a programme of meetings with business organisations, enterprise agencies, sector representatives and employers to seek businesses' views in relation to health and work, and flexible working, and engagement with business to inform the development of sectoral Just Transition Plans.
8. In the first 6 months by April 2024, we will agree with businesses, business organisations and other partners, priority actions to implement the recommendations in the medium and longer-term, building on the Scottish Business Purpose Commission report; and over the next 18 months (to April 2025) we will work with them to: develop a description of Wellbeing Economy, in particular the role of business in a Wellbeing Economy; and draw on exemplar businesses in Scotland to produce a summary report of metrics that businesses can use to measure, monitor and evaluate the impact of their actions and that will help inform how they can contribute to building a Wellbeing Economy.

The Scottish Government is clear on building a Wellbeing Economy, which is central to the National Strategy for Economic Transformation (NSET) and supporting the transition to a net zero economy. The Wellbeing Economy subgroup was tasked with identifying ways for businesses and the Scottish Government to work together towards a Wellbeing Economy. The sub-group presented five recommendations, which build upon the Business Purpose Commission report and focus on creating conditions for transformative change through partnership working towards a Wellbeing Economy.

The Cabinet Secretary for Wellbeing Economy, Fair Work, and Energy has established a Wellbeing Economy Expert Advisory Group (WEEAG) to provide advice on key areas of the transition to a Wellbeing Economy. The Scottish Government will work with businesses, business organisations and other partners, building on the Business Purpose Commission report and drawing on the expertise of the WEEAG, to develop a programme to work with businesses to implement NDBG recommendations, including developing a simple description of the Wellbeing Economy, identifying key metrics to help businesses understand their needs, and identifying ways to showcase the benefits of contributing to the Wellbeing Economy transition.

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Sub-group 5 – Sharing Key Metrics

Key Actions

9. In the first 6 months by April 2024, share and use data on the type of support businesses are searching for, to help the Scottish Government understand business needs.
10. In the first 6 months, by April 2024, review and share information on key sectors and market opportunities, building on the work in NSET on new market opportunities.

Sharing key metrics and real-time evidence across different sectors is crucial. This Group's work has the twin aims of ensuring the Scottish Government is aware of the business climate and can consider policy in the light of this and, Scottish businesses can use metrics and data to capitalise on sectoral and international market opportunities and to contribute to the NSET metrics.

The group will also propose the set of business metrics on business sentiment, business engagement and business confidence that will form the measures of success of the Implementation Plan.

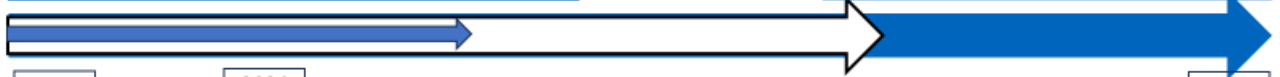
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NDBG – KEY ACTIONS

2. A return of the Independent Regulatory Review Group (chaired by Professor Russel Griggs) which will work with industry and government on a renewed remit to advise Ministers.
3. A full and deep dive into the Scottish Government policy development cycle to reinforce the need for and capability to undertake effective engagement at all stages wherever possible including pre-policy – particularly when regulation is a potential outcome.
7. In the first 6 months, as early examples of Scottish Government engagement with business in support of Wellbeing Economy aims, a programme of meetings with business organisations, enterprise agencies, sector representatives and employers to seek businesses' views in relation to health and work, and flexible working, and engagement with business to inform the development of sectoral Just Transition Plans.
9. In the first 6 months, share and use data on the type of support businesses are searching for to help government understand business needs
10. In the first 6 months review and share information on key sectors and market opportunities, building on the work in NSET on new market opportunities.

1. A new Business and Regulatory Impact Assessment and Toolkit, developed with business, that has a stronger focus on small business and consumers.
4. Systematic mapping of current engagement with business by policy areas across Scottish Government to properly capture a wide range of business voices in the development of particular policies.

5. Keep all Non-Domestic Rates policy reforms under review to ensure that the Non-Domestic Rates system delivers the most competitive environment to do business whilst also supporting our communities
6. Review the design of the administrative and digital processes of the Non Domestic Rates system to ensure a more productive and efficient environment for all.
8. In the first 6 months, agree with businesses, business organisations and other partners, priority actions to implement the recommendations in the medium and longer-term, building on the Scottish Business Purpose Commission report; and over the next 18 months work with them to; develop a description of Wellbeing Economy, in particular the role of business in a Wellbeing Economy; and draw on exemplar businesses in Scotland to produce a summary report of metrics that businesses can use to measure, monitor and evaluate the impact of their actions and that will help inform how they can contribute to building a Wellbeing Economy.



2023			2024								2025		
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	April
Products Regulatory Review Group revised terms of reference Refreshed policy process guidance Refreshed BRIA template and guidance New Performance Reports with identified measures of success Stakeholder engagement plan						Products Refreshed BRIA template and guidance SG internal training design Refreshed policy process guidance Co-design of engagement process with small businesses Mapping of existing policy impact						Products for key recommendations 5, to 8 to be developed.	

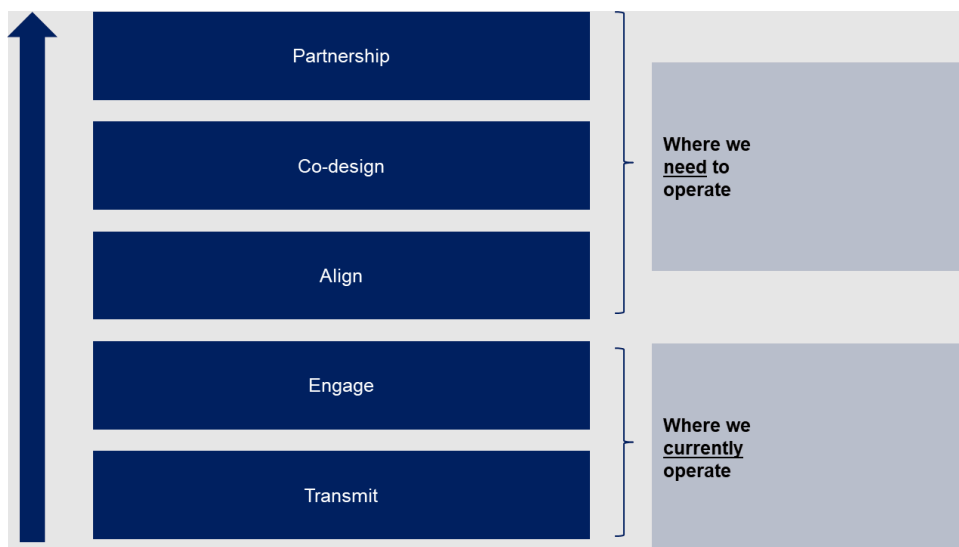
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Conclusion

Ongoing role of the NDBG and Scottish Government supporting arrangements

To ensure the delivery of this plan, and all 78 actions, the NDBG will continue for at least 18 months with an updated brief focusing on delivery governance. The sub-groups will largely continue in the same form, and relevant new members may be added, to deliver a task and finish role and progress individual actions.

The newly formed Directorate for Business and Better Regulation within the Scottish Government demonstrates the commitment to work more closely with businesses to deliver a high-quality functioning relationship between the Scottish Government, business, and other partners. Ultimately, we want to see the following shift in that relationship:



This emphasises that this relationship is key to ensuring we have an economy that is fair, green, and growing, where business and trade can thrive while caring for people and planet, as we transition to a Wellbeing Economy

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Annex A

SUB-GROUP 1 – REGULATION

Overview

The Joint Business Regulation Taskforce was established in December 2022 following the Emergency Budget Statement in response to the cost crisis, on 2 November 2022, where the former Deputy First Minister committed to *"establishing a Taskforce with COSLA, local authorities, our regulatory agencies and business to consider the differing impacts of regulation on business and drive early progress on the commitment made in the National Strategy for Economic Transformation to review and improve the process of developing, implementing and reviewing regulation to meet our economic and societal aims for the longer term."*

The Taskforce met for the second time in February this year and following the changes at Ministerial level, the group was chosen to become the sub-group of the New Deal for Business Group (NDBG), focussing on regulations, with an objective to identify recommendations to improve the way the Scottish Government develops and implements policy proposals which have an impact on business and how business engages with that process.

The purpose of the Taskforce, now sub-group, is to provide a forum to discuss and, where possible, act on concerns raised by businesses, regulators, and other stakeholders. The ongoing cost crisis highlighted the cumulative impact of not only increased costs, but also the resource required to understand, plan, and invest to comply with the range of regulations in development, both at UK and devolved level. This is especially difficult for small and micro-businesses.

The Scottish Government made a commitment in NSET to review and improve our process of developing, implementing, and reviewing devolved regulation to meet our economic, environmental and societal aims for the longer term, while also supporting our international commitments. This work will help us meet that commitment.

The First Minister set out in the Programme for Government (2023/24) his intention for the Scottish Government to work with business to develop a process for identifying, considering, and if appropriate, removing regulations no longer required, and to propose new regulations to support businesses in Scotland. This process will be delivered through policy cycle reform work undertaken in the short-term.

Recommendations

This sub-group presented 38 recommendations – 23 to be actioned in the shortterm (6 months), 11 over the medium-term (12 months) and 4 over the longerterm (18 months).

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How we report on progress

Success in implementing the recommendations around business regulations will be measured in the longer-term by the improved relationship with businesses in developing and implementing any new regulations that Ministers decide to take forwards. We recognise that an improved relationship with businesses will not mean that they do not raise any issues with regulations. However, it should result in fewer significant concerns and more effective implementation of new regulations.

Interim measures of success will include positive feedback from business representatives and stakeholders of the:

- Purposeful relaunch of the Regulatory Review Group (RRG), which makes timely recommendations to Scottish Government officials and Ministers on areas of concern with regulations. We will develop a programme of work in partnership with the RRG membership for the coming six months, ensuring that it is focused yet responsive to the regulatory issues most affecting the economy.
- Development and implementation of an effective process for identifying and assessing opportunities for new devolved regulations and removal of regulations. We will strive to ensure that stakeholders view process change as a worthwhile improvement and that it has resulted in thorough examination of their concerns.
- Revised Business Regulatory Impact Assessment (BRIA) process and its value as a tool in assessing and reporting projected impact on business. This includes work to consider the specific impact on small businesses.

We will also assess the usage of updated BRIA templates, support toolkits and training to help inform measurement.

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NDBG – SUB-GROUP 1 - BUSINESS REGULATION RECOMMENDATIONS

RECOMMENDATIONS 1 - 23

Products 6 months

- Policy process guidance including process for agreeing any exclusions and format for telling stakeholders
- BRIA template and guidance informed one-off review and consolidation of previous recommendations and lessons learned and though engagement with DG Economy, Cab Sec and consumer policy team. Also outline expectations of what a "partial BRIA" covers and should tie-in with actions on the data subgroup
- Internal training design
- Co-design of engagement process with small businesses e.g. like social security user panels
- Internal SG process for accessing and making good use of engagement as part of policy process guidance, BRIA template and guidance
- Process for regular review of UK and other DA proposals and IMAct implications, and template for reporting on this to Ministers / relevant senior officials
- Overview of existing regulatory activity and resourcing model
- Regulatory Vision Statement

RECOMMENDATIONS 24 – 34

Products 12 – 18 Months

- Overview of existing regulatory activity and resourcing model
- Published matrix of consultations, Bills and Regulations in development, and process for ensuring this is regularly update
- Agreed process with PfG team for considering cumulative impact
- Communications plan
- Regulatory policy: business case and proposed approach for regulatory reform programme

RECOMMENDATIONS 35 - 39

2023			2024							2025			
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	April

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Annex B

SUB-GROUP 2 – BUSINESS PARTNERSHIP

Overview

The Business Partnership sub-group objective was to develop a shared agreement and commitment on how Scottish Government will not just communicate, but also work in partnership with business on policy development from the earliest stages to ensure that the cumulative impact of policy on businesses is fully understood and that policy implementation is effective and proportionate.

It will also have a strategic role to play in designing the next phase of implementation for the NDBG workstreams, ensuring recommendations arising from all sub-groups which involve the systems and processes of the Scottish Government are delivered in a consistent and efficient way and that the right people are involved to maximise impact.

Recommendations

The sub-group presented 15 recommendations – two immediate to pull together a timeline for implementation of all 78 recommendations which is included in this report and a review of the membership and terms of reference for the NDBG. A further 7 are short-term (6 months) recommendations, 4 are medium-term (12 months) and 2 are for longer-term (18 months) implementation.

How we will report on progress

Two key recommendations are to establish benchmark metrics, firstly, to gauge the views of business on how SG engages/builds relationships with them and secondly, Scottish Government capability to undertake strong and meaningful engagement with business. Once these metrics are established, we will update via survey to keep a track on performance.

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NDBG – SUB-GROUP 2 - BUSINESS PARTNERSHIP
RECOMMENDATIONS



Products 6 months

- Benchmark metrics
- Policy process guidance
- BRIA template and guidance
- Communications plan
- Published matrix of consultations, Bills and Regulations in development, and process for ensuring this is regularly updated
- Agreed process with PFG team for considering cumulative impact
- Regulatory policy: business case and proposed approach for regulatory reform programme
- Mapping of existing policy impact
- NDBG implementation plan
- Advice to Ministers, and external comms, on link between New Deals
- Terms of reference for New Deal for Business Working Group



Products 12 – 18 Months

- Resourcing model for NDBG implementation
- Co-design of engagement process with small businesses e.g. like social security user panels
- mapping of existing policy impact



2023			2024								2025		
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	April

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Annex C

SUB-GROUP 3 – NON-DOMESTIC RATES (NDR)

Overview

The consultative sub-group on NDR was established under the NDBG to advise on further enhancements to the NDR system, following the implementation of the final recommendations of the independent Barclay Review of Non-Domestic Rates on 1 April 2023. The recommendations of the Barclay Review were aimed at delivering an NDR system which better supports business growth and long-term investment, which increases fairness and transparency, and which improves ratepayers' experience.

The Scottish Government sets NDR policy including tax rates and reliefs, and local authorities are responsible for the administration and collection of NDR and can also offer local relief. NDR income is notionally pooled at a Scottish level before being redistributed back to councils. As such, it is important that any proposals for significant change or reform to NDR be considered within the context of the partnership between Local Government and the Scottish Government, under the New Deal with Local Government. Scottish Assessors who are responsible for the valuation of non-domestic properties and are independent officials, albeit they work collectively through the Scottish Assessors Association, also have a vital role when considering any proposals for reform.

The remit of the group is to consider and report to the NDBG, and Scottish Ministers, on further enhancements to the operation and administration of the NDR system. To this end, it considers the current operation and administration of the NDR system, with the objective of ensuring the best environment to do business and deliver a growing economy whilst supporting our communities and recognising the importance of NDR income in funding the delivery of local public services.

Recommendations

The sub-group presented 10 recommendations – 4 short-term (6 months), 3 medium-term (12 months) and 3 longer-term (18 months).

How we will report on progress

In the short to medium-term, success will be measured by budget decisions, progress against the sub-group's recommendations, in particular, the short-life Task Teams which will report back to the sub-group. The Scottish Government will also conduct a survey to gather views on the impact of the extension of the proposal-lodging deadline and may consider the need for wider consultation and engagement on other recommendations.

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Success in the longer term will be achieved if businesses view the NDR system to be less complex and to better support business growth, investment and competitiveness from 2024/25 onwards. This will be reviewed in the first instance by the NDR subgroup, recognising the key role NDR plays in helping fund the delivery of local public services. Success also means maintaining a stable source of income via NDR revenue that is considered fair by businesses and communities.

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NDBG – SUB-GROUP 3 – NON-DOMESTIC RATES RECOMMENDATIONS

RECOMMENDATIONS 55 - 58

Products 6 months

- Proposal lodging deadline extended by one month to 31 August 2023.
- Meetings of the NDR sub-group to ensure on-going dialogue and engagement.
- NDR sub-group business lead is a member of Tax Advisory Group.
- Budget 2024-25 decisions on Non-Domestic Rates.

RECOMMENDATIONS 59 – 61

Products 12-18 months

- Short-term task teams, bringing in additional external expertise where appropriate. Findings reported back to sub-group.
- Scottish Assessors will continue to engage as appropriate and consider any evidence to support any case for change to valuation requested by sectoral representative bodies.

RECOMMENDATIONS 62 - 64

Products 18+ months

- Local Government Digital Office NDR digital systems study findings.
- Review of the devolution of Empty Property Relief.

2023			2024										2025	
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	→	April

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Annex D

SUB-GROUP 4 – WELLBEING ECONOMY

Overview

The Wellbeing Economy sub-group was tasked with considering how business and the Scottish Government can better work together towards a Wellbeing Economy.

Meeting three times, the sub-group was able to draw on the expertise of a wide range of businesses, from the largest multi-national corporations to family farms and everything in between.

Recommendations

The sub-group presented 5 recommendations.

The Business Purpose Commission [report](#), echoed in the Scottish Government's [response](#), made a set of recommendations for businesses and Government, which they are encouraged to consider taking forward as far as possible in their own individual contexts. The recommendations outlined in the NDBG report build upon that work to focus on creating the conditions in which further transformative change can be achieved through partnership working towards a Wellbeing Economy.

How we will report on progress

- The National Performance Framework (Scotland's Wellbeing Framework) helps us collectively work towards outcomes that will improve people's quality of life. 81 National Indicators provide a measure of progress towards the 11 National Outcomes which government, business and the third sector are working together collaboratively to achieve.
- Progress will also be measured through the National Strategy for Economic Transformation's key 'Measures of Success' and the Wellbeing Economy Monitor, which tracks broader economic outcomes beyond GDP on issues such as health, equality, fair work and the environment - including specific indicators such as the gender pay gap and employees earning below the Real Living Wage. Progress will also be reflected in other measures relating to business in the economy that are routinely monitored by the Scottish Government, and consideration is being given to how these can be more explicitly tracked through existing frameworks.
- The NDBG report includes a recommendation to identify metrics to measure the impact of business actions contributing towards a Wellbeing Economy, evaluate the impact of interventions, demonstrate the positive steps taken and assess the maturity of businesses' approach to purpose. This will be taken forward through the actions identified below, building upon existing resources and reporting frameworks, and in connection with the work of the Sharing Key Metrics subgroup.
- In the short-term, success will be measured by the delivery of the engagement events referred to below as early examples of Scottish Government engagement

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with business in support of Wellbeing Economy aims; the agreement of a set of priority actions to implement the New Deal for Business Wellbeing Economy subgroup recommendations and, the production of a description of Wellbeing Economy that is meaningful for business.

- In the medium-term, success will be measured by the development of an agreed plan to better publicise and communicate the business case for supporting a Wellbeing Economy, which has been produced by the Business Purpose Commission and, the publication of an SME, Third Sector and Supported Businesses Action Plan.
- In the longer-term, success will be measured by the development of metrics that businesses can use to measure, monitor and evaluate the impact of their actions, and by the publication for consultation of draft Just Transition Plans that have been informed by engagement with business and other stakeholders.

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NDBG – SUB- GROUP 4 – WELLBEING ECONOMY RECOMMENDATIONS



Products 6 months

- Agreed set of priority actions to implement the NDBG Wellbeing Economy sub-group recommendations, building on the Business Purpose Commission report, over the medium and longer term
- Establish a programme of meetings with business organisations, enterprise agencies, sector representatives and employers to seek businesses' views in relation to health and work, and flexible working, and help inform future policy development
- As with the development of development of the Just Transition discussion papers on the Built Environment and Construction, Transport, Land Use, and Agriculture Plans, we will build on previous engagement and relationships to develop a strategic approach to ensuring businesses have the opportunity to influence the content of future Just Transition plans within their first 6 month of development. This will ensure that business are engaged, kept informed of progress, while utilising existing fora where possible
- A description of Wellbeing Economy that is meaningful for business

Products 12-18 months

- An agreed plan to better establish the business case for supporting a Wellbeing Economy and for business-led activity to communicate and publicise it, and to share good practice to all parts of the business community in Scotland
- Publication of an SME, Third Sector and Supported Businesses Action Plan as part of the wider Scottish Government work through Public Procurement policy and approaches to better support suppliers, especially SMEs and third sector organisations, who want to bid for public sector contracts
- A summary report of metrics that businesses can use to measure, monitor and evaluate the impact of their actions and that will help inform how they can contribute to building a Wellbeing Economy
- Business support offers to consider how to promote guidance on Wellbeing Economy as appropriate



2023			2024							2025			
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	April

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Annex E

SUB-GROUP 5 – SHARING KEY METRICS

Overview

The sub-group is to propose an agreement on collating and sharing key metrics and real-time evidence across different sectors, with the aims that (i) the Scottish Government is aware of the business climate and can consider policy in the light of this and (ii) Scottish businesses can use metrics and data to capitalise on sectoral and international market opportunities and to contribute to the National Strategy for Economic Transformation (NSET) metrics.

Achieving each aim requires different metrics and therefore two different sets of data. The purpose of the work of the sub-group has not been to identify a common baseline of metrics that could be reported at top line level and broken down into sectors, but rather to consider what metrics industry is using, how to co-ordinate and feed this into policy making within the Scottish Government and to gain a better understanding of how the data is used when policies are being developed.

The sub-group will also propose the set of business metrics on business sentiment, business engagement and business confidence that will form the measures of success of the Implementation Plan.

Recommendations

The sub-group presented 9 recommendations – 7 to be actioned in the short-term (6 months), 1 over the medium-term (12 months) and 1 over the longer-term (18) months. The recommendations are in two areas:

- improving understanding of the business climate; and
- improving industry understanding of market opportunities and contribution to NSET.

How we will report on progress

Success in developing the actions around metrics will be measured by monitoring the use of the new different reports, use of the new channels of communication and use in BRIAs, linking to sub-group 1. Progress on implementation will be discussed with the sharing metrics sub-group regularly.

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NDBG – SUB GROUP 5 – Sharing Metrics
RECOMMENDATIONS



Products 6 months

- Monthly Economic Bulletin
- Set of business resilience metrics reported quarterly and subsequently to be included in BRIA templates
- Advice on internal SG process for accessing and making good use of business intelligence.
- Evidence on market opportunities to align with NSET



Products 12 – 18 months

- Core survey questions
- Performance report and measures of success



2023			2024								2025			
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	→	April

New Deal for Business Group Implementation Plan

Annex F

PROGRAMME MONITORING

This project monitoring plan outlines the implementation and monitoring strategy for the recommendations proposed by the Scottish Government's New Deal for Business Group (NDBG). The plan aims to ensure effective execution, tracking, and reporting of progress for each recommendation, considering their respective implementation timeframes of six months, one year, and eighteen months.

Objectives

The project monitoring plan has the following key objectives:

- Ensure timely and effective implementation of the New Deal for Business recommendations.
- Monitor progress of each recommendation across short-term, medium-term, and long-term timeframes.
- Facilitate transparent communication among stakeholders on progress and outcomes.
- Provide mechanisms for adaptation and adjustment in the programme in response to emerging challenges and opportunities.

Monitoring and Reporting

To monitor the progress and outcomes of the recommendations, the following mechanisms will be implemented:

- Update a Smartsheet on a fortnightly basis tracking the status of each recommendation against its respective timeframe.
- Schedule fortnightly progress review meetings with SCS lead from each sub-group reporting monthly to the New Deal for Business Group.
- Conduct bi-annual comprehensive progress reports highlighting achievements, challenges, and adjustments made.

Governance

NDBG

NDBG Sub-groups

NDBG SCS Leads Group (internal to SG)

Communication and Engagement

Transparent communication and engagement with relevant stakeholders are crucial components of the monitoring plan. This will include:

- Engagement with industry representatives, trade bodies, and business leaders to gather feedback on the implementation process.

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- Fostering collaboration between government departments, industry partners, and regulatory bodies to ensure a unified approach and ensure cultural change.

Adaptation and Adjustments

The monitoring plan acknowledges the potential for evolving circumstances and unforeseen challenges, which means we will:

- Regularly assess the external environment for any emerging factors that might impact the implementation of recommendations.
- Maintain open lines of communication with stakeholders to promptly address issues and make necessary adjustments to timelines or strategies as needed.

Conclusion

The project monitoring plan for the Scottish Government's New Deal for Business recommendations aims to ensure efficient implementation, comprehensive monitoring, and effective communication of progress. By adhering to the designated timeframes and maintaining flexibility, this plan will contribute to the successful realisation of the New Deal's objectives, fostering a more favourable business environment in Scotland.

This formal project monitoring plan is subject to ongoing review and updates as necessary to ensure alignment with changing circumstances and emerging priorities.

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The Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, Neil Gray MSP, and Dr Poonam Malik, Head of Investments, University of Strathclyde, would like to formally note their thanks to the members of the New Deal for Business Group for their time and helpful contributions to ensure delivery of actions in this Implementation report, namely:

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- Mairi Spowage, Fraser of Allander
- Nathalie Agnew, Muckle Media
- Cllr Gayle Macgregor, Convention of Scottish Local Authorities (COSLA)
- Barry White, Chair of NSET Board
- Gopalan Rajagopalan, Head of Tata Consultancy Services (TCS) Scotland



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