

Scottish Affairs Committee

Oral evidence: [Secretary of State for Scotland, HC 714](#)

Monday 28 November 2022

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Members present: Pete Wishart (Chair); Mhairi Black; Deidre Brock; Wendy Chamberlain; David Duguid; Sally-Ann Hart; John Lamont; Douglas Ross.

Questions 1-95

Witnesses

I: The right hon. Alister Jack MP, Secretary of State for Scotland, Scotland Office; John Lamont MP, Parliamentary Under-Secretary of State, Scotland Office; Lord Offord of Garvel, Parliamentary Under-Secretary of State, Scotland Office; and Laurence Rockey, Director, Scotland Office.

Examination of witnesses

Witnesses: the right hon. Alister Jack MP, John Lamont MP, Lord Offord of Garvel and Laurence Rockey.

Q1 **Chair:** Welcome to the Scottish Affairs Committee. We are absolutely delighted to have the Secretary of State for Scotland and the Scotland Office team with us this afternoon for one of our regular catch-ups. We are looking forward to having a conversation about the many issues affecting your office. We will start as usual with any opening remarks from you, Secretary of State, and perhaps you could introduce your Scotland Office team at the same time. Thank you.

Mr Jack: Thank you very much, Chairman, and good afternoon, everyone. Before I introduce my team and make some opening remarks, the Scotland Office team would like to pay our respects to Doddie Weir. He was a giant on the pitch and a hero for all the things he did off the pitch—his great, valiant actions after rugby. Our sympathies are with his family and friends.

Chairman, it is good to be in front of you to answer questions about the work being done by the Scotland Office and the United Kingdom Government's activities generally in Scotland. Last time, we were joined by Lord Offord of Garvel, who is on my left, and this time, at this end of the room for the first time, I am delighted to say, we have John Lamont. He has been a member of your Committee—

Chair: A distinguished one at that.

Mr Jack: Indeed. He needs very little introduction. He has joined the Scotland Office and he is now looking forward to answering questions instead of asking them—or so he tells me. I am also joined by the director of the Scotland Office, Laurence Rockey, who I think is well known to the Committee.

This is the fifth time I have appeared before the Scottish Affairs Committee. As you know, Chairman, you have in the past expressed frustration about a notable absentee from the Committee. All I would say is that, unlike the First Minister, the Scotland Office always turns up.

Could I also say a few words about the economic challenges ahead? We live in turbulent times. We still face the economic fallout from the covid pandemic. Inflation poses a threat across the world; as we know, inflation eats into people's pay cheques and their savings and it disrupts businesses. Furthermore, Russia's illegal invasion of Ukraine has led to soaring energy costs through its weaponisation of the energy market.

We understand the enormous challenges that families across the United Kingdom face; and just as we provided unprecedented support through



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furlough and vaccines during the pandemic, the UK Government are taking unprecedented action to tackle the challenges of today. That is why the Chancellor's autumn statement prioritised tackling price rises and protecting the most vulnerable in our society. It delivered help with energy bills and extra benefit support, protects pensions and has increased the national living wage by over 9%. The Chancellor's statement also included an extra £1.5 billion for Scotland through Barnett consequentials over the next two years; that is on top of a record block grant of more than £41 billion.

The Offshore Renewable Energy Catapult in Glasgow, which is one of nine UK innovation centres, will benefit from £1.6 billion of investment. We will also undertake a feasibility study to make much-needed improvements to the A75. I should be clear that that £1.6 billion is across the nine catapult innovation centres. As I said, we want to have a feasibility study on the upgrade of the A75, because it is a vital route linking Northern Ireland and England, through Scotland, and that was one of the key recommendations of Lord Hendy of Richmond Hill's "Union Connectivity Review".

We want to work with the Scottish Government on this. In fact, Scotland's two Governments working together for the people of Scotland is crucial, we believe, to overcoming the economic headwinds. The collaborative approach that we have already taken has proved successful in the 12 city region and growth deals that the two Governments have put in place across Scotland. Our collaborative approach is about to bear further fruit with £52 million of investment in two Scottish freeports, and the two successful bidders set to be announced shortly by both the United Kingdom and the Scottish Government.

So far, our levelling-up agenda has seen more than £2 billion directly invested in Scotland by the UK Government. I am delighted that the autumn statement confirmed that at least £1.7 billion will be allocated across the United Kingdom for round 2 of the levelling-up fund. Round 1 of the fund is already proving successful. Multimillion-pound projects are regenerating city centres, improving infrastructure and helping the drive to net zero. There has been a tremendous response to levelling up round 2. The vast majority of Scotland's 32 local authorities have put forward exciting bids designed to improve local transport links, regenerate town centres, and strengthen the cultural offers of local communities. The strength of the bids from councils of all political persuasions is a powerful statement of the success of our approach.

I would like to mention the recent announcement of a £4 billion contract to build five new Type 26 frigates on the Clyde. This will support and safeguard thousands of Scottish jobs, utilising the shipbuilding expertise of local people. It is a powerful reminder of a defence footprint that supports around £2 billion of MOD expenditure across Scotland, and around 30,000 Scottish jobs.

I know the Scottish Affairs Committee is looking at how Scotland is promoted internationally, and the UK Government's extraordinary global reach was highlighted in our comprehensive document entitled "Promoting



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Scotland Internationally". It has been submitted as evidence to the Committee, so I hope members are familiar with it.

Finally, in the wake of the Supreme Court's judgment last week, it is appropriate for me to make a very short comment on the justices' decision. The unanimous and unequivocal judgment confirmed the UK Government's long-standing view that the constitution is wholly reserved to the United Kingdom Parliament, and we note and respect that judgment. Rather than be distracted by the politics of division, our unrelenting focus is now on working with the Scottish Government to deliver for the Scottish people. We are working hard to restore economic stability. We want to help families with their energy bills, and we want to support public services. That is what people expect us to do, and that is what we intend to do.

I am sure, now that that matter has been settled, your Committee will be relieved that we can talk about the priorities of the Scottish people and no longer argue about the constitution.

Chair: Indeed, and thank you ever so much, Secretary of State. I think the whole Committee would like to echo and join in with your very fulsome tribute to Daddie Weir. Minister Lamont and I spent a lovely afternoon in his company. His infectious good humour caught everybody that afternoon, so all of us share and reflect on that, too.

It is great to see the whole Scotland Office team here once again. It is a great addition to our proceedings and helps with the conversations. We will want to raise with you all the things that you touched on. I do not think it will surprise you that the one thing we are very interested in pursuing a little further is the fallout from the Supreme Court's decision about an independence referendum.

Mr Jack: I anticipated that with my closing remarks.

Q2 **Chair:** Yes, I thought you would. We all respect the Court's decision. They made their decision based on the evidence they were provided with, and I think we all accept that.

I listened very carefully when you came to the House to answer the urgent question. I sensed a little bit of an irritation—an unusual irritation—about some of the questioning that day. Maybe you felt it was a repeated question, but I do not feel that we managed to secure an answer. There was the question about how Scotland could secure an independence referendum that could lead to Scotland becoming an independent nation. I will not irritate you by asking you that again, but I will ask you: can Scotland secure an independence referendum and become an independent nation?

Mr Jack: The answer to that question—I think you are referring to the urgent question when, after I had been asked the same question on the route to a referendum about 15 times, I said "I refer the hon. Lady"—or the hon. Gentleman—"to my previous answer."

Q3 **Chair:** I think you said it something like 11 times, which is a record.



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Mr Jack: Was it 11? I did not say it then, but it was going through my mind that asking the same question and expecting a different answer was reminiscent of what Einstein said about the definition of insanity. That was not going to happen—you were not going to get a different answer.

To answer your question directly: yes, of course there could be another referendum in Scotland. The Union is voluntary, which is evidenced by the fact that there was a referendum in 2014. Back then there was a consensus between the two Governments in Scotland, between pretty much all the political parties, and across civil society. It was clear that that was the position then, and that led to an agreement to hold a referendum. Could there be a position where there is a sustained majority? Let me put it this way. Could that sustained majority position be achieved again? Yes, it could be.

Q4 **Chair:** Would it be opinion polls that you would be looking at if we did get to the situation—

Mr Jack: Well, it's the duck test: if it looks like a duck, it sounds like a duck and it waddles like a duck, it's probably a duck. People know when they have reached that point, and they knew back then that they had reached it, but we do not believe we have reached it now. We believe that the majority of Scots do not want to have a referendum; instead, they want us to focus on rebuilding the economy after covid, on delivering the structural funding we are doing, on helping them with the cost of living and on tackling inflation. That is what we believe are people's priorities.

Q5 **Chair:** I find it quite encouraging, after our outing last Wednesday, that you see a route and a way to securing that further independence— You have said something about civic society and opinion polling, but here's an idea: say that, in an electoral contest, the Scottish people vote in a majority for a proposition that Scotland should be an independent country. Would that satisfy you?

Mr Jack: No, because I don't believe that people vote on one specific issue in a manifesto. If you are talking about the de facto referendum that the First Minister is proposing at a general election, I don't see there being a mandate. You cannot have a mandate for something that we now know you legally do not have any power over.

Q6 **Chair:** So then we're getting back into this territory of this squishy squashy "How?"

Mr Jack: Well, because it matters. What I would say, in reinforcing my point, is that the Scottish Government—although they put it in every manifesto that they want to remove Trident from Faslane—no more have the power to take away our nuclear deterrent than they do to break up the United Kingdom. That is very clear, and the justices agree with me on that.

Q7 **Chair:** I think you're approaching clarity here. Even with a clear expression of a desire of the majority of the people of Scotland to become an independent nation, that would not be sufficient and enough



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for you. Opinion polls rate higher than that.

Mr Jack: As I say, manifestos are very complicated things, and they have a multitude of issues. General elections are fought on a UK-wide basis, and I could say to you that it would only need a handful of people to say they were voting SNP but they were not voting for independence to undermine your argument.

Q8 **Chair:** Why don't we therefore just have a referendum—an agreed one, where we can assert the two views and get the opinions of the people of Scotland?

Mr Jack: Because, as I have said, we don't believe— Opinion polling shows that less than a third of Scots want to have a referendum at the moment. We do not see that there is any great desire for one, and we do not believe it is the priority of people. When we look at the list in polling people's priorities, it is very clearly No. 8 or No. 9 on that list. People are much more concerned about the economy, health, education and so on.

Q9 **Chair:** I am trying to edge towards a place where we can agree. It is always important that we try to find something we can agree on, and I think we are agreeing that if opinion polling showed sustained support for independence, that would be a trigger for you and the UK Government, and an independence referendum may be forthcoming because of that. Is that roughly where we are getting to in this—you are looking for sustained polling?

Mr Jack: I have always said there would have to be a sustained majority and a clear consensus between the two Governments, between the political parties and across civic society. There would have to be that sustained majority for there to be another referendum. We have to look now at where we are in terms of democracy. Democracy is underpinned by two very precious principles: one is losers' consent, and the other is the adherence of the Executive to the rule of law. We have just heard the rule of law, and we should have had losers' consent from 2014. It is important that the Scottish Government respect the principles that underline democracy. Those are the things that matter to us now, and we have just very clearly had the rule of law, in a unanimous and an unequivocal way, spelled out to us.

Q10 **Chair:** I think the problem for the 50% or so of people who support independence in Scotland is that there is a view that democracy is not frozen; things move on and change—like, for example, all the things that were said at the conclusion of the last independence referendum about all the things Scotland was going to get and all the things we were guaranteed would happen. We can probably argue about that, but I think we can broadly agree that some things that were said, particularly about EU membership, did not materialise. Surely there is still a case, therefore, that as we go forward there should be a revisit, particularly when the Scottish people vote for it.

Mr Jack: I do not agree and I do not see a sustained majority in any opinion polling for a referendum. I simply do not see it. I do not take the



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idea that you can cherry-pick out of a manifesto the one thing you think everyone voted for. I do not believe that is what they voted for. I would take it one stage further, as I said in the House of Commons last week: less than a third of Scots—of the electorate—voted for the SNP in the Holyrood elections last year. Again, that does not point, to me, to any form of majority. I think Lord Offord wanted to say something.

Lord Offord: I just take issue with the idea that 50% of Scots want to separate.

Chair: The last opinion poll shows 51%—

Lord Offord: But what about the actual voting we have had? We have been in a voluntary Union since 1707, between two equal nations. It was negotiated on commercial terms, not at the point of a gun, which means that either side can leave at any time. The reason we have not left in 315 years is because it has been the most successful Union—economically and politically.

In the 2014 referendum, 3.6 million Scots voted out of 4.3 million. There was 84% turnout, which was the highest ever seen, except for in Australia where it is compulsory to vote. Two million voted to stay and 1.6 million to leave. That is a decisive result. Since then, your party has received votes in the region of 1.3 million to 1.4 million, which is a third of the electorate. That gives you a mandate to govern. You have had eight successive victories. It gives you a mandate to govern under the UK settlement under devolution, but it does not give you a mandate to break up the country.

Q11 **Chair:** It doesn't give me anything at all, because I am just a mere Chair of a Select Committee. What we are discussing here are the rights of the Scottish people to secure what they voted for. We will leave that one just now—

Lord Offord: If the Scots wanted to get independence, they could get independence, but you can't persuade them to do that.

Chair: I know Mhairi Black is desperate to ask a question, so I want to come to Mhairi. Then we will come back to more of these issues.

Q12 **Mhairi Black:** Thank you to our witnesses for giving us your time. As you have just said, Lord Offord, if this Union is voluntary, how can Scotland leave it?

Lord Offord: By expressing the view that the majority of people want to leave. We asked them that question in 2014. Two million Scots voted to stay and 1.6 million voted to leave. Since then, your voting numbers have been 1.3 million or 1.4 million.

Mhairi Black: It is since then that I actually have been—

Lord Offord: There is no momentum in those numbers.

Q13 **Mhairi Black:** Let me ask my question. Since 2014, I have been in the heart of Westminster, so I don't think my party or I can be accused of ignoring any kind of referendum result. We keep hearing, "If there is a



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sustained majority” and “Less than a third of Scots voted for SNP”, so do you accept that the Conservative party has not received a mandate from Scotland since 1955? You have never had a sustained majority.

Mr Jack: What I would say to you is—

Lord Offord: No.

Q14 **Mhairi Black:** You don’t accept that?

Lord Offord: Because it is within the rules of the United Kingdom constitution and, within those rules, we—all four of us—agree to be together. The Government are elected on that basis, and we have losers’ consent.

Mhairi Black: To pick you up on that point, within those rules—

Mr Jack: Can I pick that point up?

Chair: Let us try to keep this as orderly as possible. Let Mhairi ask a question and you guys answer.

Mr Jack: I would like to address that point. If you combine the votes for the Unionist parties, many times over and over again there has been a majority vote for the combined Unionist parties—the Lib Dems, Labour and Conservative. That is the first part. Regarding the sustained majority point, where did that come from? It came in the first year of Nicola Sturgeon being First Minister. She said there should only be another push for an independence referendum when 60% of Scots were polling as wanting an independence referendum for at least a year. We should see the desire for a referendum to be polling at 60% for a year. That was the first person to come up with the sustained majority idea—I happen to agree with her.

Q15 **Mhairi Black:** You already mentioned this in the answer you repeatedly referred people back to in the urgent question last week, where you said, “In 2014, there was a consensus between both Governments, all political parties and civic Scotland.” Who is measuring that and how are they measuring it?

Mr Jack: Well, I have just said it. I refer you to the answer that I have just given.

Lord Offord: It is at the ballot box.

Q16 **Mhairi Black:** The eight elections that the Scottish National party won?

Lord Offord: Yes, but you haven’t increased your share of the vote—

Mhairi Black: That’s great, thank you. That’s all, Chair.

Q17 **Chair:** Lastly from me, I got the sense from you last week, Alister—I know you were irritated by the voluntary Union question—that you were just bursting to tell us that we aren’t in a voluntary Union. You do not believe that.



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Mr Jack: No, no, not for a minute. We are absolutely in a voluntary Union. That is why we had a referendum in 2014. That highlights the fact that it is a voluntary Union.

- Q18 **Chair:** What happens with this voluntary Union now? How does one partner decide that it wants to leave it? This is where we seem to be falling down. All the other things we can agree on. We both agree that it is a voluntary Union, I think.

Mr Jack: That partner is the place of my home, of my birth, and of your home, your birth. The difference is that I do not believe the Scottish Government and the Scottish National party speak for all or even the majority of the people of Scotland, and I have highlighted that on many occasions. I gave you the statistics to prove that only a few minutes ago. I believe that the majority of Scots want both Governments to get on with fixing the problems they face and get on with their priorities. I do not for a minute believe that breaking up the United Kingdom is their priority.

Chair: Before I bring in Douglas, I just want to say to Sally-Ann and David, who did not manage to make the private session, that we are concentrating any questions about the Supreme Court at the top so we can get on to other business. I know David has a question, and so does Douglas.

- Q19 **Douglas Ross:** I just want to comment briefly on this, because there are far more important things that the Committee should be discussing with the Secretary of State and his team.

Secretary of State, I agree with your opening remarks, in which you said that this is not a priority for people in Scotland just now—that is clear in opinion poll after opinion poll—but people are concerned about the Scottish Government wasting money. I could give you many, many examples of that, but, particularly on this debate, we know how expensive this court case has been for the Scottish Government. Do we know yet how much the UK Government have spent in the Supreme Court defending their position after they were brought into the court room by the First Minister?

Mr Jack: Sorry, was the question whether we know how much the UK Government have spent?

- Q20 **Douglas Ross:** How much the UK Government have spent in total on the case defending the argument after the First Minister took Scotland's two Governments into the court room.

Secondly, we know that approximately £1.5 million a year is being spent by the Scottish Government on civil servants working on their plans to break Scotland away from the rest of the United Kingdom. Do you believe that is an appropriate use of taxpayers' money and civil service time by the Scottish Government?

Mr Jack: To answer your first question, from memory, we have spent £71,800 so far. I am fairly confident that that is the figure for how much we have spent so far on the Supreme Court case, but it is in that zone.



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On your second question, the permanent secretary to the Scottish Government stays in close contact with Simon Case, Sue Gray and the propriety and ethics team in the Cabinet Office on the role of the civil service in Scotland and the parameters that they can operate under. That has certainly been the case since 2014, when there was a review following the referendum of the role of the civil service in Scotland. Following this judgment, they are working again on what that means for the role of the civil service in Scotland, and we will have to see where that takes us. The Cabinet Office and the civil service, led by the Cabinet Secretary, are working on what the judgment means for the future role of the civil service in Scotland.

Douglas Ross: I think that is a crucial point—

Mr Jack: It is.

- Q21 **Douglas Ross:** Up until Wednesday, we saw all the announcements by the First Minister on an independence referendum next year—she wanted to hold it in less than 12 months—taking place in Bute House. We know that the Scottish Government stamped their logo on the documents that were issued, and Government Ministers presented them at Bute House. However, it is clear from the Supreme Court ruling that this is now a party political issue, not a Government issue, and I think people in Scotland will be rightly concerned that hundreds of thousands of pounds—indeed, millions of pounds—continue to be spent annually by civil servants at the direction of the First Minister and the Scottish Government on what is now a party election issue, because the First Minister wants to make the next general election a single-issue election. Therefore, this Committee would be very interested to know how those discussions about the change in the last week materialise and develop over the coming days, weeks and months.

Mr Jack: I appreciate that, and you are right to point that out. To her credit, the First Minister did go to a hotel in Edinburgh to make the announcement that she wanted to make the general election a de facto referendum, so she acknowledged that this was—in effect—a political statement. It would have been wrong to have done it from Bute House or Holyrood. It is very much moving the argument going forward to a political basis, the Supreme Court's judgment having been so unequivocal and clear about the causes and effects of engaging in something that is reserved. It would be no different if the Scottish Government were taking the same approach and using civil servants toward our nuclear deterrent in Faslane. The analogies are very similar, and it is all in the same part of the Scotland Act—schedule 5, I think. It is a very serious issue that needs to be seriously looked at.

Chair: David Duguid.

- Q22 **David Duguid:** Thank you, Chair, and apologies again for turning up a little bit late. Casting political views aside for a moment—because I think it is possible to do this—a lot of people have asked questions about what the process is and what the process would be. As the custodian of the



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Scotland Act yourself—or the holder of your position, as the Secretary of State for Scotland—has anything changed since devolution about the Scotland Act, in terms of the democratic and legal system that we all live and work in since the referendum was held in 2014, that would stop that happening again?

Mr Jack: No.

- Q23 **David Duguid:** Okay. My second question is still about the process. Back in 2012, before our time—but we were all around at the time and involved in some form or another in that process—there was the Edinburgh agreement, in which both Governments agreed, among other things, to “deliver a fair test and decisive expression of the views of people in Scotland and a result that everyone will respect.” Is it your understanding that that result was truly respected by everyone involved—or by the signatories of the document, shall we say?

Mr Jack: Well, my reading of the situation is that it was not respected by everyone involved. The losing party immediately—pretty quickly—started pressing for a rerun. I have said in the past that it is bad for Scotland’s businesses to have uncertainty hanging over them the whole time, and to have the prospect of this neverendum. It does not help the economy when you have that uncertainty. The Scottish Government and the SNP decided very quickly after the 2014 result that they wanted to have another go. I think the comment was made at the time—which I agree with—that we are not playing best of three. We have had a referendum, and people should respect it.

I go back to what I said earlier about what underpins democracy. Losers’ consent—which is what you are referring to in this question—and adhering to the rule of law, which is what I referred to in terms of the Supreme Court last week, are absolutely critical in underpinning democracy. It was not just the Edinburgh agreement that Alex Salmond and Nicola Sturgeon signed; you can go back to the Scotland Act itself, which laid out the criteria in 1998. I think the referendum that Tony Blair had at the time was in 1997, but there was a 74% yes-yes endorsement of that, then there was a Bill that went through Parliament that was democratically delivered.

- Q24 **David Duguid:** Okay, thank you. I just want to confirm that nothing has actually changed in the democratic or legal systems since before the referendum that was held in 2014.

Mr Jack: Within the Scotland Act, you said?

David Duguid: Within the Scotland Act.

Mr Jack: No, all we have seen last week is a clarification for the Scottish Government—they requested it, not us. It was their clarification to the Supreme Court. We have seen a clarification for them—not for us, because we were well aware of it all along, and argued the case—that the constitution of the United Kingdom is wholly reserved to the Parliament in Westminster.



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David Duguid: Thanks. Like others on the Committee, I am keen to get on to other things.

Q25 **Mhairi Black:** I have a quick question to ask the Secretary of State. Do you accept that the UK has changed since 2014?

Mr Jack: The United Kingdom has not changed since 2014, but I think what you are referring to is the fact that the United Kingdom is no longer a member of the European Union and the club of nations. I think you are referring to that.

Mhairi Black: It is one example, but—

Mr Jack: Well, give me another example.

Q26 **Mhairi Black:** Another example would be that we have had consecutive Governments that Scotland has outright rejected. We have had an austerity programme that has absolutely hammered all Scottish budgets and all Scottish services.

Mr Jack: I am afraid you are completely wrong on that. If you look at the numbers, the budget for Scotland has increased year on year, and the deficit—especially during covid—has grown and has been supported by the United Kingdom Government. There has been zero austerity in Scotland since 2014.

Q27 **Mhairi Black:** As I am sure you are aware as Secretary of State, with the budgets that you are referring to, when you consider inflation, actually, in real terms, Scotland does not have—

Mr Jack: Again, the block grant has Barnett consequentials on top. I heard an SNP MP argue the other day that Scotland did not get things like Crossrail; well, the block grant and the Barnett consequentials go through my office and under my nose, and I can assure you that billions of pounds went to Scotland as a Barnett consequential for Crossrail. Some £1.5 billion is going over the next two years as a result of last week's announcements on business rates, health and education spending in England, so a very generous share goes to Scotland. Actually, as we know, it is about 20% more in terms of public spending per head than it is in England.

Q28 **Mhairi Black:** I would never deny the fact that Scotland receives money—of course it does. I am asking whether you accept that, under the umbrella of the economic policies that your Government have introduced, due to inflation, it is actually not that generous a budget.

Mr Jack: As I say, we all have to operate within the budget that is set. That is across the United Kingdom; it is not purely for Scotland. Inflation is a global problem, and we have to work as Governments within the budgets that we have in front of us, but we have always stepped up to the plate with the deficit. The UK Government stepped up to the plate in supporting the deficit, and we, Scotland, have received our very fair share of the Barnett consequentials.



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- Q29 **Deidre Brock:** Thank you, gentlemen, for coming along to appear in front of us this afternoon. Secretary of State, did you see the article in *The Times* that suggested that a couple of their lordships had proposed in the upper House recently that spending public money building the case for Scottish independence may be illegal after the Supreme Court ruling?

It was brought to my attention by a tweet from Aileen McHarg, professor of public law and human rights at Durham University. She tweeted, "On Thursday morning the usual suspects tried to push this line in a debate on an urgent question on the indyref ruling in the House of Lords. The fact that the Scotland Office minister, Lord Offord, studiously ignored it tells you all you need to know about its legal accuracy."

Mr Jack: Which Lords, out of interest?

Deidre Brock: I believe it was Lord Foulkes and Lord Forsyth.

Lord Offord: That is correct, yes.

- Q30 **Deidre Brock:** And did you ignore it, or—

Lord Offord: I did not ignore the question. I answered the question by saying that under the settlement within the United Kingdom, the UK Treasury sends money to Scotland with no strings attached, which is not, by the way, the way in which the Scottish Government deals with its local authorities. We will come back to that.

- Q31 **Deidre Brock:** So there are no strings attached to the money given from the Westminster Government.

Lord Offord: It is not bifurcated. If it was bifurcated—if it was ringfenced—of the £1.5 billion, £600 million would have gone to Scottish health and £400 million to Scottish education, but the UK Treasury does not do that. It sends it to the Scottish Government, and allows the Scottish Government to make its own decision as to how it feels it should best spend that money.

- Q32 **Deidre Brock:** Excellent. So the Scottish Government has the ability to choose whether to spend money on things like building the case for Scottish independence.

Mr Jack: No, I would like to clarify that point. I would just clarify that by saying that it is a matter for the civil service. Whether the civil service support is there is a matter for the civil service, and that piece of work, as I said, is ongoing.

Deidre Brock: So the money can be spent, but the civil service—

Mr Jack: No, on this one, I would hold fire until we see how this plays out.

- Q33 **Deidre Brock:** Well, I will just continue the quote from Professor McHarg: "All in all, this is a cheap line advanced by people who obviously don't expect that they will actually be in a position where they would have to try to govern under these conditions any time soon. Deeply unserious politicians." That is worth bearing in mind, I'm sure.



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Mr Jack: I have had Professor McHarg quoted to me many times before. I suspect she is not on my side of the balance sheet when it comes to the United Kingdom. Luckily, I do not—

Q34 **Deidre Brock:** Are you questioning her impartiality?

Mr Jack: I am not accusing her of anything. All I am saying is that she gets regularly quoted to me. I am not a Twitter person, so I have not seen her tweets, and I have no intention of commenting on them unless I have seen all the detail.

Deidre Brock: Okay, fine. Thank you.

Q35 **Chair:** I was expecting you to say a little more about this.

Mr Jack: About?

Chair: About the spending, and the illegality of public spending for referendum support. It was widely touted that you were going to come to this Committee and tell us something about this, but that is obviously not the case. I have probably been misinformed. Would it not be incumbent on the Scottish Government to keep that money in place just in case the UK Government see sense, and the democratic case, and agree to an independence referendum?

Mr Jack: I can confidently say, using my test of consensus and all that I am hearing, my mailbox, what I read, and the opinion polls that we have referred to on the desire for a referendum any time soon, that I would strongly recommend that the £20 million that the Scottish Government have put aside for a referendum on 19 October next year, especially following the judgment last week, which was unequivocal, would be wisely spent on the priorities of the people, which are other things than independence.

Q36 **Chair:** We have more faith than you, Secretary of State. We still believe that you will see the light when it comes to this, but we will leave it at that just now.

Mr Jack: I don't want to let you down too gently, so I will just say, it is not going to happen.

Chair: Okay. Well, we will see what happens with that.

Q37 **Douglas Ross:** Just to briefly follow up on Deidre Brock's point, Minister Offord, would it be fair to say that this is not a new line of questioning? Indeed, peers across the political spectrum in the other place have raised serious concerns, not just about spending on independence but a number of areas where there is clear mismanagement of the funds in Scotland by Nicola Sturgeon and her SNP Government. We could speak about ferries, the health service, education and manifesto promises at the last election to give every young person in Scotland a laptop, which does not seem to be a priority anymore.

Is it fair to say that there is a general consensus in the other place that there is a lot going on in Scotland that does not match the rhetoric from



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the Government and the promises made? We know that the First Minister has been caught being misleading at best and having to correct the record. It seems to be the case as well with the way that she spends public money.

Lord Offord: I would say that in my 15 months in that House, it has been raised a number of times, but it has never been party political. It has always been in the context of Scottish politicians, many of whom are peers who have previously been MPs, who have a deep understanding of what is actually happening in Scotland. In fact, many of them were there at the point of the devolution settlement and the Scotland Act being created. What the Supreme Court has brought us back to is a simple piece of A4 that is divided down the middle. On the left-hand side you have reserved matters, on the right-hand side you have devolved matters. All the court is saying is that the UK Government under the settlement sends money, rightly funding Scotland, to the Scottish Government to focus on devolved matters, and not to spend money on reserved matters.

Lord Forsyth was simply asking the question. He was a local councillor. If you are a local councillor and you spend money ultra vires you have sanctions against you personally. That is not the case, obviously, in this situation, but when that Government was set up it was not set up with any view of thinking that it would be in conflict with Westminster. It was not designed for Holyrood to be in conflict with Westminster; it was set up and designed for Holyrood to work in co-operation with Westminster. From my observations, if Holyrood and Westminster worked together we could turbocharge Scotland.

- Q38 **Douglas Ross:** I absolutely agree with that, and I have said that a number of times. There is an area where we have devolved responsibility, but it has an impact on what the UK Government are doing. I recently attended a rally outside the Scottish Parliament that had been set up by the National Farmers Union of Scotland. I am not sure which of the ministerial team deals with agriculture, but there is a serious concern in Scotland for my constituents in Moray. Indeed, I think the vast majority of the Members on this Committee have large rural constituencies.

Farmers in Scotland are looking at what the UK Government have put in place, and what is totally absent from the Scottish Government. I wonder what discussions the Scotland Office has had with our farming leaders in Scotland—the NFU and other representatives—farming communities and indeed the Scottish Government to look at what is being proposed here for England by the UK Government, and what has not yet been brought forward by the Scottish Government.

John Lamont: I might be best placed to answer this. It is very nice to be back at the Committee, albeit in a slightly different capacity compared with my previous appearances. I have had regular discussions with the National Farmers' Union of Scotland, both in my role as a Minister and, prior to that, as a constituency MP with a big rural community.



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You're right: there are concerns about the funding arrangements for farming support in Scotland moving forward. As you will know, the UK Government have committed to maintaining the annual budget of £595 million to Scottish farmers over three years, which is welcome. There's a huge amount of uncertainty in terms of how that money is delivered, how farmers make decisions and how the wider agricultural industry uses that money.

As you will understand, representing the constituency of Moray, agriculture is a very important part of the local economy in farming communities. It is a very important part of the Scottish economy. Investment decisions are being delayed, and perhaps deferred in some cases, because the funding streams are not yet clear from the Scottish Government, and that is causing many farmers concern. It is causing me concern. I hope the Scottish Government give it some renewed focus, so that farmers and the wider farming industry can make those investment decisions moving forward.

Q39 Douglas Ross: I think I saw on the Scotland Office social media that you met with Mairi Gougeon last week. I know that was about fishing, but are there ongoing discussions about what support or advice the UK Government could give the Scottish Government so that they finally come up with something, rather than leaving our farmers in Moray and across Scotland in limbo?

John Lamont: Yes, we had a very positive meeting with the Cabinet Secretary last week. I have to say, I think that is what most of our constituents would like to see: both the UK and Scottish Governments working constructively for better outcomes for the whole of Scotland, including agriculture. I attended the joint ministerial DEFRA group a fortnight ago. I suspect, moving forward, this issue is something that the Governments are going to be discussing. As I say, it is an issue that fills up my inbox—I'm sure it fills up your inbox, too. It is something we need to get resolved quickly.

Q40 Douglas Ross: Finally, on joint working, when you were last here, Secretary of State, we were speaking about freeports and how the Scottish Government had finally come round the table, and how a change of ministerial responsibility had perhaps paved the way for both Scotland's Governments to agree that these freeports were the right move. We had, I think, five very good bids. Where are we in that process? When may we get an announcement on the two freeports for Scotland?

Mr Jack: We have reached the end of the process. We want to announce it at the very highest levels, politically, in Scotland and the UK Government. Getting there is about diary management. We are good to go, really. We just need to get the right people in the right place to make the announcement.

Douglas Ross: Very good. Thank you, Chair.

Q41 Deidre Brock: I want to follow up on Minister Lamont's points about



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agriculture in Scotland. His assertion seems to be that English farming is in much better condition in terms of understanding exactly where things are with agricultural payments and, particularly, the environment land management schemes, which, as I think most people realise, have been a bit of a disaster. No one seems to know what they are for. I am looking at a briefing from the NFU from the end of August this year, which says that "Farmers are making business decisions now, yet don't have enough knowledge of ELMs to know if it could work for their business", and that "there remains significant gaps in our knowledge about how" local nature recovery schemes can work. Are you aware of the problems that the English farming schemes are experiencing?

John Lamont: Clearly, Ms Brock, there are significant changes taking place because of our departure from the European Union. There are new funding mechanisms in place in England. Farmers may not necessarily agree with all the changes being made, but they have some degree of certainty as to what the changes are. They can make investment and funding decisions as a consequence. Perhaps you could tell me and my farmers what the funding arrangements are going to be in Scotland, so that the same funding decisions can be made in Scotland—

Q42 **Deidre Brock:** I don't think I'm supposed to be answering questions here, Minister. That is you. You've probably forgotten—you used to be a member—

John Lamont: It is a question that I get asked regularly by my constituents—what are the funding arrangements going to be in Scotland?

Chair: Questions and answers, please. Let's keep it to that.

John Lamont: As I say, in England, we have some degree of certainty over what those arrangements—

Q43 **Deidre Brock:** Do we?

John Lamont: Well, certainly much more certainty than what we have in Scotland—much more.

Q44 **Deidre Brock:** Can I ask, actually, is the support still tapering out over seven years? I must admit, I haven't caught up with this myself. Is the English agricultural support continuing to taper out over the seven years, or is that now going to continue? You mentioned it staying in place for the next three years.

John Lamont: For Scottish farmers, which is—

Deidre Brock: No, for English farmers.

John Lamont —who I am here to answer for, the current annual budget of £595 million is protected under the current spending review.

Deidre Brock: Okay.

Q45 **Chair:** You mentioned intergovernmental relations. Who is now responsible for that? Is it you, Secretary of State, or is it the Secretary of



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State for Levelling Up?

Mr Jack: The Minister for Intergovernmental Relations across the devolved Administrations is the Secretary of State for Levelling Up.

Q46 **Chair:** How does that work, then, given that you, the Secretary of State for Scotland, have a Minister from another Department, which legally impacts on Scotland? Tell us how it works.

Mr Jack: He takes—

Douglas Ross: It's for Northern Ireland as well.

Mr Jack: Say it again?

Douglas Ross: I was just saying, you are not Secretary of State for Wales or Northern Ireland.

Mr Jack: That is exactly what I was going to say. He takes the overarching view of that. I facilitate and attend meetings based on the issues relating to Scotland, as the Northern Ireland does on Northern Ireland and the Welsh Secretary does on Wales, clearly.

It is a three-tier structure, so the top tier has, effectively, the Prime Minister and the heads of the devolved Governments, as a council. The middle tier has the inter-ministerial standing committee, on which I obviously sit, and the finance committee is there as well. The inter-ministerial standing committee is chaired by the Secretary of State for Levelling Up, and the finance committee is chaired by the Chancellor of the Exchequer. Then, at the bottom tier are the inter-ministerial groups on departmental policy. For instance, I think that John Lamont sits on the DEFRA one. That is the way that the structure works, and it is, almost across the board, but not entirely, in place.

Laurence Rockey: Just to add a bit of context, because, obviously, the IGR is important. We have, obviously, published a transparency report, and Prime Minister's council was held at the British-Irish Council just the week before last, which I think is a positive step.

However, it would be wrong to see the IGR in isolation from the day-to-day business that obviously happens between every Whitehall Department and their Scottish Government colleagues, and the ad hoc ministerial discussions on a kind of bilateral basis. We also have informal working groups, such as our seafood action group, which Minister Lamont chairs, jointly, with Minister Gougeon, so I think you need to look at the whole totality of informality and IGR to get a true sense of the—

Q47 **Chair:** The last thing that this Committee would want to see is any diminution of the role of the Scotland Office and it losing any influence across the apparatus of state. Heaven forbid you lose your influence and put faith in Scotland.



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Mr Jack: There is no chance of that. Our influence has never been stronger, believe me. In all the time I have been in office, I have seen it grow—go from strength to strength, and that continues to be the case.

Chair: That is reassuring to this Committee.

Mr Jack: That is why we have been able to deliver good things for Scotland, whether that has been finalising the city and region growth deals to get £1.5 billion across every part of Scotland, or the £52 million for freeports. We are delivering structural funding now to local authorities, as you know. It is not something that we absolutely agree on—you and I—necessarily, on the method of delivery, but local authorities are enjoying it and are enthusiastic about it. What we do here is that we promote Scotland's interests within Westminster, and we do it through a variety of different ways. Those are just a few examples.

Q48 **Wendy Chamberlain:** Following on from that, let us return to a topic that we came to, I think, the first time that you appeared in front of the Committee, Secretary of State, in relation to covid, and the reality that a lot of the intergovernmental relations during covid were coming about through MIGs—ministerial implementation groups—rather than through the GMC. Obviously, this review came about because of our departure from the EU, but what context, and what learnings did we take from covid, in relation to this new structure?

Mr Jack: We have put in place the tiered structure, but also a quarterly review, so we are, actually, having these transparency reports on IGR, the level of engagement with devolved Governments, and so on, and reporting all of the data. I think that is the right way to go forward.

We learned, through covid, that we could engage more effectively, I would say, because of the benefits of Teams and Zoom and those other online tools, so we have continued to use them. Prior to covid, meetings happened in person, and getting Ministers into the same room at the same time was incredibly difficult. We have continued with the techniques that we learned during covid, and that has been—if I can put it this way—a covid benefit.

Q49 **Wendy Chamberlain:** I suppose one of the challenges is the fact that, when we talk about the cost of living, in many ways we talk about it as a crisis. We have gone from covid into that. It seems that, despite those new structures, there are still lots of things taking place out with it. Do you see that as an issue?

Mr Jack: In terms of there being meetings taking place outside of the IGR?

Wendy Chamberlain: I am thinking about the bilateral calls from the Treasury and the devolved Finance Ministers—they have specifically been on the cost of living.

Mr Jack: You are absolutely right. We do have the different fora that we meet through, and then there are additional meetings that take place. I



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can give you examples on health. The health forum has not been set up yet, but I think the Health Ministers have met 15 times in the first nine months of this year. That is because the structures are not quite in place. They are in place across 10 ministerial Departments, but they are not in place in all of them. But that has not stopped meetings going ahead.

Equally, where we are having regular ministerial engagement, it is still the case that there are bilats outside that. Now, do not think of a bilat as a bad thing. If an emergency decision has to be taken by the Chancellor, or whoever it may be, on some pan-UK issue, there is not time to get together the inter-ministerial forum for that to happen. What there is time to do is have a conference call with civil servants engaged, so that all of those bilats have officials in the meeting. These are not political one-to-ones; there are officials taking minutes and a record properly kept for the purposes of inter-ministerial Government relations.

- Q50 **Wendy Chamberlain:** You mentioned health there, but I know that transport and justice have not been convened either. Do nine meetings for health not suggest that potentially someone is not seeing the benefits of getting those structures together?

Mr Jack: How many meetings did I say for health?

Wendy Chamberlain: Nine.

Mr Jack: I thought I said 15.

Wendy Chamberlain: Okay. That is even more.

Mr Jack: There have been 15 health meetings so far.

- Q51 **Wendy Chamberlain:** But the structures have not been put together for the more regular meetings.

Mr Jack: We have got 10 of those structures for the different Departments so far. I know that health is not set up yet, but there have been 15 meetings. It is just the case that getting the whole thing in place is time consuming, and different Departments have had different priorities. My understanding is that we are very close to getting the last two or three outstanding ones completed—it is not far away at all. But it has not stopped meetings going ahead. It is not like meetings have not happened because the structure was not in place—they have happened.

- Q52 **Wendy Chamberlain:** I suppose it just sounds like a slightly confusing picture. If we are having health meetings but we are not progressing getting the actual ministerial group together, does that suggest that somebody does not see a value in it? Following up from Nicola McEwen talking about transparency, my concern is that when we see quite a lot of things happening, it is very difficult potentially to get transparency.

John Lamont: Can I add to what the Secretary of State has said. I sat on the DEFRA inter-ministerial group meeting a fortnight ago, and the welfare one is coming up, as well as an economy one in the coming weeks. I found them remarkably positive and engaging in terms of their tone, outcomes



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and the discussions that took place between the Ministers. I think they are very useful for unlocking things that have maybe got blocked in the system somewhere, and for sharing experiences and ideas. Yes, they are relatively new in our way of doing things. But they are very positive and have the potential for great action and delivery for Scotland.

- Q53 **Wendy Chamberlain:** It is good that you feel that; I hope that I get to feel that, and other people do as well. My last question is about the role of the Secretary of State for Levelling Up, Housing and Communities. He has previously appeared in front of PAC, with members of this Committee. Given that he does have the overall responsibility, will you encourage him to come and see us sometime?

Mr Jack: Yes, I would be delighted to.

Wendy Chamberlain: Lovely.

Chair: Thank you for that. We are looking forward to seeing the Secretary of State.

Mr Jack: I think that would be a very good thing.

Chair: An invitation has been issued—

Mr Jack: Recently?

Chair: Recently, yes.

Mr Jack: Okay, we will follow up on that.

Chair: We await with keen interest. I have a couple of supplementaries to be asked, the first from Mhairi Black.

- Q54 **Mhairi Black:** On the intergovernmental set-up you described, a statement was made on 11 October: "This will allow the Chancellor of the Duchy of Lancaster to lead the UK Government's engagement with the Devolved Administrations". Is that still the case, because I am aware we have changed Prime Ministers since then?

Mr Jack: That has changed. It is the Secretary of State for Levelling Up, Housing and Communities.

Mhairi Black: Thank you. I just wanted to clarify that.

Mr Jack: No, it is a fair question. It is hard to keep up sometimes.

- Q55 **Chair:** Is the current Prime Minister the Minister for the Union?

Mr Jack: Yes.

- Q56 **Chair:** He is. Does he call himself that in any capacity or forum?

Mr Jack: Well, he is the Prime Minister of the United Kingdom—

- Q57 **Chair:** So the title just follows the Prime Minister—



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Mr Jack: To use the new, in-vogue expression, he is the de facto Minister for the Union—

Chair: I am glad you said that, not me. I call Deidre Brock.

Q58 **Deidre Brock:** Returning to intergovernmental relations, one place where they have not worked particularly well is over the trade deals that the UK is striking. Devolved Governments clearly feel excluded from those negotiations.

I remind you, Secretary of State, of a statement that NFU Scotland chief executive Scott Walker released in May 2021: "To be crystal clear, an Australian free trade agreement, with no tariffs or quotas on sensitive products, will put some Scottish farmers and crofters out of business and set a precedent that all other countries looking for free access to the UK market in the future will be desperate to replicate." You were a very enthusiastic supporter of that trade deal—you said it was a "huge opportunity" for Scotland's food and drink sectors—but recently we have heard some pretty damning comments from the former DEFRA Secretary, who said that the deal "is not actually a very good deal" and "that the UK gave away far too much for far too little in return." What do you think of the trade deal now, in light of his comments?

Mr Jack: I will be brief, because trade is in Lord Offord's portfolio, but I will answer the question directly: I believe that those trade deals are good and will stand the test of time. I was in the room when I delivered safeguards for beef and lamb. I will stand by those safeguards, which have numbers attached to them. I stand by the trade deals, and I believe that they will be good for Australia and New Zealand, which are close friends of ours, and I believe that they will be very good for the United Kingdom and for Scottish farmers. They will give us access to the CPTPP, the comprehensive and progressive agreement for trans-pacific partnership, and that will be the largest free trade zone in the world. That will bring huge benefits to Scottish food and drink—I am pretty confident about that, but I will hand over Lord Offord—

Q59 **Deidre Brock:** What did you make of your former Cabinet colleague saying exactly the opposite to what you just told us?

Mr Jack: Well, he is very welcome to say that, but I was in the meetings that he was in, and I felt we had the safeguards that I wanted for beef and lamb—the Prime Minister and I had done that in consultation with farmers before, so I was not flying blind. I went into the meetings and pushed hard for that, making sure that it was a negotiating red line for us. The then Prime Minister supported me, and those safeguards were delivered on. I will hand over to Lord Offord, who wants to say a few words.

Lord Offord: On the farming point specifically, Ms Brock, I think that there might have been some scaremongering. Under WTO terms, Aussie and Kiwi farmers have access to our market tariff-free already. They take up half the quota they are allocated—I think it is less than half of 1% that they actually send to these shores—because they have much bigger and



more profitable markets much closer than the UK. We are 10,000 miles away. I do not think that we need to see that as a major threat.

The opposite is that we have major opportunity now to do exporting from Scottish companies. Our two major exports, as you know, are salmon and Scottish whisky; together, they account for 20% of whole-UK food-and-drink exports—once again, an example of Scotland punching above our weight, having only 8% of the population. But behind that stat is another stat: that only 5% of Scottish companies export, which is a very low number. That is significantly below our 8% of the population. We now have a concerted effort going on with the Department for International Trade, and we are working with SDI, Scottish Development International. There is a real opportunity to boost trade exports from Scottish companies. That more than outweighs any scare stories on farming.

Q60 Deidre Brock: The scare stories came from a former Secretary of State. I would be a little cautious about accusing him of that. He was presumably very closely involved in all these discussions. There seemed to be a bit of a turf war going on between the Department for International Trade and DEFRA, and that certainly was reflected in his recent comments.

You mentioned markets much closer, Lord Offord; and you, Secretary of State, mentioned economic headwinds that are buffeting economies. One issue that has not really been touched on is Brexit. I know that the Government wish to move on and try to pretend that things aren't materially changed as a result of it, but I wonder what you think of the OBR's comment that "The latest evidence suggests that Brexit has had a significant adverse impact on UK trade", and that Brexit will result in the UK's trade intensity being 15% lower in the long run than if the UK had remained in the EU. Today we also heard of research from Aston University that said that Brexit has resulted in a 22.9% slump in UK exports to the EU and a 42% drop in the variety of UK goods exported.

We also heard the horror story recently from the Nuffield Trust, which released figures showing that we have nearly 4,500 fewer European doctors than we would have if the numbers from before Brexit had been maintained. The number of trained nurses from the EU coming to work in the UK has seen a massive drop. What is the Government thinking on this? You were a wildly enthusiastic cheerleader for Brexit, Secretary of State. What do you say to these figures that show that Brexit has been disastrous for Scotland and the UK?

Mr Jack: I say: absolute nonsense. Let me tell you why. You are not quoting years or dates. In 2021, we saw a slump in our trade with the European Union. I remember a case where frozen broccoli from producers on the east coast of Scotland had not gone to the EU and there had not been that trade. That was a problem for them. When you got to the bottom of it, the reason was that restaurants in Europe were in lockdown. We saw a hugely covid-influenced slump in trade in 2021. We now have the numbers for our trade with the EU, and they have never been higher. In the first two quarters of this year, we did more trade with the EU than we did when we were in the EU. Guess what? Those are positive figures.



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You have not mentioned this, I notice, but it would normally be brought up around Brexit: our net immigration figure, which we published last week, is the highest since records began, so the idea that we are not letting anyone into the UK is also nonsense. We have not let more people into the UK, in terms of net immigration, since records began. That dispels another Brexit myth.

Q61 **Deidre Brock:** Are you talking about overall immigration figures for the whole of the UK?

Mr Jack: Of course I am.

Q62 **Deidre Brock:** Not just the EU?

Mr Jack: No. I do not think we should be unkind to the rest of the world and only let people from the EU in. I have never thought that. Talent is spread all over the world, and the talent we want to attract should be allowed to come from all over the world. I have never been EU-centric and only wanted to let people from the EU come in. I do not know if I am putting words into your mouth. If I am, I apologise.

Q63 **Deidre Brock:** No, not at all. But you acknowledge that—

Mr Jack: I acknowledge that Britain is open. As I say, the net immigration figures are the highest ever since records began. I acknowledge that Britain is open and welcoming to the whole world.

Q64 **Deidre Brock:** Lastly, I had questions for you the last time you were here giving evidence to the Committee, and I went back and looked at the transcript—

Mr Jack: Is this anything to do with how much we spend on comms?

Q65 **Deidre Brock:** No, it isn't, though now you mention it, maybe your influence has grown because of the massive growth in your spin doctors, but we will leave that to one side. I asked you questions about the plans for levelling up and the increased staff in the Scotland Office, and in fact in Queen Elizabeth House. How will those plans balance out? How will you avoid duplication? In fact, the Institute for Government has warned that the UK Government's plans for levelling up, and specifically their choice to exclude devolved Governments from the decision-making process, would increase costs and reduce efficiency by doubling up on effort. If the Government are so committed to reducing waste—I know there are still proposals floating around for big drops in the civil service, for example; I am not quite sure where we are with that, but I would be very keen to hear.

Mr Jack: I don't think so; did we not scrap those? We will correct you on the last point. Laurence, why don't you take that?

Laurence Rockey: On the last point, each Government Department is tasked with looking at efficiency savings over the course of this Parliament. I think the latest position is that they get to keep the savings they have made to invest in services. There are no targets for reductions in numbers across the civil service as far as I am aware.

Mr Jack: That is correct.

Q66 **Deidre Brock:** So is that definite? There are no planned redundancies?

Mr Jack: My understanding is that the new Prime Minister scrapped the 91,000 figure.

Laurence Rockey: With regard to your first question, the numbers in the Scotland Office have increased by something in the order of four or five people, to support a £2 billion city region deal programme. In the grand scale of things, if we look at the overall civil service numbers, that is relatively modest. We work hand in glove with our colleagues at DLUHC, and they have a new Scotland-based team, which reflects the fact that they have a UK-wide operation, where before it was England-only. The number of colleagues who are located not just in Edinburgh but across Scotland is in the range of 15 to 20. Again, those numbers are relatively small.

My final point is on the occupation of Queen Elizabeth House. The anchor tenant is HMRC, and it was always part of a long-term plan by HMRC to consolidate its asset base. The wider move of new colleagues to Queen Elizabeth House is part of the Places for Growth programme, which aims to move 20,000 civil servants from London and the south-east right around the United Kingdom. I have not seen the report that you are referring to, but the Places for Growth programme is about having fewer civil servants in London and the south-east, and using that economic potential in Wales, Northern Ireland and Scotland.

Q67 **Deidre Brock:** A number of jobs in different Departments have already gone up to Scotland. How does that work? Do they shift people from London to Scotland, or do they make the jobs available in Scotland? I heard there was a little bit of upset among Scotland-based civil servants that those jobs were not sufficiently advertised. Of course, if they were moving people and persuading them to shift to Scotland, then that wouldn't be so much of an issue. How is that all working?

Laurence Rockey: At macro level, each Department in the UK Government has targets for the number of civil servants they are moving from London to other parts of the UK.

Q68 **Deidre Brock:** So they are actually shifting people up to Scotland?

Laurence Rockey: Sorry; I should say the number of roles, rather than people, to be precise. How that is implemented varies by Department. Some Departments choose to advertise role x in six locations across the UK; some choose to say that, for example, they want a transport focus in Birmingham and therefore they advertise roles there. In the main, civil servants are not leaving their homes in Dagenham and moving to Glasgow, although that does happen. As a result of the inevitable churn of 5% or 10% a year in the civil service, new roles are advertised in different places. That is how it comes to pass.

Q69 **Deidre Brock:** Okay. Some 1,500 jobs will be shifted to Scotland eventually, will they not?



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Laurence Rockey: Personally, I had a career in Westminster and now live in Scotland, but I didn't move directly; I came out and came back in again. It is a complicated picture, but over 10 years, you are seeing a bigger shift of civil service resources from London; it was felt that it was too greatly concentrated there, and that was not reflective enough of the people we serve.

Q70 **Deidre Brock:** And do they work on Scotland-only projects? Or are they working on UK-wide projects, but just happen to be based in Scotland?

Laurence Rockey: Both. There have been 26,000 UK civil servants based in Scotland for many years, who work on issues pertaining just to Scotland and on issues pertaining to the whole UK. The Scotland Office, for example, is obviously in Scotland, and we focus on Scottish issues, but our colleagues in DFID in East Kilbride clearly work on a UK-wide basis. In short, there is both.

Q71 **David Duguid:** Secretary of State, you mentioned the work that the UK Government and the Scotland Office do to promote Scotland overseas. We have said previously that there is perhaps a grey area between devolved and reserved functions. Could you elaborate on what the UK Government and the Scotland Office have been doing in that area to promote Scotland's interests overseas?

Mr Jack: We get involved in trade, obviously, and we make visits. My fellow Ministers and I have made a number of visits overseas, promoting Scotland and businesses in Scotland, and as I say, we get involved in trade missions. If you like, that is our key role—building relationships on that level, and facilitating meetings overseas that help bring business to Scotland and improve the Scottish economy.

Q72 **David Duguid:** Minister Offord, I know from when we worked together briefly that you were quite often overseas on the trips that the Secretary of State describes. Could you elaborate on what the UK Government are doing overseas to promote Scotland?

Lord Offord: The first visit I made was to Mumbai, just after I came in, and that was around the trade deals. The carrier strike group happened to be in Mumbai, having finished their South sea exercises. There was great excitement around the fact that the Elizabeth was in the waters, and we had done a joint exercise with the Dutch navy, the Indian navy and the New Zealand navy, et cetera, so there was a very international feel, and we used that as the trade mission. We were then able to showcase a whole lot of Scottish food and drink businesses. Clearly, a big topic around India is the whole whisky scenario. The state around Mumbai is Maharashtra, which is probably the single biggest and wealthiest state in India, and we managed just on the basis of our discussions to get that tariff down, state-wide, from 150% to 75%. It was important for the Scotland Office to be there representing Scottish businesses in the United Kingdom.

Since then, I have been to a number of places. Just two weeks ago, I was in Iceland. There are some very big similarities between Iceland and



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Scotland. I went to see a barley manufacturer. They are using quite a lot of interesting strains of Scottish barley in Iceland, including for beauty products. There is a big gaming industry in Iceland. There were some real similarities between Reykjavik and Dundee, which made you think we could get some real traction going between them.

The most important thing when I went to Iceland was that they were just delighted that the UK Government had come to see them. It was to do with the Arctic confederation—the Arctic circle. I think they want to hear from the UK Government, and they want to hear a Scottish view on Scottish matters in the UK context.

- Q73 David Duguid:** I know that you and Minister Lamont, in the short time you have been in the Scotland Office, have been dealing with food and drink, and the agriculture and fisheries sectors, which are subjects close to my heart. How do you see the Scotland Office helping to promote increased access to exports, such as those Lord Offord mentioned? Only 5% of businesses are accessing export routes at the moment; how do you see the Scotland Office helping with that?

John Lamont: From my brief time in the Department, it is clear that many Scottish businesses are very keen; there is a very strong appetite for more overseas trade and more export. There are many opportunities that the UK Government's International Trade Department can offer. From my constituency's perspective, there is the opportunity to take part in events with the trade team, so that the team can understand how local businesses across Scotland can expand their export offering, or indeed export for the first time. The Scotland Office ministerial team is actively engaged in linking those businesses with the trade officials who can give that advice.

- Q74 David Duguid:** I will move on to the cost of living. Secretary of State, how do the UK Government's interventions to address cost of living issues support the most vulnerable in Scotland?

Mr Jack: The good news from my perspective is that this is in Minister Lamont's portfolio, so he will answer the question, not me. I have a whole list of things on cost of living that we have done, but I will let him have the pleasure of reading out the greatest hits.

David Duguid: I would be happy to hear from Minister Lamont in that case.

John Lamont: I am acutely aware of, and understand, the huge pressures that people face just now with the cost of living crisis. I know that from my constituency; I am sure we all do. It is the No.1 thing filling up the inbox—not independence referendums; not the constitution. It is people worrying about how they will pay their bills. I am sure that every one of us around this table who is elected is experiencing the same. That is why the UK Government are absolutely committed to supporting households in Scotland and across the United Kingdom through these cost of living challenges.



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Eight million of the most vulnerable households will receive additional cost of living payments. In 2023-24, those on means-tested benefits will receive £900, those on disability benefits will receive an extra £150, and all pensioner households will receive £300. As I am sure you know, Mr Duguid, that is in addition to the £37 billion of support for the cost of living in 2022-23, which means that the most vulnerable households will receive £1,200 of support through the £400 energy bill support scheme, a £150 council tax rebate, and a one-off £650 cost of living payment. Finally, you will know that the national living wage will increase by 9.7% to £10.42 an hour for all workers aged 23 from April 2023.

Q75 David Duguid: Thanks. What is the UK Government doing to support businesses in Scotland? What can you tell us about that, particularly with the rise in input costs?

John Lamont: Indeed, which obviously feeds into other costs for households, whether that is in the supermarket or in other services that they use. The energy bill relief scheme shields many businesses in Scotland and, indeed, across the UK from the soaring energy prices you refer to; it saves half of their wholesale energy costs in total. The scheme applies to energy usage from 1 October 2022 for an initial six-month period.

Q76 David Duguid: As you have hinted, Minister Lamont, I am very familiar with the figures you have just read out. All of us around the table, and those of you on the panel, who represent rural constituencies will be very aware of the concerns raised by off-grid heating oil users. What representations or discussions has the Scotland Office had with BEIS on accelerating the payments? Originally, they were going to be £100 payments; now, it has been doubled to £200, but a lot of our constituents are saying, "That's all well and good, but when are we going to get it?"

John Lamont: You are right: many people living in rural Scotland and in island communities are off-grid. I heard much about this during my first ministerial trip to Shetland, and I am sure the issue affects many of your constituents in Banff and Buchan as well.

As you said, the initial payment was £100 for those households not on the standard gas or electric supply, which is roughly equivalent support to what they would have been getting through the energy bills support scheme and the energy price guarantee. That has now been uplifted to £200, and I know that many MPs—including me, before my time as Minister—made representations to the relevant Minister. How that funding will be delivered is still being worked through, just to make sure that we use the most practical and best-tested mechanism for doing so.

Q77 David Duguid: Has the Scotland Office made any particular representations on behalf of the rural communities in Scotland, which tend to be a bit further afield and spread out a bit more?

John Lamont: As I said, I certainly made representations prior to my time as a Minister. I am not sure what discussions took place, but I know that the Secretary of State—and maybe you, in your time as Minister—was



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speaking to ministerial colleagues to reinforce the point that Scotland has a particular challenge around off-grid customers.

- Q78 Wendy Chamberlain:** I want to come in on some of the energy stuff as well. My staff have highlighted to me a letter from Minister Stuart in relation to the energy bill support funding for the 900,000 people in the UK who are not on domestic energy supply and those on alternative fuels. It appears that the energy bill support is going to be delivered via local authority application; what notification or engagement has the Scotland Office had on that approach?

John Lamont: I have not seen that letter, but if you can send me a copy of it, I can certainly take it up with my colleagues and give you more detail.

- Q79 Wendy Chamberlain:** I suspect we all have it—it is a letter to all colleagues. On alternative fuels, it says that a process is still being worked out, but it very much looks like the support is not going to be delivered until January at the very earliest. Our constituents need it now, so what can we be doing to press the Government to move more quickly on this?

John Lamont: I know the officials are focused on this because they recognise the challenge that these particular customers are facing—you rightly identified the pressure they are facing. I know they are trying to get a delivery scheme in place as quickly as possible to ensure that money is in bank accounts as soon as possible.

Laurence Rockey: I reiterate that, at official level, we obviously work closely with our BEIS colleagues, and the point about speed of implementation is one that we have made.

- Q80 Wendy Chamberlain:** Clearly, we need to be engaging with the Scottish Government and with COSLA, because the delivery will be via local authorities, so there should potentially be a further bilateral meeting on that.

On energy for businesses, I am conscious from my case load that a number of businesses in my area are extremely concerned, particularly given the fact that the autumn statement said that the overall scale of support will be much lower and that businesses will have to clear a high bar. I have one business in particular—I have actually written to the Treasury on this—that is keen to be part of the review and to demonstrate what it is doing to reduce its energy costs and to make the case that it is critical that it continues to receive Government support. Is the review engaging with Scottish businesses through yourselves?

John Lamont: Again, if you can send me the details of that business, I will ensure it is flagged to the relevant Minister and to the team of civil servants looking at this.

An important point to make is that the way we deal with these rising costs is by tackling the reasons why inflation is racing away. A large part of the reason why inflation is so high is because of the price of energy, and the



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price of energy is so high because of the illegal war in Ukraine. Hopefully that will come to a conclusion, but there are other measures that the UK Government have taken, such as the energy price guarantee, which will hopefully result in inflation falling back. Similarly, the Bank of England has a focus on inflation, so by tackling the causes of inflation, we will hopefully alleviate the pressures these businesses are facing from their bills rising.

This Government have demonstrated time and again that they are able to take necessary action to support households and businesses through this cost of living crisis. They will continue to do so, and it is right that we keep the whole situation under review so that action is taken at the appropriate time and when it is most needed.

Q81 Wendy Chamberlain: I am just concerned that businesses are going to be making decisions post April, and if they do not have clarity of support, it is difficult.

Mr Jack: I endorse everything John said. You are quite right about the representation coming from businesses right across the United Kingdom. Following a meeting with, I suppose, a business area close to all our hearts—Scottish bakers—I made representations to the powers that be. Their work is energy heavy and there are many businesses like that. They are creating just-in-time food and delivering it to retailers. There is a whole supply chain that is critical, but right at the top they have high energy costs. We acknowledge that and know that those are the sorts of real-life experiences of businesses that we need to be feeding in, so that the Government understand the challenges they face.

Laurence Rockey: One small footnote, which goes back to my Queen Elizabeth House point, is that there are Treasury colleagues based in QEH, so we have Treasury officials in Scotland on the ground talking to businesses and stakeholders to make sure their views are heard.

Wendy Chamberlain: I am sure Mr Lamont will make sure my letter goes in then.

John Lamont: Can I make one additional point about Queen Elizabeth House? I should have responded to Ms Brock when she raised this, but she has now left. I am holding a series of engagement sessions with MSPs and MPs of all parties. It might be useful if Ms Brock is able to attend one of those sessions. I have reached out to the SNP, Labour, Liberal Democrats and Scottish Conservatives and the one grouping I have not had a positive response from about coming to Queen Elizabeth House and seeing how the UK Government works in practice is the SNP. I encourage your SNP colleagues to engage with this, Chair, so that you can see at first hand what the UK Government are doing in Edinburgh.

Chair: Definitely. We will be rushing over each other to make sure we have an appointment with you at Queen Elizabeth House.

Q82 Sally-Ann Hart: My questions will be about how the Retained EU Law (Revocation and Reform) Bill fits in with the devolved nations—Scotland, in this case. What processes are the UK Government putting in place



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centrally to ensure that Departments engage in a timely fashion with the Scottish Government on planned changes to retained EU law that affect the Scottish Government?

Mr Jack: We have been proactively engaging with all the devolved Governments at ministerial and official level. We have been engaging on both the progress of the Bill and what we are reviewing within the retained EU law. There are regular meetings and there is plenty of support for the devolved Administrations on this. It is a very big and complex subject.

We have also been working to identify which of the retained EU laws are devolved and which are reserved, because we respect the ability of the devolved Administrations to make decisions in the areas that are devolved. Basically, as we go forward, our desire is to keep them closely involved.

Q83 **Sally-Ann Hart:** Do you have a rough estimate as to how much of the retained law is applicable just to Scotland and how much to the UK—

Mr Jack: No.

Sally-Ann Hart: You cannot give a rough estimate?

Mr Jack: I would not want to do that, because the assessment is still ongoing. It is huge—we are talking about literally thousands of laws being assessed—so the assessment is still under way. The retained EU law catalogue is available, though, and we update it regularly. Basically, the retained EU law catalogue is on gov.uk, and it is updated quarterly.

Q84 **Sally-Ann Hart:** If members of the public want to look at that, they can do so and, when it is updated, they can see which laws apply to just Scotland and those that apply to the UK.

Mr Jack: They will see it updated regularly. It is due to be updated again shortly. Yes, they can see which are in the reserved areas and which in the devolved, and indeed where there is some overlap—there is overlap in some areas.

Q85 **Sally-Ann Hart:** Where there is overlap, there will have to be agreement. If there is overlap, is that a decision that the UK Government will take by themselves? Or will they work with the Scottish Government to come to an agreement?

Mr Jack: We will come to an agreement. We have a mechanism under the UK internal market legislation of common frameworks. We will come to an agreement, based on the common frameworks, on where there is overlap. There is also a dispute mechanism in the intergovernmental relations structure. If we cannot agree something under common frameworks, there is a dispute mechanism to resolve things, but hopefully we will not get to that.

Q86 **Sally-Ann Hart:** Looking at the dispute mechanism, do you envisage anything? What circumstances might that have to be used in? In any particular area, do you have—



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Mr Jack: No, we have not come up with one yet, and we are hoping not to come up with one. We are hoping that the frameworks deal with everything. We are, as I say, respectful of the areas that are devolved. We are offering, in the Bill, to act in areas where we agree across the United Kingdom so that the devolved Administrations and Parliaments are not clogged up with unnecessary legislation. As a UK Government, where there is agreement and consensus on an area that is devolved but where we have all agreed to do the same thing, we will need to legislate only once—that piece of legislation would be UK-wide, with the agreement of the devolved Administrations. That should cut down on unnecessary bureaucracy and on clogging up their parliamentary time.

Q87 Sally-Ann Hart: Have you found the Scottish Government keen to come to the table to discuss such areas of overlap and devolved regulation?

Mr Jack: Yes. There has been a lot of engagement at official level, and that continues. We are working to quite a tight timeframe. We are recognising what we can achieve and what benefits there can be for businesses and consumers. We are focusing everything on a case-by-case basis. I genuinely think we are making good progress.

Q88 Sally-Ann Hart: If the UK Government extend the sunset of the legislation beyond 2023, will they take the decision in their own right for the whole of the regulations, or will they work with the Scottish Government on sunset in regulation that applies to devolved powers only?

Mr Jack: Is your question, is it for the UK Government—

Q89 Sally-Ann Hart: Will the Scottish Government be involved in any decision to sunset the legislation beyond 2023?

Mr Jack: Yes, we are having discussions with the Scottish Government on the areas where it would be helpful to extend the sunset date of 2023. It is a matter for the UK Government to make that decision. I do not think there is going to be any difficulty with it. The reason we have kept it a UK Government decision, which may be a legitimate question, is because there are these grey areas that are, under certain legislation, part reserved and part devolved. Rather than getting into a muddle—which, as I said earlier, would be a problem for businesses and consumers—it is better that we move forward as one United Kingdom in one internal market.

Laurence may agree or disagree with me, but I go back to this: it is operating at official level, and we are not coming up with any great challenges at the moment. I do not think that we will, to be honest. It is pretty straightforward what is reserved and what is devolved; it is just about how, where is an overlap, we work together. I do not think that any of us are out to make this difficult.

Q90 Mhairi Black: Following on from the questions that Sally-Ann Hart asked, I agree that we should have an ethos about working together, and should try our best to do that, but let me quote part of section 28 of the



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Scotland Act. I am sure that I have quoted it to you before in one of our question sessions. After it lays out the powers that Scotland has, it says: "This section does not affect the power of the Parliament of the United Kingdom to make laws for Scotland...But it is recognised that the Parliament of the United Kingdom will not normally legislate with regard to devolved matters without the consent of the Scottish Parliament." Why have this Government been happy to do so?

Mr Jack: "Not normally" is the Sewel convention—you are quite right—and we would not normally. At the time that was written, which I think was 1998, no one anticipated that we would leave the European Union, so we are in a "not normal" situation inasmuch as we have left the European Union and we have to sunset some of the EU legislation for the UK internal market. Therefore, we are in "not normal" situations. That is the reason for it.

Q91 **Mhairi Black:** Can you see why, from the outside looking in, that would look like no matter how much you engage with the devolved Administrations, ultimately where there is disagreement the UK Government are going to do what they are going to do, regardless of what the devolved Administrations say?

Mr Jack: No, I don't see it that way. First, I think that the public couldn't care less: they just want everything to work smoothly across the United Kingdom, which is what we are trying to achieve. I have to say, it is what the Scottish Government are working with us to achieve. I go back to what I said earlier regarding any form of difficulties or uncertainty for businesses or consumers: we are trying to make sure that that does not happen. So far, everyone is moving nicely in the right direction.

With regard to the "not normal" piece, that would require moving forward without an LCM on something. It would have to be something quite serious that was causing the UK internal market not to work for that to be the case, but the UK internal market is a derivative of leaving the European Union. It is important that we make it work.

As I say, we have frameworks to help us to get around these problems. For instance, it is not part of our retained EU legislation but there are things that the Scottish Government are doing within their devolved powers at a different rate from what the UK Government are doing—around deposit return schemes for bottles and so on. What we have to do is recognise that.

Then, within the framework, we try to come to an area where we get the labelling right and it works for people who have plants producing stuff in Newcastle or Glasgow—the same businesses producing the same products. We want to work together to get the labelling right, and so on. If the scheme is introduced at a slightly different time, so be it. We can work within that.

We are not here to stop things happening; we are here to enable things to happen, being respectful of the devolved settlement, but within a framework where we all end up getting to a sensible place, so these sorts



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of schemes work and if you buy something in Cardiff and want to return it in Edinburgh, you can return it in Edinburgh, and the labels all work and everything matches up. That is what we want to happen. We are just trying to make things happen seamlessly and smoothly.

- Q92 **Mhairi Black:** Would you guarantee, then, that if in the future there was an instance of disagreement between the two Governments, it will go ahead only if both parties agree?

Mr Jack: No, I wouldn't guarantee that, because I cannot anticipate every scenario. Ultimately, the UK Government will take the decisions that we believe are right for businesses and consumers.

- Q93 **Mhairi Black:** And that technically could be despite what the Scottish Government think?

Mr Jack: I think you have heard from me a real air of consensus and wanting to work together. These decisions are being taken to help businesses and consumers. The Scottish Government are also in that frame of mind, and we are proceeding on that basis, respecting the devolved settlement.

- Q94 **Douglas Ross:** Following up on Mhairi Black's point, is it also not the case that the Scottish Government have stated quite clearly that they will refuse an LCM for any Brexit-related legislation? Therefore, no matter how positive or supportive the UK Government try to be in engaging, they have taken this political view to refuse them point blank, without hearing the arguments. In fact, we may get the consensus and the two Governments working better together if the SNP Government look again at their position on LCMs for Brexit-related legislation.

Mr Jack: That is absolutely true. The greatest sadness of that—this was the case when the Scottish National party had MEPs in the European Parliament, and it is certainly the case now—is that they haven't ever seen a trade deal that they liked. They have either abstained or voted against every trade deal ever brought forward. That was the case in the European Parliament, and it remains the case in Westminster.

You can argue, if you want to, that we are doing some of these trade deals, like CPTPP, which we could not do if we were in the European Union. It is of huge benefit to us that we can do it. It is going to have, I think, enormous benefits for Scottish food and drink, but we will proceed with that trade agreement without the agreement of the Scottish Government because, as I say, they have never seen a trade deal that they liked.

- Q95 **Chair:** We have just about kept to the half-past 4 agreement that we had with you, Secretary of State. Just one last thing: you have been to this Committee five times. We would obviously like to continue to see you here with us. Maybe you could take this opportunity to put aside the scurrilous rumours that you are going to be joining Lord Offord in the House of Lords. Here's your chance.



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Mr Jack: I would not want to comment on speculation, but I think that I can safely say that no one in any official capacity has written me a letter offering me a seat in the House of Lords.

Chair: That is reassuring to this Committee.

Mr Jack: It is also reassuring to the people of Dumfries and Galloway that we will not be having a by-election.

Chair: On that note, thank you ever so much for your attendance today. We look forward to your next appearance as the Member of Parliament for Dumfries and Galloway.

Mr Jack: You can rest assured.