



Common Frameworks Scrutiny Committee

Corrected oral evidence: Post-Brexit Common Frameworks

Tuesday 15 June 2021

10.30 am

Watch the meeting

Members present: Baroness Andrews (The Chair); Lord Bruce of Bennachie; Lord Caine; Baroness Crawley; Lord Foulkes of Cumnock; Lord Garnier; Lord Hope of Craighead; Lord McInnes of Kilwinning; Lord Murphy of Torfaen; Baroness Randerson; Baroness Redfern; Baroness Ritchie of Downpatrick; Lord Thomas of Cwmgiedd.

Evidence Session No. 11

Virtual Proceeding

Questions 126 - 138

Witnesses

I: Iain Stewart MP, Parliamentary Under-Secretary of State, Office of the Secretary of State for Scotland; David Davies MP, Parliamentary Under-Secretary of State, Office of the Secretary of State for Wales; Robin Walker MP, Minister of State, Northern Ireland Office.

Examination of witnesses

Iain Stewart MP, David Davies MP and Robin Walker MP.

Q126 **The Chair:** Good morning, colleagues. It is a great pleasure to see you again at the 11th oral evidence session of the Common Frameworks Scrutiny Committee. I am absolutely delighted this morning that we have been able to secure the three territorial Ministers across the UK to discuss Common Frameworks with us in the context of the union. We are very pleased to meet you. Please introduce yourselves to the committee before I make my own introduction.

Robin Walker MP: I am the Minister of State at the Northern Ireland Office.

Iain Stewart MP: I am Parliamentary Under-Secretary of State for Scotland.

David Davies MP: Good morning. Bore da. Parliamentary Under-Secretary of State in the Wales Office.

Q127 **The Chair:** Bore da, David. It is good to see you. Thank you. It is lovely to have you. I will not alarm you by saying that this is a meeting that we have looked forward to for some time, but in fact it is because our committee is made up of members across the UK and we have very distinguished ex-Secretaries of State and many people who know the territories in the UK very well indeed. This has meant that our work of scrutinising the emergence of the Common Frameworks is formed very much by experience.

I am sure you know the work we have done so far. We have produced our first report and we have interrogated quite a lot of summaries, although the timetable has slipped, so we are at the mercy of departmental processes much of the time. We have been looking particularly at the management of divergence, the processes, the engagement that people are having with stakeholders, and how robust the frameworks are for the job they were intended to do, and we made recommendations for improvement.

It was not coincidental that we called our first report *Building a cooperative Union*, because the state of the union has been an issue which other witnesses have referred to quite often in not very complimentary terms, particularly in anticipation of the internal market. We in the committee spent a great deal of the last session discussing the impact of the internal market on the credibility as well as the deliverability of the frameworks. Lord Hope, one of our distinguished members, made a significant contribution to managing that whole process in a better way.

We have got to know the devolved nations during all this. We have spoken to committee chairs and to the territorial Ministers responsible in the four nations. It has been an incredibly positive and very enjoyable process, which leads us to think that frameworks really do have a unique and very novel opportunity to help build this productive union as they go

forward.

This morning is an important opportunity for us to hear directly from you about how you see your role—forgive me if this sounds like a banal question—in contributing to that productive union, particularly in facilitating relationships, and what connection you have had with those whose job it is to make a Common Framework visible, practicable and workable, and to get your perception of that process for a productive union.

If you will forgive me, I will start with a very basic question. What specific contribution—indeed, what value—do you think that you, as territorial Ministers, make to a positive and productive union, and how do you do that? I will start with Iain and then David and conclude with Robin on this question. Thank you very much.

Iain Stewart MP: Thank you very much, and thank you for inviting the three of us today to give evidence to your committee. We are grateful for the work that you are doing to tease, probe and check how robust these arrangements are.

Devolution is an evolving process. From the outset, it has never been a set-in-stone arrangement that has never changed. From Scotland's perspective, we have had the follow-up Acts to the original Scotland Act back in 1998—most recently with the 2016 Act, which extended quite considerably the powers of devolution. Added to that we have had the changing landscape with Brexit and most recently with Covid, which all gave us an opportunity to look at how these relationships work.

I think that the three territorial offices play a crucial role in looking at the machinery of government, from looking at very specific detailed policy implementation and decision-making up to the bigger strategic questions. Often our role is being the conduit for the views of stakeholders in the three devolved nations shaping policy and making sure that it is fit for purpose.

One very recent, small example—I say “small” in the sense that it is not insignificant, but it is not a major policy issue—is the Government's trialling of the new emergency alert text message system. That is a very good example, because while in many respects it will be a UK Government decision on whether to activate it, the emergency services by and large are devolved. You may have an incident that is wholly within Scotland, Wales or Northern Ireland. You may have one that straddles a border or is UK-wide. We have discussed in various inter-ministerial meetings in UKG and with the devolved administrations how those lines of communication and machinery would work. I just cite that as one live example of where we work very collegiately with the devolved administrations.

More generally, it is about making sure that Scotland's interests and those of the other devolved nations are heard in the formulation of policy so that we can influence that, but equally it is about making sure that what the UK Government are doing as a whole is relevant to the devolved

nations. It is very much a two-way process and we are the critical part in that relationship.

David Davies MP: I echo what my colleague has said and add that I think we are a useful interlocuter between the UK Government and the Welsh Government. The Secretary of State and I have been involved in numerous stakeholder meetings with all kinds of industry, from automotive to agriculture, of course, and various others. We have had numerous meetings, too numerous to count, and the result of those meetings are all fed back to the officials who are drawing up the Common Frameworks.

We always take part in the Defra IMGs. Again, either I or the Secretary of State is there with Ministers from the Wales Government. Of course, we have frequent and regular formal conversations with officials. We have also developed good relationships with some Wales Ministers and are able to chat to them as and when about anything that may be of concern. All of that gets fed back into the system to ensure that the Common Frameworks reflect what is needed in Wales.

The Chair: Thank you very much, David. Of course you are dealing with a different political situation in Wales, post-election.

David Davies MP: Yes, and that does give rise to friction occasionally, but sometimes I read things in the *Western Mail* that do not seem to be reflective of the relationships that I have had. I used, for example, to deal very closely with Ken Skates when he was the Economic Minister in the Wales Government, and I do not mind putting on record that I thought he was a very good Minister and very easy to work with. I am looking forward to developing exactly the same kind of relationship with Vaughan Gething.

I know that you are concentrating mainly on Common Frameworks here, and I understand that, but we also have growth deals going on in Wales at the moment. That kind of forces us, if that is not too strong a word to use, to co-operate with each other, and I welcome that. I welcome the fact that I have to get on and have a good relationship with the Economic Minister in the Wales Government to ensure that those growth deals are a success, which is what we all want.

The Chair: Absolutely right. Thank you very much indeed. Robin?

Robin Walker MP: I do not have a huge amount to add to what my colleagues have already said, except that I think that, with the machinery and how we interact with the Common Frameworks, our role is largely facilitative; we are there to support the conversations, to help to move things forward. As some of your colleagues on the committee will recognise, dealing with a five-party coalition in the Executive is always a little bit different to dealing with a single party government in the other two devolved administrations, but it also provides real opportunities to develop close relationships with the individual Ministers, to support them in their portfolio priorities. David gave the example of the growth and city

deals, which have been a really good example of where we have been able to work together.

On added value and your question about how we can support a productive union, I hope we can build on that through the levelling-up fund and the CRF, the community renewal fund, by working with colleagues in the devolved administrations—this will be of interest particularly to Baroness Ritchie’s party colleague in the DfI in Northern Ireland—but also with local government. There is a real opportunity there for us to add value working alongside the devolved Government but also being able to directly support local government with some of their aspirations. Certainly in the meetings that I have had in Northern Ireland there has been a real appetite from local government to engage with that agenda and to see things moving forward.

Another area where we can add value is that the Northern Ireland Office clearly has a responsibility to recognise some of the unique circumstances of Northern Ireland. The new deal for Northern Ireland gives us a real opportunity as a department to add some value and address those unique circumstances—including, of course, meeting some of the challenges of the protocol but also looking at other areas such as integrated education and the skills agenda and seeing how we can support the objectives of the devolved administration in those areas.

The Chair: Thank you, Robin. Those are three very different sets of circumstances around the UK in some ways, which means that the common language and the common approaches are very important where they can be maintained. There are questions that my colleagues want to ask, and we will start with Lord Murphy and Lady Randerson.

Q128 Lord Murphy of Torfaen: A very warm welcome to all three of you. I can tell David that the sun is shining on Cwmbran, including his constituency, this morning.

It is interesting that we have you all together representing the territorial departments, and you will probably know from your reading as much as anything else that the London commentariat has been trying to abolish all three for the last quarter of a century. They have failed, of course. There was an attempt, in which I was involved at one stage, to merge some of the territorial offices. That was a failure too, frankly, and I am delighted that we still have territorial departments, particularly in these very difficult times.

To what extent are the voices of territorial offices given sufficient prominence in government, and what is the current process for incorporating the voices of the offices into United Kingdom-wide governance? My experience was up and down on that, to be honest. Some government departments in Whitehall frankly never got used to the idea of devolution and it was always an uphill struggle. Others were brilliant. I do not particularly want you to identify departments, but I would be very grateful if you could give the committee some idea as to whether you think that the territorial offices are as weighty as they

should be in Whitehall, particularly in these difficult days. Perhaps David could start.

David Davies MP: Thank you very much indeed, Lord Murphy, or Paul. I am not sure how formal we need to be on these.

Lord Murphy of Torfaen: Informal.

David Davies MP: I am very glad that you were successful in your campaign to keep the territorial offices separate. I think that is vital. Occasionally I see things in reports that suggest that there are moves afoot to probe that, and I would be resistant to the idea of any kind of merger. We all have separate issues and separate challenges, and we understand our own challenges, but I certainly would not pretend to be an expert in, for example, Northern Ireland politics, which are very different from Welsh politics. That is the first thing. Separation is important.

The second part of your question was about how other government departments respond to devolution. To be fair, you are trying to draw me out a bit, but you said that it was up and down. I would say that it is perhaps going further up than down, but there are some departments that I think might welcome a greater awareness of the implications of devolution. I think we are getting there, but we are perhaps not 100% there yet.

On how weighty we are, I think that Simon Hart has a very strong voice around the Cabinet table. There are some successes that we can chalk up in Wales. The GCRE project, which is very important for Powys and the Neath Port Talbot area, came about because Simon Hart had numerous meetings with BEIS, Treasury officials and others to make sure that it happened and that the UK Government invested in it. Another simple example was when the vaccine was being rolled out across the United Kingdom. There were initially some problems in Wales, and I know that my colleague Simon Hart made quite certain and signed off the order for the Army and the RAF to be involved in helping out with that.

We can demonstrate that, when we get a specific problem in Wales, having a Secretary of State and a territorial office there means that we can move quickly to try to ensure that the machinery of the UK Government gets behind and resolves whatever problem we are facing in Wales.

Iain Stewart MP: To add to what David has said, I would argue that the Secretary of State for Scotland and his team have a strong role in the shaping of policy and working with other departments. That works in two ways. You and your colleagues may wish to touch on this in greater detail later, but we have the Union Strategy Committee and the Union Policy Implementation Committee right at the heart of government, with the Prime Minister and the Chancellor of the Duchy of Lancaster. The three territorial office Secretaries of State are obviously a critical part of that.

It also works on an individual policy basis. An example of where this office was able to influence overall policy was the seasonal agricultural workers scheme, which had the twin challenges of our exit from the EU and the Covid situation. The initial quantum of visas that the Home Office was looking at was, from memory, 20,000. We had strong representations from the NFUS and other sector bodies saying, "That's not going to be enough", so we were successfully able to increase that level to 30,000, which was the ask of the NFUS and others. That is just another recent example of where the territorial offices can have a direct influence in changing some of the detail of UK Government policy.

Another example is the city region deals and growth deals programme, which we have already touched on. It began partly as a response to the Covid challenges, and with the quantum and the timescales for some of these deals there was a request to accelerate them. We took that direct to the Treasury, and it was in the Autumn Statement last year and this year's Budget. Across the three offices there will be plenty of recent and good examples of where we are able to influence those specific policies, but that sits under the general structure of the Union Strategy and the Implementation Committees.

Lord Murphy of Torfaen: Iain, thank you very much. Robin, I should have touched on whether you are happy that the territorial departments are given sufficient places on Cabinet committees and sub-committees as well.

Robin Walker MP: Yes, and that gets to the nub of the issue, because it is the representation at Cabinet level and in committees that gives the territorial departments our clout. We do not have the same spending power as many other departments in government, but we have the ability to influence policy in a way that is quite profound, and you have heard some examples of that already.

From my experience of having sat in both the Scotland Office and the Northern Ireland Office—I am sure you will recognise this as well—I can say that being in more than one territorial office gives the understanding that combining the territorial offices simply would not work. It is all about the expertise and the unique contact each of them has and the reflection on the unique circumstances they are facing in the individual territories that they bring to the Cabinet table and the discussion within government. It is that experience, having sat in two of them, that has certainly convinced me that you need to keep separate territorial offices, with separate territorial Secretaries of State to feed into that process in government.

An area where there is an intersection of devolved and reserved policy and a very important necessity to work together is transport. We have all been feeding into the Union Connectivity Review. As Territorial Offices, I think we can put a degree of influence into that process on things that benefit the whole of the United Kingdom, but each of the constituent parts that we represent in particular. For instance, perhaps the SNP Government would not have the same emphasis on reinforcing

connectivity between Scotland and Northern Ireland as UK Government Ministers representing the Northern Ireland Office and the Office for the Secretary of State for Scotland would.

Looking at connectivity in that respect and the importance of it, and looking at the connectivity between Wales and Northern Ireland, is another aspect that we have a real interest in. You will have seen in the first report of the Union Connectivity Review that the idea of a direct link between Wales and Northern Ireland is looked at for the first time in many decades. That is potentially an exciting area of policy where we could go further. We can certainly add value in some of these areas. On your question about Cabinet committees, I think Iain is right to draw attention to the central position of the UPI as a Cabinet committee that looks at overriding union issues and shows how we can take forward policy in those areas.

The other interesting aspect of this is the extent to which the Prime Minister takes a direct interest in union policy. I think it is his support for our Secretaries of State around the Cabinet table that gives them a lot of the clout that they have.

Lord Murphy of Torfaen: Robin, thank you very much indeed. Indeed, I thank all three for excellent answers.

Q129 **Baroness Randerson:** It is really good to see the three of you again, particularly David. I want to take up what Robin has said about the ill-conceived idea of combining the three offices, which always strikes me as coming from people who do not understand the differences between the three. Having worked in the Wales Office and the Northern Ireland Office, I know that your roles involve a lot of hard work behind the scenes, comparatively little public visibility and very few resources, although I always like to think we punched above our weight.

How do you see the balance of your role working out in representing, on the one hand, your respective nation to the UK Government, versus representing the UK Government in your respective nation? How do you view the importance of your role in frankly informing other UK Ministers—reference has just been made to the Prime Minister’s particular interest, but that may not be the case across the board—of the scope and the sensitivities of devolved powers in politics and particularly on the differences between the three. Maybe we could start with Robin this time.

Robin Walker MP: It is a spot-on question. The honest answer is that it has to work both ways. We have to represent the UK Government and explain aspects of policy—for instance, when there is a new fund such as the levelling-up fund going out, and talking to stakeholders across Northern Ireland in that respect—but also feeding in the key interests, concerns and political differences of the territories in which we are working.

I would certainly observe that, in Northern Ireland, it is often about reminding colleagues of the added complexity of a power-sharing Executive, the fact that we have different parties working together from

very different perspectives to achieve a set of shared goals. Clearly we are at an interesting moment in that respect, and we all want to see the Executive up and running again as soon as possible now.

I find that colleagues are sensitive to those issues, but they are not always at the front of mind. Our job sometimes in the meetings is to put them at the front of mind when we are addressing a particular issue that might rub up against them. I think that is where having the individual territorial offices represented in crucial meetings to talk about these issues is so important. We need to represent those interests.

In areas where there is significant devolved policy, such as agriculture, devolved Ministers are in the room helping to take decisions as part of the collective process, but in other areas where policy is primarily reserved they are not. We need to be able to feed in on that.

I also think that we can sometimes add value even in those devolved areas. When it comes to health, for instance—David made the point about a MACA request—clearly the UK territorial offices play an important role in that, and reinforcing the position of the devolved Governments in any request for assistance on that front is an important part of our job.

It is absolutely a balance of both. The territorial offices have limited resources, as you say, but we have some really very good officials with a lot of experience who are able to put influence in both directions. That is crucial to making union policy work.

Iain Stewart MP: I absolutely concur with that. It is a two-way process, and in influencing UK Government policy it is often about making sure that the circumstances are recognised and included in the details. We are, for example, currently looking at the mutual recognition of professional qualifications. Obviously, Scotland has a separate legal system and separate legal qualifications, so it is just about making sure that when that legislation is drafted it properly encapsulates the different realities in each part of the kingdom.

In the other direction, I think we have a very important role in making sure that the breadth and depth of UK Government resources are available in the devolved nations. For example, in Edinburgh we are establishing a new UK Government headquarters that is not just a lovely new office for the Secretary of State for having meetings in Edinburgh; it will have many government departments and agencies there, such as the DIT export hub. That will have a very clear remit to engage more with Scottish exporters or those who are seeking overseas investment, particularly in the context of any new trade deals that come about. There will be the weight, the depth of experience and the knowledge of DIT officials around the world to help companies navigate the export markets and scale up or start exporting altogether.

We have a clear role to make sure that every government department is doing everything it can to engage with individual sectors of the Scottish economy and society.

David Davies MP: Lady Randerson, I think we have all been on quite a long journey since you and I were elected in 1999 to the Welsh Assembly. It has come quite a long way since then.

I cannot add much to what has been said by my colleagues on the first part of your question, except that I also think an important part of the role is in developing personal relationships within the nations of the United Kingdom. Simon Hart and I spend a lot of time talking not just to Welsh Government Ministers but to local authority leaders and to all those who are involved in the growth deals. It is time consuming but very rewarding. I think it would be asking a lot to expect anyone to try to develop those sorts of close relationships with people across the whole of the United Kingdom effectively, or Northern Ireland, Scotland and Wales, with all the different problems and challenges that exist there.

On the other part of your question about the balance of the role, I think the question slightly presupposes that one week the UK Government want to do something in Wales and we will go off and sort that out and think to ourselves, "It's the turn of Wales to get a point across in the United Kingdom". Of course, the reality is that I do not really see it in that way at all. I do not look for a balance or think about it. Sometimes the UK Government will want to develop a Common Framework, which means discussions with the Welsh Government. At other times the Welsh Government may want support for something—for example, for GCRE, which I mentioned earlier on, which came through. But a lot of the time I like to think that what is in the best interests of Wales is also in the best interests of the United Kingdom Government. There does not have to be a conflict about this. We saw in the recent election that the vast majority of people voted for parties that support the union in one form or another. It is my role and that of Simon Hart to ensure that the union remains strong and positive for the UK and for Wales.

Baroness Randerson: Thank you ever so much, Ministers, for excellent responses. I think you have revealed the complexity of the situation that is not always appreciated. On David Davies's final point, the conflict is often perceived rather than real, and I think you would agree that your roles relate to making sure that it is ironed out where possible. Thank you very much.

Q130 **Lord Bruce of Bennachie:** Thank you all very much for coming in and giving us your view. I think we are hearing some quite interesting developments, to be honest, in how the UK Government are thinking.

I have two questions, one general politics question and one very specific question. First, how do the views of the respective Administrations that you represent in your Territorial Offices reflect in your input into the UK Government? As David has said, you have a Welsh unionist Government, in effect, you have a Northern Ireland Government who by definition are divided, and a Scottish Government who are pro-independence, anti-union, although Scotland is split.

Disregarding your job promoting the union, how do you honestly and

genuinely represent those distinctive views in ways that enable the UK Government to avoid making mistakes, if I can put it that way, and possibly take on board, regardless of the politics, the validity? We have just had the concern of the Scottish farmers over the Australia deal, and we had Jeremy Miles, when he was Counsel General and the European Minister in Wales, say that transition was turbulent. We had Mike Russell saying that relations were poor and getting poorer. I know they have moved on, but that was a legacy.

Secondly, to what extent have your offices been consulted about the development of Common Frameworks? Have they been consulted? Chloe Smith said basically that Common Frameworks for the UK Government were really a matter for each individual department relating to the territorial Administrations. I think that we as a committee feel there should surely be a role for the territorial offices. To what extent are you involved, or feel that you should be involved more? There are two questions there. I will start with David.

David Davies MP: We have a supporting role on the Common Frameworks, and I think it has to be, because, with all due respect, it is a Common Framework common to the whole of the United Kingdom. Therefore, one could not have a situation where one Territorial Office had some sort of undue say over it, given that they will have to apply a Common Framework to the whole of England as well as Scotland, Wales and Northern Ireland.

We have a very important supporting role in engagement with stakeholders. I have been involved in many of those meetings with many different types of industry across Wales—agriculture, automotive and aerospace spring to mind—and, I am sure, others. Those meetings are fully recorded, and the concerns raised are fed back to officials who feed them back in to ensure that the relevant government department is well aware of them before Common Framework rules are drawn up.

Forgive me, but I think the second part of your question is about the views of the respective Administration informing input.

Lord Bruce of Bennachie: Wales, for example, has expressed some concern about lack of inclusion and lack of consultation, as has Scotland. To what extent do you feel that you have a responsibility to communicate?

David Davies MP: I have a massive responsibility to communicate, but there has to be respect for the devolution settlement on all sides. I am quite confident, and I am sure that I, Simon Hart and my colleagues respect fully that the Welsh Government have devolved responsibilities for health, education, transport and numerous other things.

You mentioned specifically Jeremy Miles as a European Minister. I do not want to be overly controversial here, but I want to make a little point. We absolutely respect the devolution settlement and the right of devolved administrations to legislate within devolved areas. I hope and think in general, but I would like to be certain, that the devolved administrations

recognise that we have a UK Government, and that within the reserved space, which includes foreign policy, Europe and international trade, it is also important that there is mutual respect for the fact that we have a UK Government who have full responsibility in those areas.

Am I saying that that does not always happen? I have to say that there have been times when I have wondered whether that commitment by a devolved administration towards reserved powers is quite as strong as I would like it to be. I do not want to go any further than that, but I think we need to have mutual respect on all sides for both sides of the settlement.

Lord Bruce of Bennachie: Iain, on that, there has been expressed concern about the United Kingdom Internal Market Act and the trade deals and the extent to which the devolved administrations and the Scottish Government in particular can have any input into that. What is your feeling about that?

Iain Stewart MP: I will come to that in a minute, but just to pick up on the substantive point you were making, I think we have to be careful about what we are looking at. One part of it is how we reflect the wishes of the devolved governments in the implementation of policy and, secondly, what their aspirations are to go further.

Let me take welfare powers, for example. Under the 2016 Scotland Act, a substantial number of welfare powers were devolved. We are still in the process of implementing those. It is necessarily a lengthy and complex process, and both Governments are clear that the people who are receiving the welfare support do not see the machinery of government behind it and that their support payments are not interrupted in any way. We are still working through that. I imagine that it will be another couple of years before it is fully devolved, so we are in regular meetings with the Scottish Government Welfare Minister and with DWP to make sure that that process is as smooth as it possibly can be.

The aspiration of the Scottish Government is to go even further and to want all powers on welfare devolved—on universal credit and everything else. That is a much longer-term debate about the balance of tax and spend powers across the UK. At the moment, we are looking specifically at how those powers are implemented daily, and we have a very clear input into the UK Government policy. I think you referenced the internal market.

Lord Bruce of Bennachie: Yes, the Internal Market Act. What all the devolved administrations seem to be saying is that the Internal Market Act and the trade negotiating power could have significant implications on devolved areas, which they do not feel they are able to influence or even are properly consulted about. I do not think that is an unfair summary; some expressed it more extremely than others.

Iain Stewart MP: It is a fair point, and I think that we need to take a couple of steps back and look at why the Internal Market Act was

necessary. When the devolution settlement was put in place, it just was not envisaged that we would not be part of the UK single market. There was potentially a gap there. All three of us had engagement with individual businesses and business groups in our areas, and that was one of the top items on their risk register: that they would not have that single market within the UK.

We want to have the Internal Market Act very much as a safety net, an insurance policy. We want the vast majority of arrangements to be governed by Common Frameworks, and that is a joint decision. The UK Internal Market Act is there so that if there is a gap, some technological advance happens that is not covered by a framework, that protection is there. It is putting in place something that was not envisaged back in the late 1990s when the devolution arrangements were put in place.

Lord Bruce of Bennachie: Robin, I guess that you have the most difficult challenge of all three of you.

Robin Walker MP: As I often say in ministerial meetings, the situation in Northern Ireland is a little bit more complicated. We have talked a lot about ministerial engagement and different ministerial views, and you referred to Mike Russell and Jeremy Miles, both of whom I thoroughly enjoyed serving opposite over a long period of time on JMC(EN)s even before I became a Territorial Office Minister. I had good working relationships with both, although we often had to agree to disagree.

Part of the process between Governments, between UKG and devolved administrations, is recognising that there will be political areas where we disagree, but that we can still make progress on the work behind the scenes. That is enormously supported by the everyday work that goes on between our officials and the officials in the respective devolved administrations. It is important in focusing on these issues and on some of the political dimensions that we do not forget the huge importance of the day-to-day contact that goes on between NIO officials, the people in the Northern Ireland Civil Service, the respective territorial departments and the respective Civil Services in the other devolved administrations. That is enormously important. The IGR report sets out some of the detail of that context, as well as the inter-ministerial meetings that take place.

To David's point, I think it is a very fair one. We do need to make sure that there is respect for devolution and reservation, or what is reserved or retained in Northern Ireland circles respectively. On trade, though, the DIT has put a huge amount of work into coming in and engaging with the devolved administrations and listening to their particular concerns, but also going directly to stakeholders in each area. A couple of weeks ago, I was at Stormont House hosting a round table with our New Zealand trade negotiator and Northern Irish businesses to hear directly from them about some of the opportunities and to raise their concerns; inevitably, concerns were raised on the agricultural front about the trade deal in that respect. All of that has been fed into the process.

We may not completely agree politically with the position of the devolved administrations when it comes to the priority that we give some of these trade negotiations, but there is a proper process for consulting and engaging in them. Particularly on the agricultural front, the very regular drumbeat of meetings that Defra has, which all of us attend with the devolved Ministers, have been very useful in informing their overall positions. So I would not underestimate how important that ongoing discussion within government can be in informing positions around the UK Cabinet table.

On the other issues that we have touched on, such as the city region and growth deals, part of our job is to feed in that these are the priorities for the respective Governments, so these are the areas that would be good to lean into. However, part of it is also to identify added value where the UK in reserved areas can take things further. In Northern Ireland, with the city region deals and growth deals, it is particularly in the innovation space where we have been able to say, "this is a reserved area where we can add some value to these deals, and we can go a little bit further than the devolved administration could on their own".

We constantly have the job of looking at where we can add value, and of course, in reflecting your opening question to me, yes, we do have a more complex situation in Northern Ireland. Part of our job at the Northern Ireland Office is to live up to our principles and our commitment to the Belfast/Good Friday agreement and make sure that we are addressing the concerns of all communities through that.

In that respect, the working relationship with the Northern Ireland Civil Service is absolutely crucial, particularly in the situation we are hopefully in very temporarily now, but when I joined the Northern Ireland Office we were in for a long period of time, where the Executive machinery is not in place and therefore where the Northern Ireland Civil Service has to bear an extra load in that respect.

Lord Bruce of Bennachie: Thank you, all three. Those were very helpful and informative answers. I think that more people in the devolved administrations need to hear them.

The Chair: Thank you very much. Lord Hope and then Lord Thomas will follow up some of those questions.

Q131 **Lord Hope of Craighead:** Thank you very much. I am speaking to you from Edinburgh and my interest is a very specific one. It is really a follow-up to Lord Bruce's discussion about your role regarding the UK Internal Market Act.

I will introduce my particular concern by going back to Iain's point that the devolution legislation in 1998 did not concern itself with an internal market in the UK. The reason for that, of course, is that at that stage we were in the EEC, later the European Union. The point about the Common Frameworks is that they were devised as a system for reproducing within the UK what had been taking place in the EU, and that every single

aspect of the internal market would provide a mechanism by which the devolved administrations, together with the UK, could play their part in building a UK system that provided one very important aspect of the EU system, which was the opportunity of the devolved administrations to diverge.

It is that particular matter that caused great concern in both Wales and Scotland when the Internal Market Bill came in. That Bill as it was worded gave no opportunity to diverge at all, because the market principles simply overrode any differences that might emerge. Eventually, as Baroness Randerson mentioned, I was involved in discussions that led to the amendments to the Bill that now provide that if there is an agreed Common Framework where there is an opportunity to diverge that will be respected.

That is a long introduction to my question, which is directed to Iain first. Is that system understood and, if so, what is your role in helping it to work?

Iain Stewart MP: Thank you, Lord Hope. Your line was a little interrupted. I think I have the gist of your question, but if I do not answer it fully please do come back.

I think the summary you have given is correct. It is not about having absolute uniformity right across the UK to every last degree. Of course the devolved Governments have the powers and the right to have different schemes or regulations but to make sure that they are done in a way that is interoperable. For example, one that will be coming up in the near future: the Scottish Government already have a deposit return scheme for plastic drink containers. The UK Government will be doing the same for England in the near future and having a system whereby the two work in sync with each other will be important. That is the sort of area that can be covered by a Common Framework. It is an understanding and a general basis that gives businesses confidence that they do not have to have four separate labels or composition of products and that they can all work in tandem.

I would also put the point in reverse, that it often protects businesses in Scotland, Wales and Northern Ireland. For example, if the law in England were to change to have a higher standard in something than would be the case elsewhere, that does not preclude businesses in Scotland, Wales or Northern Ireland selling their products into England.

As I said in my answer to Lord Bruce, we hope and certainly want the Common Frameworks to be the norm in governing these relationships. The Internal Market Act is there as the safety net or insurance policy if there was a gap because an agreement had not been reached yet, was still in progress, or there was some new product or service that was not captured by an existing law and the law needed to be updated. As my colleague David Davies said, we are not the lead department in setting the frameworks but we have a very important role in shaping them, working with our colleagues.

I hope that answers your question. Forgive me, the connection was a little crackled so if I have not answered your point fully please do come back.

Lord Hope of Craighead: Thank you very much. I am sorry the connection is not very good. David Davies, could you put in on that too, bearing in mind that the initiative was very much prompted by concerns coming from Wales and they were a great help to me in making my point that resulted in the amendment?

David Davies MP: Thank you very much, Lord Hope. I cannot add much to what my colleague has just said, but I look ahead to a not so hypothetical situation whereby if Wales were able to set different standards to prevent goods coming into Wales from other parts of the United Kingdom because of that, we would have to literally erect a border along Offa's Dyke to prevent goods coming in from other parts of the United Kingdom that did not meet the standards that the Welsh Government had set down. We would see a situation where effectively the devolved nations would have the power of veto potentially over any future trade deal because they would simply be able to say that they were going to set standards to a different level to whatever was envisaged within that deal. I think that would take us very far down a route towards the breakup of the United Kingdom, which is not something I personally would support. It may be the aspiration of others but I think they should come out and make the argument for it, make the argument for hard internal borders within the United Kingdom.

I simply go back to what Iain said just now about the importance of supporting businesses within Wales. We have a big lamb export industry, the farming unions wanted to make sure that we could continue to export to France, for example, which we can. We need to be able to export our agricultural produce across the whole of the United Kingdom and we do not want a situation where one part of the United Kingdom erects some kind of barrier or implements legislation that unfairly on Welsh producers and effectively or absolutely prevents them from exporting their goods there. It is back to what Iain said about certainty.

To me a Common Framework is clearly a reserved matter. It is about setting standards for the whole of the United Kingdom. All parts of the United Kingdom, all businesses, all individuals in the United Kingdom have Members of Parliament who represent them in the Parliament that sets those Common Frameworks. It will not surprise you perhaps to understand that I feel very strongly that the Government are absolutely right to be doing this.

Lord Hope of Craighead: Your answer, with great respect, makes me wonder whether the Common Frameworks system is really understood. It is not about erecting barriers at all. It is about agreeing a common system that in almost every case will be common without any barriers whatsoever, but recognising that there are situations across the UK—take the northern isles of Scotland, for example—where situations arise to make some special arrangement—*[Connection lost.]*

David Davies MP: But, Lord Hope, if—sorry, forgive me.

[Connection resumed.]

Lord Hope of Craighead: I do not think my line is very good. It is really very important that all three of you understood what the Common Frameworks were about and the opportunity to diverge by agreement, which would not be a barrier. It would be an agreed divergence. That is my point.

Robin Walker MP: If I may, Lord Hope, I think that is the crucial point. It is an agreed divergence and it is one that we can agree not to erect barriers to control. Therefore, it allows for what you might describe as unfettered access in the United Kingdom. Of course, the other important part of the UK legislation from our perspective in the Northern Ireland Office was that delivery of unfettered access for Northern Ireland in all circumstances—which I think recognises the unique circumstances of the Protocol where there would inevitably arise a degree of divergence—the moment the UK changes a law or other parts of the UK change a law, but it was crucial to reassure businesses in Northern Ireland that they would not face any internal barriers with their biggest single market in the rest of the United Kingdom.

It is about recognising the point that you have made about the importance of being able to diverge and recognising that because many of these areas touch on devolved responsibilities, the devolved administration would in any case be able to diverge in policy terms, but using Common Frameworks to make sure that we have a clear means of removing any pressure to create barriers between the constituent parts of the United Kingdom.

To come back to Iain's point, I recognise that the different Governments will have different positions on the UKIM legislation, but it provides an insurance policy that says that we will be able to ensure that there is access across the United Kingdom. Common Frameworks are the preferred way forward and I think your amendment and its success reflects that and reflects the importance of those within the system.

Q132 **Lord Thomas of Cwmgiedd:** Could I follow up on Lord Hope's questions about the Common Frameworks and their use to create a stronger union through co-operative good governance? Any constitution operates by its parts working together. There are no watertight compartments. There are two questions I want to ask and I will give you a specific example. How do you see this detailed co-operation in reserved matters, in devolved matters, working? To take a specific example, which is important, on the levelling-up fund, would a Common Framework help there or would the co-operative governance structure that the Government have promised us be the better way? I will start with you, Iain Stewart.

Iain Stewart MP: On the specific point about the levelling-up fund or the related scheme—the community renewal fund, which will lead on to shared prosperity—I think we need to look at the principle underpinning all of those. That is not about central government in London, Edinburgh,

Cardiff or Belfast deciding what money will be spent: "We think this is a good project". It is very much a bottom-up process. Building on the networks and relationships that have been maturing with the city region and growth deals programmes, we are encouraging local authorities, local business groups, academia, civic society, to bring forward the investment projects that they wish to see that can unlock other government investment from the UK Government or devolved administration level.

To give an example, in Scotland one of the schemes that is potentially being considered, which straddles Glasgow and South Lanarkshire, is an area called Clyde Gateway. There was an old steel factory, I think, that contaminated the ground with chromium or other nasties. Potentially a bid into levelling up is to decontaminate that land. The group there can then bid into Scottish Government or other funds for housing regeneration, commercial opportunities and the like. I would not suggest that Common Frameworks are necessarily appropriate regarding the levelling-up funds. I think they are more suited to the regulations on agricultural standards, pesticides, electrical safety, all these consumer and business-to-business relationships.

I think that the levelling-up fund principle is very much real devolution, helping the local areas, either individually or collectively, if they want to band together, to bid into different funds as to how they can see the investments that will help them.

Lord Thomas of Cwmgiedd: In other words, you think that what would be better in making certain that the local government and the devolved administrations and the UK Government work together is the governance structure that the Government have promised for the levelling-up funds?

Iain Stewart MP: Yes, because the initiative comes from that bottom level. This is not a new concept. It is building on the process that is in place with the city region and growth deals. Those are jointly funded by UK and devolved administrations. It does not mean that every single project is funded 50:50. Some will be primarily UK Government, some will be primarily devolved administration, but as a package it is different spheres working quite closely together. I think that has been a very successful development.

It will continue to evolve. No one is saying that absolutely everything is superb and cannot be refined in the future. In fact, the community renewal fund, which is operating this year only, will help shape the success of the shared prosperity fund, which will eventually kick in when the various EU funding schemes come to their natural conclusion.

David Davies MP: I echo what Iain has just said and I absolutely agree that the growth deals offer a very interesting template for how the levelling-up fund may work. First and foremost, we are putting the local authorities into the driving seat here. They are coming forward with projects and putting them to the Welsh Government and UKG at the same time. When I say UKG, it is the Territorial Office. The Minister in the Territorial Office and, up until now, the economic Minister in the Welsh

Government work together to look at those, scrutinise them and get them through as quickly as we possibly can. That is the kind of the template that I could foresee with the levelling-up funds, not least because once again, with those funds, we are putting the local authorities into the driving seat.

The interesting, and not entirely tangential, issue that the committee may want to consider is that in Wales we are bringing local authorities together within the growth-deal regions and setting up a combined joint committee. The combined joint committee will be a very powerful local authority with powers over transport, training and planning as well.

An interesting question is to what extent—in Wales anyway—the Welsh Government will be looking to devolve some of their own powers down to the combined joint committees. These are big areas with big budgets and expertise in delivering big projects. Devolution does not have to be just about powers going from the UK Government down to the Welsh Government, who then hang on to them. Devolution can also mean the Welsh Government fully devolving powers and full responsibility to large administrative structures such as the CJsCs.

Robin Walker MP: I do not have a huge amount to add except to recognise, again, the point I made that Northern Ireland is a little more complicated because there is a different landscape for local government in that respect. You have some of the powers that would be exercised by local government in England or Wales being exercised by the Department for Infrastructure and the Department for Communities within the Executive in Northern Ireland. Therefore, working alongside Executive colleagues is absolutely crucial in areas that will require infrastructure investment or touch on planning issues and the development of land and so on.

You have to have a collaborative approach when it comes to things such as growth deals or the levelling-up fund. I echo Iain's point about the importance of the Community Renewal Fund being a bit of a pilot and the fact that can be used to inform future policy with the UK shared prosperity fund. It is very important. I have spent the last two and half years of my life banging on about how crucial it is that the Territorial Offices have an active role within the UKSPF. This is one of the areas where we can try to shape it by helping to get some input into those through the Levelling-Up Fund and the Community Renewal Fund. I am positive about the opportunity we have here to shape things in a way that respects the devolution landscape but reflects the complexity of the need when it comes to the territories we are working with as well.

The Chair: Time marches on and I am going to ask my colleagues still to ask questions if they could possibly keep their questions shorter. It is a fascinating conversation. I know it is challenging but I am sure you will. Lord Caine and Lady Ritchie will now introduce issues around Northern Ireland.

Q133 **Lord Caine:** My question is exclusively for Robin so Iain and David can

have a bit of a rest. Very quickly before I start, let me echo what has been said before about maintaining the three separate territorial departments. It is absolutely essential and Northern Ireland's issues are so different from those in the other parts of the UK, not least the national security dimension.

Very quickfire questions, Robin, if I can dispense with the formalities. Could you expand a bit on the role that the NIO plays in addressing issues arising out of the implementation of the Protocol? What assessment has been made of the dangers to the economic integrity of the United Kingdom, which the Prime Minister put first and foremost at the weekend, of Northern Ireland remaining aligned with the EU when GB possibly diverges under a Common Framework? Finally, on the first question from Baroness Andrews, do you think there is a role for the Northern Ireland Office to be more proactive in promoting the value of the Union to all the people of Northern Ireland?

Robin Walker MP: I will start with your third question. Yes, and Brandon is very strong on that, respecting our responsibilities with the Belfast/Good Friday agreement and the importance of the principle of consent in that respect. I think we can be proactive in showing the benefits of the Union. We have seen some of that through the recent Covid situation.

On the Protocol, we work very closely with the Cabinet Office and with Lord Frost's team to support the government approach to the Protocol, part of a huge cross-government effort that is going on to address issues that have arisen out of how the Protocol is being implemented at present, bringing in a wide range of departments, while also working closely with other agencies and business. As I think you will recognise from your time at the Northern Ireland Office, we do not always control the outcomes but we do have a huge amount of influence as to how we get there. A huge amount of the work that we are doing is reflecting the concerns of stakeholders, of people on the ground, whether they are businesses, individuals, parts of the community, particularly at the moment some of the concerns that we have heard from the Protestant and loyalist community about their feelings on the Protocol, reflecting those to see how we can get them addressed.

You will recognise that the Protocol is a delicate balance. It was agreed as a unique solution to very complex challenges, aiming to uphold the Belfast/Good Friday agreement in all its aspects and safeguard Northern Ireland's integral place in the United Kingdom, its customs territory and its internal market, while preventing a hard border on the island of Ireland.

Understanding the Northern Ireland context and wider events is absolutely key and that is where the Northern Ireland Office feeds into all the Cabinet work on this and the work being done by Lord Frost and his team. We have to recognise that the Protocol is providing some serious challenges for people and businesses in Northern Ireland, despite huge efforts of businesses and others to make it work; it is having a real-world

impact on lives and livelihoods in Northern Ireland. Our role there is to make sure that those are heard at the highest level and they are acted on.

We also, of course, support engagement with the EU. For instance, when Šefčovič and Michael Gove met businesses and civic society in Northern Ireland we helped to support that. We have recently had the British-Irish Council supporting that alongside our counterparts in the Executive.

One example where we were able to successfully address an issue through UK internal action was the VAT margin scheme and the impact on second-hand cars. That was one where the Northern Ireland Office amplified the voices that we were hearing. A lot of parliamentary colleagues from all parties in Northern Ireland were raising the point that this was a real issue and one that would affect business very directly. We were able to take that up to the highest level and get it addressed by the Treasury for the unilateral scheme.

Of course, the long-term best outcome for all of these things is to achieve agreement with the EU on changes to the Protocol, which will remove the impact of those issues completely. That is an ongoing piece of work, which we feed into rather than directing or running ourselves.

Lord Caine: That is a very helpful answer. Obviously, I could come back but in the interests of time I am happy to hand over to Baroness Ritchie. Thank you.

Q134 **Baroness Ritchie of Downpatrick:** My question is directed to Mr Walker. Robin, we have an opportunity to renew our acquaintance, as I do with other colleagues around the ministerial table, as we were all together at one stage in the Commons.

This question is probably up to date for the current circumstances in Northern Ireland. It is a two-part question. What role do you think intergovernmental relations and Common Frameworks can play in reducing tensions around the Protocol in the future, bearing in mind that there is a lot about the frameworks that still requires approval by the Northern Ireland Executive, and not least those from Defra, that intersect very clearly with the protocol?

The second issue is: how do you envisage working with the Northern Ireland Executive in the future, notwithstanding the current issues? Is it the intention of the Government to bring forward amendments to the Northern Ireland (Ministers, Elections and Petition of Concern) Bill, which is getting its Second Reading in the Commons next Tuesday, on the outstanding commitments in *New Decade, New Approach* that are not yet met, not least those that deal with language that have been getting some airtime over the last few days? Particularly those of us who served constituencies in Northern Ireland, who come from Northern Ireland, do not want to see a breakdown of the Executive role and do not think it should be breaking down because of particular requests from certain parties. The bottom line is: these institutions need to be up and working for the people and these Common Frameworks approved.

Robin Walker MP: Of course, I wholly agree with you when it comes to wanting the Executive up and running as soon as possible. We want things to be in place. You were very active during the period in which the Executive was not in place and some public services in Northern Ireland undoubtedly suffered as a result of that. We do not want to see that situation arise again.

On the first part of your question about the role of IGR and Common Frameworks in reducing any tensions around the Protocol, of course they can play a role but it is fair to say it is a supporting role. I do not think the tensions are a result of anything within the Common Frameworks process or IGR but a result of Protocol implementation and the perception of friction between Northern Ireland and GB—the very real issues that have arisen in that respect, which are affecting businesses in all communities in Northern Ireland and we want to see addressed. We are continuing to press for a sensible, risk-based approach to these issues, taking into account the sensitivities on the ground in Northern Ireland.

The EU has a responsibility to work with us to find solutions and this will not be solved through the Common Frameworks programme alone. It is right that progress with Common Frameworks—and this comes back to Lord Hope's point—can help to address concerns about barriers otherwise arising and arising in other ways. The fundamental commitment that we have made to unfettered access from Northern Ireland into the rest of the UK market is crucial in that respect and I know is something that is appreciated by businesses that we speak to in Northern Ireland.

Regulatory divergence between Great Britain and Northern Ireland is to be expected, partly because of the workings of the Protocol, but I think the commitment to unfettered access already deals with one of the risks of that. The other aspect is clearly looking in the other direction and looking at GB to NI flow and how we can support that. As I say, I think that is a question of pragmatism, for the UK and the EU to work together, and what I think is in everyone's interests: to come up with an approach for the Protocol, which removes some of the concerns that are currently there.

On the second part of your question, yes, of course, we want to do everything we can to support and encourage the reformation, the continuance, of the Executive to make sure that we can see progress on shared commitment in NDNA. Brandon and I are entirely sympathetic to the fact that the language issue was agreed as part of the package. It is a balanced package—it is not all about one language or one identity—and it should be delivered.

Clearly, the agreement there was for the parties to deliver this within the Executive in the Assembly and that is the situation as it stands. We want them to get on and do that and we will continue to press that as hard as we can. The upcoming Bill is specifically about those aspects of the agreement that were in the UK's gift and the UK's commitment to deliver. When it comes to Ministers, elections and petitions of concern, changes to the Northern Ireland Act reflected the cross-party agreement in the

Executive. At Second Reading we will focus on delivering that package and showing progress on this front. There are other aspects of the language package—for instance, some of the funding for television and cultural organisations—that we can support and are happy making progress with. It is important in that respect that the Northern Ireland Office leans into delivering on those commitments.

Fundamentally I come back to the fact that *New Decade, New Approach*, you will recognise, was a very complicated agreement. It was an agreement that involved all the parties and that people signed up to, including the new leader of the DUP, who was one of the key negotiators in that package. We all have a responsibility to move forward and deliver that.

The Chair: Thank you, Margaret, I will have to stop you, I am afraid, we are very short of time. I am so sorry. I will move on Lord Foulkes and Lady Redfern.

Q135 **Lord Foulkes of Cumnock:** Good morning, Ministers. It is great to have the territorial Ministers giving evidence. You will all have read Lord Dunlop's report and the response by the Government. What effect has that had on the work that you are doing?

Iain Stewart MP: We very much welcome the recommendations that Lord Dunlop has made and many of them are in implementation. There are a few areas still to be agreed but, by and large, what is recommended—that reset of cultures—is happening. I note that Lord Dunlop, along with the Chancellor of the Duchy of Lancaster and Sue Gray, the Second Permanent Secretary, gave evidence to the Commons PACAC—it is one of the acronyms I never quite get right. He was very pleased in how his recommendations are being taken forward.

It gives a very good basis on which our working relationships can evolve in the future. I go back to one of my earlier points. We all regard this as an evolutionary process from when your good self was a Minister in the building we are sitting in at the moment. Those relationships have matured and the devolution settlement has evolved over the time. That is a very healthy development.

Lord Foulkes of Cumnock: I thought you were in Dover House.

Iain Stewart MP: Yes.

Lord Foulkes of Cumnock: David, how has it affected your work?

David Davies MP: We have all read the report with interest. There are parts that, as Iain said, we are implementing. There is talk about branding—the importance of UK branding—so that across the Union people are aware of just how much work is going on as a result of the UK Government's programme. I very much welcome that and I want to see things branded: the growth deals need to be branded, so that people understand these are UK Government-funded programmes, jointly in the case of the growth deals, or with the Welsh Government, for example.

The importance of getting civil servants out of London and into the regions is mentioned in the report. That is already happening as well and the Cardiff hub is now open. I have not been yet but my colleague the Secretary of State opened it up and has been there. I look forward to visiting and seeing the further movement of civil servants into Wales and across the rest of the United Kingdom.

There are other parts of the report that I think we need to reflect further on, but basically the big picture there is that Lord Dunlop is addressing the importance of ensuring that the union remains strong and deals with the challenges that devolution can sometimes throw up. I welcome it, yes.

Robin Walker MP: I do not have a huge amount to add to that. It is right that in the institutional recommendations there is the importance of getting other government departments to engage with the devolved administrations, particularly where they may have lost some of that muscle memory in the past. That is an important element and these UK hubs and the place for growth agenda helps satisfy that.

It is fair to say that in Northern Ireland we are playing catch-up slightly in that respect. We do not have the same numbers of senior civil servants from other government departments there. The recent decisions by DIT and MHCLG are very welcome. It is worth bearing in mind that these are not just UK central decisions. There was also a commitment in *New Decade, New Approach* to have more UK government jobs in Northern Ireland. It is delivering on something that was a multi-party deal as well.

From that perspective I think we are all working with the grain of many of Lord Dunlop's recommendations. The Government's response to the Dunlop review reiterated the point that we have all been discussing today about the crucial role for the territorial Secretaries of State. That is where we are all in wholehearted agreement with what we heard from your committee so far. That is a very important role and one that we want to see continue.

Lord Foulkes of Cumnock: Good, thank you.

Q136 **Baroness Redfern:** Thank you all for coming today and giving your views. I am speaking from a sunny North Yorkshire. In his report, Lord Dunlop commented that there was a need to pursue a positive agenda and identified issues of common interest to work on collaboratively. What are your views on the progress made with the ongoing review into intergovernmental relations? Also, what do you see as the role for the Territorial Offices in the future, particularly in the new system?

Iain Stewart MP: As we have touched on in the previous question, we very much welcome the review and believe that those changes are correct and working well.

One example where our officials are taking a leading role in collaborative working with the Scottish Government and others is in the Scottish Seafood Exports Taskforce, which my ministerial colleague David Duguid

has been leading. That was set up primarily to deal with some of the complexities of that export sector in the immediate post-transition period. That has worked incredibly well on a very collaborative basis. It was led by our office and involves Scottish Government ministers, Defra colleagues and key stakeholders from the industry. It is not something I am personally involved in, it is my ministerial colleague, but talking to him yesterday, the work that that taskforce has done, has reduced considerably some of the difficulties that the sector was facing.

I flag that as an example of the spirit of co-operation that can and should be in place. That very much works with the grain of what Lord Dunlop was proposing.

David Davies MP: We want to work with the Welsh Government to conclude the review as quickly as possible. I think I made a point earlier about the importance of respect on both sides between the Welsh Government and UK Government about what is and is not devolved. I have not read it yet but a report came out today from the Welsh Government in which they are seeking further powers in all sorts of areas. I would reflect on that if the review is to result in a good positive working relationship, which is what I think we all want, it is important that I, Simon and all my colleagues recognise the absolute right of the Welsh Government to legislate in devolved areas. It does go the other way as well.

I am not saying that does not happen. I have briefly scanned the report and I have not read it in detail today. There are occasions when I sometimes think that perhaps it would be helpful if the Welsh Government concentrated on legislating in the areas where they have full devolved powers and perhaps worried less about constantly trying to get involved in reserved matters and to take on further powers. That would lead to a greater respect all around and a more positive outcome from the review.

Robin Walker MP: I totally back up what my colleagues have said. The UK Government are firmly committed to IGR. We are looking forward to being able to work with a Northern Ireland Executive and other administrations to implement a package of reforms outlined in the IGR review. The pandemic has been a good example of where we have had to have close collaboration and consultation across the UK, even in areas where there is a high degree of devolution. It will be particularly important in the move forward into the recovery phase.

I very much agree with David's point about respecting the boundaries of devolution, which is one of the factors in Northern Ireland, with the more complex shape of devolved, reserved and retained arrangements there but also the references from political parties. We do not necessarily have the same push as we might have in the Scottish or Welsh context to change that balance. It is more a matter of everyone recognising that they need to make it work. In that respect, I have a slightly more straightforward job in people knowing where they stand. Crucial to that is

making sure we have the Executive Ministers in place who we can interact with and work alongside in Northern Ireland.

That comes back to Margaret's point about how important it is that we support the stability of the institutions.

Baroness Redfern: Helping maximise the consensus, I think is very important too. Thank you very much for answering my questions.

The Chair: Finally, two questions from Lady Crawley and Lord McInnes.

Q137 **Baroness Crawley:** Good morning, gentlemen, thank you for your time. I have to say it has been absolutely fascinating this morning. I am sorry you cannot see me but I am sure that will not affect your answers.

How do you co-ordinate with the Cabinet Office as the department responsible for the constitution and devolution? Do you have any views on how your role might co-ordinate with a proposed Secretary of State for the Union based in the Cabinet Office, as suggested by Lord Dunlop?

Robin Walker MP: I will start on this one. I made the point earlier that the Prime Minister's commitment to the Union is strengthening the Union. That helps with the clout that our territorial offices get around the Cabinet table. We work very closely with the Cabinet Office, and indeed the current Minister for the Constitution, to demonstrate and communicate the economic, cultural and policy benefits of all parts of the UK being part of the union.

We have discussed already the role of UPI in supporting that approach. What I have seen during my time in government, before I joined the Territorial Offices, when I was working at DExEU on devolved policy, and since I have been in the Territorial Offices, is very close and seamless working between ourselves and the Cabinet Office. The Cabinet Office is there to support our role but also to engage with the devolved administrations directly and promote their role and the importance of progress with IGR. That seems to work very effectively. Despite some of the fears that were out there, with various changes of personality, it has survived and evolved through those changes very effectively.

That is something that I would like to see continue. My personal view, and it is a personal view rather than an official view, is that the best place for a Secretary of State for the Union is right at the top of the Cabinet table in the person of the Prime Minister and that we can keep that very productive working relationship with the Cabinet Office without necessarily changing the machinery of government.

David Davies MP: We are quite satisfied with the input that we have into the Cabinet Office at the moment. Obviously, it is generally up to the Secretary of State for Wales to deal directly with the Cabinet Office and No. 10 but I have certainly deputised for him and I know that there are many meetings that already take place. The input is already very good. I am definitely satisfied with that and I feel we do have a strong input into Union policy, and rightly so.

Iain Stewart MP: In the interests of brevity—I know Lord McInnes wants to ask a question—I will say simply that I concur with what my colleagues have just said.

The Chair: If you want to elaborate on any of those questions, feel free, especially on the idea that there might be a Secretary of State for the Union who did nothing else but be Secretary of State for the Union.

Iain Stewart MP: I concur with what David and Robin have said. The right place for that Minister is in the body of the Prime Minister. We have now, with this structure, ministerial and official, a very effective relationship. I was particularly struck by Sue Gray's comments when she gave evidence to PACAC that her perception of the role of the Cabinet Office has evolved significantly from her previous incarnation there, and having spent three or four years in Northern Ireland has helped shape that understanding. We have a very robust structure with what we have and I do not see it needing to change.

Q138 **Lord McInnes of Kilwinning:** Good afternoon, Ministers. You will be delighted to know that this is the final question. Moving on from Iain's point about Sue Gray's remarks and her understanding of devolution—and it is probably quite topical today given the reforms the Government have announced around Civil Service outreach and input from outside the traditional methods of recruitment and so on—how do each of you see your role in improving that understanding of devolution within Whitehall and within the UK Civil Service more generally?

Iain Stewart MP: If you look at official level, there are excellent working relationships already there. We have referred a number of times to the city and regional growth deal programme. My team are in pretty much daily contact with their counterparts in the Scottish Government and with the local authorities. There is a good foundation there. It is always possible to do more to understand each other's perspectives. I have given the example of Sue Gray.

If we think of personnel in the office here, one of my senior policy advisers has just moved to work in the Scottish Government. The new director of the Scotland Office was a senior official in the City of Edinburgh Council. It is not just between the UK Government and the devolved Governments, it is understanding all spheres of government as well. Everyone has a role to play. If I think back to a previous incarnation before I was involved in politics, when I was an executive search consultant, having that breadth and depth of knowledge in an institution is incredibly important. It is something that we very much will continue to champion.

Robin Walker MP: Sue Gray is an excellent example of where the capability of the Civil Service in both directions has been strengthened by someone being able to move between the Northern Ireland Civil Service and our Civil Service. That interchange is crucial because the Northern Ireland Office is such a small department, like the other territorial departments, and we rely quite heavily on civil servants coming to us

from other departments with other departmental expertise and, indeed, on exchange schemes from the Northern Ireland Civil Service. From that perspective I am very pleased that Brandon had taken forward the ministerial sponsorship role for reinvigorating the interchange scheme for civil servants between the UK Government and respective devolved administrations. That is a crucial part of the jigsaw as to how we make this work.

I come back to the importance of the Places for Growth scheme, particularly UK Government departments that sometimes in the past might have felt very London-centric, such as DIT, with its great outward network. If they can get people into Northern Ireland, Scotland and Wales respectively and have a direct link with the businesses there and get a better understanding, that has to be a good thing from our perspective of then going out promoting the whole of the UK. I am a big fan of supporting that, pushing that and making sure we can continue with that.

David Davies MP: Sue Gray is clearly going to understand the importance of raising awareness of devolution throughout the whole of the Civil Service in the UK, so I welcome that move. It goes back to the question that Lord Murphy raised earlier on about the challenge and how far have we got. We have come a certain way, we have a bit further to go but we already have these exchanges going on. We have the hubs opening up.

My final point is a shameless plug for Cardiff. We are now offering civil servants the opportunity not to work in London but to work in what I think is one of the greatest cities. I will not say it is the best—I do not want to be disrespectful to my colleagues—but Cardiff is a wonderful place. We have international sports facilities, international opera, music, concerts, fantastic beaches 20 minutes' drive down the road, great connections to London. Why would anyone want to work in London when they could work in Cardiff? It is a no-brainer. As more and more people move into cities such as Cardiff from outside of London, we will see a recognition that there is a great lifestyle to be had outside the capital and if there are more people doing that there will be greater understanding all around of the implications of devolution.

The Chair: Thank you very much, indeed, Ministers. I was hoping we would end on a note of harmony but clearly that is too much to ask for. We are very grateful. We have pushed you on time, on content, on relationships, on influence and power, and you have responded splendidly to help us understand the deep context in which what we are doing—trying to extract and explicate—makes sense. We are very grateful indeed for a whole morning of your time. We appreciate what that means for your diaries and the officers offstage will be fretting unless we let you go now. I declare that this session is now formally closed. Thank you.