



The Scottish Affairs Committee

Oral evidence: [Post-Study Work Schemes](#), HC 593

Tuesday 19 January 2016

Ordered by the House of Commons to be published on 19 January 2016.

[Watch the meeting](#)

Members present: Pete Wishart (Chair); Mr David Anderson; Kirsty Blackman; Mr Christopher Chope; Margaret Ferrier; Chris Law

Questions 181-231

Witness: **Rt Hon David Mundell MP**, Secretary of State for Scotland gave evidence.

Q181 Chair: Secretary of State, thank you very much for agreeing at short notice to come before this Committee to answer a few questions that will help clarify a couple of issues about your written ministerial statement last week, which I have to say surprised and perplexed this Committee given that I think you knew we were conducting an inquiry into post-study work schemes. In fact, I know you knew that because Mr Chope and I asked you questions about this in the last session of Scottish questions. You then said in a written ministerial that there was no intention to reintroduce the former tier 1 post-study work scheme. We are a little bit more reassured, though, by some of this morning's press reports in which you seemed to suggest that there was no plan to withdraw the scheme and that you were prepared to look at, shall I say, a post-study work scheme. Can you tell us what it is?

David Mundell: I have some opening remarks to make, Mr Wishart, because I think they will deal with the points that you made, but you may wish me to expand on them. As you say, I tabled on 11 January a written ministerial statement to set out the position on issues contained in the Smith Commission agreement that were not the subject of legislative provisions within the Scotland Bill. The written ministerial statement confirmed that a number of these matters are the subject of further discussion between the UK and Scottish Governments and, indeed, that statement was shared with the Scottish Government before it was tabled. I want to make clear that it was not my intention to suggest that work on all of these issues was closed and it was not an interpretation that I anticipated would be placed on the written ministerial statement, which of course covered a wide range of areas. I do regret any misunderstanding that might have arisen in that regard and want to make

absolutely clear that it is not the position in respect of any of these issues on which there are ongoing discussions.

With regards to post-study work visas, the statement did not set out a new position but reiterated the view that had been previously expressed by the UK Government to this Committee and to the Scottish Government. The Smith Commission agreement was clear that the possibility of introducing formal schemes to allow international higher education students graduating from Scotland in further and higher education institutions to remain in Scotland and contribute to economic activity for a defined period should be explored. As I said in the written ministerial statement, the UK Government believe that such schemes already exist and indeed, as the Prime Minister said, are world-beating. The UK and Scottish Governments have had a number of meetings to discuss this issue. Scotland Office Ministers and officials have regular discussions with further and higher education institutions and representatives of organisations like Universities Scotland. Should this Committee or others have suggestions that they feel would improve these schemes, we will, of course, look carefully at them and it is on that basis that I look forward to this Committee's report.

Q182 Chair: I think that clarifies it a little for us. Can I take it from that then that you are still open to the suggestion of a post-study work scheme for Scotland as something that you would look carefully at and you are not, as your ministerial written statement said last week, not prepared to look at this any further?

David Mundell: That is not my reading of the statement. It says that there was no intention to reintroduce the former scheme and that is the position. I think it is the position Mr Brokenshire set out, it is the position the Home Secretary set out to Michael Matheson, but it does not mean that the Government will not look at any reasonable suggestion to improve the current arrangements. It is on that basis, as I have said and in answer to questions that I have given in the House and elsewhere, that I am very pleased to look at what is in your report, give due weight to the evidence that you have taken, and ensure that that evidence and report is before colleagues in the Home Office. Colleagues in the Home Office stand ready to discuss this issue, particularly with the Scottish Government, and I think as Mr Brokenshire said in his evidence, he has made it clear to Mr Yousaf on a number of occasions that he would be very happy to meet with him.

Q183 Chair: I am glad that you mentioned Mr Yousaf and the Minister, Mr Brokenshire. The Minister did give evidence to this Committee and again there was the suggestion that he would look properly at our report and look to see if there was anything that could be done in order to try to secure and improve the situation in Scotland. It is not just this Committee that is angry about what we saw last week in that written ministerial statement because we also had representations from the Scottish Government, who were equally perplexed about what they saw included in that statement. They have gone as far as to write to the Minister. We will make sure that you get a copy of the letter, if you have not already seen it, that has been supplied from the all-party group in the Scottish Parliament to Minister Brokenshire dated 13 January. Among the people who have signed this are Conservative Members of the Scottish Parliament, including your education spokesperson. That suggests, Minister, that there is a huge desire and all the evidence that we have secured thus far, other than the evidence we have had from the UK Government, has suggested that this is something that is seen as desirable for Scotland. Will you start to look at this evidence properly, make a

proper assessment and start to represent all the key interests that have been trying to propose and suggest and fashion a post-study work scheme for Scotland?

David Mundell: Where I was coming from, Mr Wishart, was on the basis that you were conducting an inquiry into these matters and I remain looking forward to receiving your report. On the basis of evidence presented and suggestions for improving the scheme, obviously we can take that forward. I do not have any issue with that at all. As I said in my opening remarks, I have to be honest, it did not occur to me that the interpretation that I read in the media would be placed on the statement. It just stated what the factual position is at the moment. It did not say that the debate or discussion on these issues was closed, and it is not.

Q184 Chris Law: I have to say it is wholly unconvincing what you are suggesting because to make the statement that you did last week in the middle of a report, when we had a committee meeting last week I asked the Clerks, “Historically, do you ever remember an instance where this has happened, where a statement is made in the middle of a report that has not yet been completed?” Why do you think and can you explain to me why the statement was made at such a critical time when a committee is sitting taking evidence week after week?

David Mundell: I think if you read the whole statement, it did not relate to simply this one issue. As you will have seen, numerous issues from the Smith Commission report were detailed in that statement, and in the text it said, “The attached table provides an update on such areas”. It did not say that it provided a definitive position. It did not say that it provided closure. I just did not anticipate that that was the interpretation that would be put on the statement. I thought that it would be helpful in relation to the non-legislative aspects of the Smith Commission that we set out in detail exactly where we were at this moment on those issues, and that is what we did. We prepared a statement in the spirit of working together that we have established with the Scottish Government on these matters. I shared that statement with them before it was laid. I recognise they do not agree with our position on a number of the issues, but it was simply a factual statement.

Q185 Chair: Is it not profoundly naive to write something like there is no intention to do so in relation to a post-study work scheme? Is it not naive to put something like that in a statement and expect there would be no response from the Committee, who has an active, live report, and an all-party Scottish parliamentary group who are looking seriously at the issue and want you to move on this?

David Mundell: I do not accept that at all, Mr Wishart. I think on matters like these you have to look at a matter and think do you want a resolution of the matter; do you want a row about the matter? My approach, as you well know, on all these sorts of issues is to get a resolution. I do not go into matters like these looking for a row, looking for press headlines. I am going into it looking for a resolution. Now, if we want to take this matter forward, I think we are in agreement that the best way to be able to change the current situation, if there is a view it should be changed, is for this Committee to come forward with hard evidence, with specific proposals about changes that it wants to see made.

Q186 Mr Anderson: You use the terms working together and agreeing to do things, and yet I am trying to work out who you have worked together with to get to the position where your Government is now. Everybody we have spoken to and evidence that we have

heard or advice we have heard is that even your own party and your own leader in Scotland are saying, effectively, that you have it wrong.

David Mundell: Mr Anderson, what I am looking for is to see the basis of the evidence that you have taken, the conclusions you have reached, set out in a report. I genuinely was not seeking in my ministerial statement to pre-empt your report. I think your report will be an important part of the debate and discussion of it. When that report is set out, I, and clearly Home Office colleagues, will respond to the specific proposals that are brought forward.

Q187 Chris Law: Just to go back to my original point, I asked the Clerks and I also asked some other MPs here who have been in this House for a lot longer than I have if they can ever remember a statement coming out while a Committee is mid-report and no one could say they have experienced one. Can you give me an example where Government statements have gone on when a Committee is mid-report?

David Mundell: I do not think in any way that the statement cut across the work of the Committee.

Chris Law: It does because we are in the middle of doing our studies just now. We are in the middle of gathering evidence.

David Mundell: The statement sets out exactly the position that you gathered in evidence from the Home Office Minister, Mr Brokenshire. That is the position he set out. It is the position that was set out in the discussions directly between the Home Secretary and the Scottish Government. It is a reflection of the current position. My understanding is that in carrying out a report, you would want to argue that your evidence would suggest that there could be a better way of doing this and come forward with specific proposals for doing that. That is what I look forward to seeing. I do not see how in terms of my written ministerial statement, which covered a vast range of other issues that were brought up in the Smith Commission, that in any way prejudiced this inquiry.

Q188 Chris Law: Do you not agree, though, that you are basically politicising the circumstances under which this Committee is working? We are gathering as a cross-party group to hear evidence about what the potential is for a future post-study work settlement. At the same time, we are having statements coming out from the UK Government that completely contravene the report and send out to the public the message that, “We do not care what the Committee does. We have made our mind up”. That is essentially what all the papers reported and that is why we are having this meeting today. As you can tell, I am quite frustrated about this.

David Mundell: I do not always just take at face value what I see in the papers. As I have indicated to Mr Wishart, and I am very open with you, I did not anticipate that interpretation would be placed on the statement. I regard that as unfortunate and I regret if it in any way indicated that my mind or that of the Government was closed to anything that came forward from the Committee and I acknowledge that. It was not the intention.

Q189 Margaret Ferrier: Following on, would it not have been simpler to wait until our report was published and then make comment? It seems really naive that somebody made a comment about post-study work visas when we are in the middle of the report. Was it not cleared by someone before the statement went out?

David Mundell: It did go to the Scottish Government, Ms Ferrier, and they did not—

Margaret Ferrier: I am talking about from your department.

David Mundell: I would have thought that if the Scottish Government had found that the statement was something of a complete surprise and not the policy that they knew was currently that of the UK Government, not the policy that Mr Brokenshire had stated before this Committee, not the policy that the Home Secretary had stated to Michael Matheson, people might rightly have been able to say, “You are saying something completely new and different in this statement, which you should not be doing”. The statement was an identification of what the position was at a moment in time.

Q190 Chair: Secretary of State, I think this statement was based on, as you have correctly identified, the existing position of the UK Government. This is what the UK Government thinks and believes. It seems to be based on a UK Government view that we heard from the Minister. The UK Government has argued that the UK has an excellent post-study work offer for graduates seeking to undertake skilled work in Scotland after their studies and that these presented adequate opportunities, which is referring to students looking for post-study work in Scotland. Do you think that the current policy set out by the UK Government is excellent and matches the ambitions of Scotland?

David Mundell: I think that what the current policy has seen is an 11% increase in Scotland in students coming to participate in higher education. That is a very positive thing. I want to make sure that Scotland’s higher and further education institutions have the opportunity to attract the brightest and best. I think that these visa arrangements, which do not place any numeric cap on who can attend Scotland’s institutions, are a positive thing. Of course, as Mr Chope raised in the Commons, that contrasts with the Scottish Government’s position where there is a cap on the number of Scottish students who can attend Scottish institutions. I think it is a positive thing. The fact that people can stay and do graduate level work is a positive thing for our economy as well. If you think, and have evidence to show in your report, that the arrangements are prejudicial in some way, of course let us look at that and see what can be done about it.

Q191 Chair: While we have you here, it would be useful just to probe some of these issues with you because I think this will help us identify what is possible with this report. I am reassured by what you said in your opening response and remarks, because I think Mr Law identified a sense that this Committee had been treated discourteously and with lack of respect given this ministerial statement you made.

David Mundell: I want to absolutely assure you that was not the case. As you know, Mr Wishart, I served on this Committee for five years under a different Government and I am very conscious of making sure that the Committee should be treated with respect. I would not want the contrary to be the position.

Q192 Chair: We are grateful for that reassurance. I think what we can take away from these initial exchanges and remarks is that you are prepared to look at any reports offered by this Committee. May I take it that you will take that report seriously and if there is an evidence trail and we do make recommendations that seem to be in line with what is desired and wanted in Scotland, you will take that forward on behalf of all the people that we heard from in terms of making any sort of recommendations from this Committee?

David Mundell: If the Committee comes forward with evidence and recommendations that can improve the situation in Scotland, of course I will take them forward.

Chair: Good. Now we have you here, we want to explore a few issues about our report because I think it would be useful.

Q193 Mr Chope: Secretary of State, I accept that you had no intention of trying to pre-empt the recommendations of this Committee and I am grateful to you for what you have said. Today the Migration Advisory Committee has come out with its recommendations and I wondered to what extent you are a party or have been a party to discussions around those recommendations and whether you accept those recommendations. One of those recommendations is to raise the minimum salary threshold for tier 2 visas to £30,000. We have already had evidence before us that even £20,000 is too high in the Scottish context. I wondered what you thought was going to happen, whether the Government was going to accept this or already had accepted it. What was your take on this recommendation from the Migration Advisory Committee?

David Mundell: If, Mr Chope, you have specific evidence that the Committee has taken in respect of that issue that is available now, please give it to me and I will take that forward at this time if that is specifically what you have available. We all know the issues around immigration and migration are subject to a range of factors across the United Kingdom. One of the challenges, and it is one that has been debated on a number of occasions, is taking into account national and, indeed, regional variations within England without introducing a system that requires people being checked for the locality in which they currently are and for which they have permission and consent to be in. I most certainly do not want to go down that route.

Q194 Mr Chope: It is frustrating for us that the Migration Advisory Committee, which is the expert body on which the Government relies, has not been asked to look at this issue since 2012. You ask if we have any evidence, but why hasn't the Migration Advisory Committee been asked to look at this since 2012? Going back to my original question, do you accept as Secretary of State for Scotland that the recommendation today for the UK to have a £30,000 threshold is a reasonable thing for Scotland?

David Mundell: I accept that, as I have set out, within Scotland there are variations inevitably in earnings and in the impact that earnings have. Across the United Kingdom there are variations. Bodies like the migration information authority have to come to a view, but it should be an informed view.

Q195 Chair: Do you know any new graduates in Scotland that earn £30,000? Do you know any graduates in Scotland?

David Mundell: I do know a lot of graduates in Scotland, Mr Wishart.

Chair: Well, you are very, very fortunate—

David Mundell: I am not setting out that I know exactly what their earnings are. What I am saying to Mr Chope, what I am saying to you, is that if you have, again, already taken evidence that relates to graduate earning levels and its impact in relation to these decisions or recommendations, bring it forward just now and we will take that on into the system.

Q196 Chair: You will see a wide variety of evidence from employer organisations who have said that £20,800 is almost impossible to meet in order to try to secure and recruit new international graduates; £30,000 is going to be almost an impossibility. I am almost certain that when you look at our evidence you will see evidence not just from people in the higher education sector but from employers who find it almost impossible to secure graduates. This is why we have seen so few people going through tier 2. Now, again, this is a legitimate question from—

David Mundell: No, I am not disputing it is a legitimate question. What I am saying is that if you have evidence in relation to the point that you are setting out, provide me with it.

Q197 Mr Chope: Secretary of State, we are not, yet, in a position of being an official body to advise the Government on this, whereas the Migration Advisory Committee is the official body but it has specifically not been asked by the Home Office to look at the issue of what has happened since 2012. Particularly now that they are coming forward with a recommendation to increase to £30,000 the minimum threshold, surely you can tell us today that you will ask that the Migration Advisory Committee examine this issue because until they examine it, we will not be able to know what their recommendations are. It is as though the Government does not want the Migration Advisory Committee to give advice on this area and that is why they have not so far asked them to do so.

David Mundell: I am happy to take it forward on that basis along with the evidence that Mr Wishart alluded to.

Q198 Kirsty Blackman: On this, High Fliers produce a survey every year of the graduate market and it came out just this week. The graduate market survey that they produced this year says that 64% of graduate-level jobs are starting at a starting salary of less than £30,000. Considering those ones that are starting at a salary of over £30,000 are in industries like investment banking, which is London-centric, banking and finance, which again is London-centric, then you can extrapolate from that that a lot of the ones in Scotland are not going to be reaching that £30,000 level. There is research out there that shows that this is more of an issue in Scotland than it is elsewhere. Will you commit to taking that away and looking at it?

David Mundell: Yes.

Kirsty Blackman: Thank you.

Q199 Chris Law: It was just a follow-up thought on the £30,000 starting salary. I was trying to imagine how many people who work for the Houses of Parliament as staff here, graduated and started at a salary of £30,000. I know that myself from recruiting staff in the last nine months—in fact, most of the brackets set by IPSA are below £30,000. Just who are these jobs for is the broad question. How can we take all these recommendations when our own staff who we are taking on as parliamentarians do not even reach that salary level?

David Mundell: You make a good point, certainly in the context of the salary scale here, but on the basis of the points that Mr Chope and Ms Blackman have made, I am happy to take those issues away and will come back to the Committee.

Q200 Chair: One of the things that might help you in your considerations of what has been suggested today, which is quite an extraordinary figure for Scotland, is the fact that this is applied regularly across the United Kingdom. There is no differentiation, for example, between Dumfries and Westminster. We have heard from a number of business organisations that there could be a variable rate applied throughout the United Kingdom when it comes to these things. Is that something that you would see attractive in terms of trying to address some of the issues that have been raised by Mr Chope?

David Mundell: I think it is always the case, Mr Wishart, isn't it, it is not just about making a point or raising a concern? It is about taking forward a solution or resolution. If that is something that you specifically want me to put forward, I am happy to do so.

Chair: Thank you for that.

Q201 Mr Anderson: Just to pummel you yet again on the same point, we have had evidence, and it is quite old, that in 2009 there was about a 10% difference between graduate starting salaries in Scotland and in London. From 2014, salaries for all 24-year-old people across Britain found that there was a difference between £18,600 in Scotland and £23,900 in London. From 2009, if anything it has probably got worse because the economy in London, as we all know, has boomed much better than the rest of the country. I think the factors that have been raised today probably apply to my part of the world as well in terms of what we are seeing. I am absolutely certain you will fight the corner for Scotland. What I worry is you are fighting against people who are genuinely ignorant of the situation, which is a problem because it is London-centric, as is a lot of policy driven throughout this place. You also have the problem that your Government is committed to getting migration numbers down by whatever means possible. All I can see is that if you drive down this course and you do what the MAC is saying, you will make it even more unlikely that people are going to be able to come and work in Scotland, where the need for them is greater than probably anywhere else in these islands. That is the frustration because we feel in pulling this together that things are going on that are only going to make the situation worse. Do you accept that?

David Mundell: I know what you are saying and I know you feel strongly about that. What we do agree on is we want to have a situation where we encourage people to come and work in Scotland. It is something I said in the context of the Scotland Bill, for example. I want to grow the Scottish economy. I want Scotland to be an attractive place to come and work and I want everything that is going on, whether it is a combination of UK Government policy and Scottish Government policy, to create that environment. I will take forward the points that have been raised and I will come back to the Committee on them.

Q202 Chair: Just to help you in further considering these points—we are grateful that you are prepared to consider this—do you acknowledge, and it is just a simple question on the back of all of this, that there is a different demographic challenge in Scotland, that we have different population requirements from the rest of the United Kingdom that need to be addressed specifically outwith some of the great concerns that the Conservative Party quite naturally have about immigration and about trying to keep numbers low? Do you accept that Scotland needs to approach this differently and have unique solutions to address our problems in Scotland?

David Mundell: Obviously, I believe that Scotland is best served as being part of the United Kingdom.

Chair: Yes, we know that.

David Mundell: I believe that there are different issues within Scotland, which are in many ways similar to issues that might be replicated in parts of the rest of the United Kingdom, particularly in remote and rural areas.

Chair: But this is Scotland.

David Mundell: Therefore, I do not in the simple sense accept that at the border the issues change completely. It is just as difficult to encourage people to come and work in rural Cumbria as it is to get people to come and work in rural Dumfries and Galloway.

Q203 Chair: You have obviously seen the demographic modelling that we have in Scotland, some of the challenges that we have about an ageing population being supported by a shrinking working base. Surely Scotland needs its own solutions in the case of some of these difficulties.

David Mundell: Well, that is exactly, Mr Wishart, what the Scotland Bill is delivering because with these extensive new powers that are coming to Scotland, the Scottish Parliament will have the capacity to grow the Scottish economy, to make Scotland an attractive place for people elsewhere in the United Kingdom to come and work and help us grow our economy.

Q204 Kirsty Blackman: Which new powers are we getting on immigration?

David Mundell: I do not think that powers on immigration are necessary to grow the Scottish economy and to grow the population of Scotland. I think powers like the powers in relation to tax are those that can really make a difference to the economy of Scotland.

Q205 Kirsty Blackman: Professor David Heald, who was before us last week, mentioned the fact that the Scottish population has never grown in relation to the English population. It has never grown as a percentage. He made the point also that Scotland does not have the immigration levers in order to change that situation. Do you not think it is time that we thought about a Scottish solution for this?

David Mundell: I think that the opportunities that are going to come with the Scotland Bill in terms of particularly the tax powers will give the chance to the Scottish Parliament and future Scottish Government to grow the Scottish economy to make Scotland an attractive place for people to come to. In that way, we will be able to grow the population of Scotland, grow the revenue that is available to the Scottish Government to spend on services, and in a wider sense to create a better Scotland, which I think we all want to see.

Q206 Kirsty Blackman: But we are having to work within the UK Government's migrant cap.

David Mundell: We have had a referendum. We have decided that we are going to remain as part of the United Kingdom and immigration is one of the issues that is reserved within the United Kingdom.

Chair: I think we will be getting into this—

David Mundell: Yes, but that is where we are. I respect your views but we are not going to agree on them.

Q207 Chair: All right. Just to let you know, this Committee will be looking at Scotland's demography in one of its next reports and this is one of the issues we really need to challenge. I think we need to hear a Secretary of State who is prepared to look at Scotland-specific solutions, particularly when it comes to things like immigration, because what we are seeing and what we are observing with this report is that there is a lot of unhappiness about the way that things are being progressed. We are grateful that you are prepared to look at it, but I want to come on now, Secretary of State, if it is all right, to some of the things that are included in the Smith Commission in reference to post-study work schemes. Chris Law has a question on that.

Q208 Chris Law: It does take us back a bit to the referendum because the Smith Commission report came just shortly after November. In its recommendation 96(3), it stated that the Scottish and UK Governments should work together to explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish higher and further education institutions to remain in Scotland and to contribute for a defined period of time. What is important about this is that it was agreed by all five of Scotland's main political parties, obviously including the Scottish Conservatives. What came two months just before that, interestingly, was the Prime Minister said during this campaign prior to the referendum that he wanted to keep Scotland in the UK, quoting, he would deal with them with his "head, heart and soul" to stay. What interests me is your key role is to represent the interests of Scotland to the UK Government and in particular to the Prime Minister. Can you tell me what discussions you have had personally with the Prime Minister regarding post-study work visas? Has the Prime Minister's heart or, indeed, head and soul now gone cold over both Governments working together?

David Mundell: The Prime Minister is absolutely committed to working together with the Scottish Government in relation to a whole range of issues. We had a very productive meeting, as you will be aware, with the First Minister of Scotland just before Christmas. I think the Prime Minister set out clearly in his answer to Angus Robertson at Prime Minister's Questions last week his view in relation to post-study work visas. His view is that the current proposal is a generous one that allows people to come to Scotland to study and to take the opportunity of graduate-level work once their studies are complete. Going all the way back to the start of our discussion, if, however, this Committee comes forward with views and representations that that could be done better, I am very happy to take that directly to the Prime Minister. I do not have any difficulty in doing that whatsoever.

Q209 Chris Law: Just for the record, may I ask you, given the fact that statement came out last week that obviously has caused quite a lot of trouble so far, had you had conversations directly with the Prime Minister yourself or have you had them since the statement that was made last week? Have you had any conversations whatsoever?

David Mundell: I have discussed this issue on a number of occasions with the Prime Minister.

Q210 Chris Law: You will be aware that the Scottish Government denounced the lack of engagement on the issue of the post-study work visa with the UK Government. This will be the same Government that said days before the referendum, “Don’t turn your backs on what is the best family of nations in the world and the best hope for the family in this world”. What are you going to do to resolve this? Because many who are watching this at home, particularly in Scotland, see the Scotland Office as acting like a last colonial outpost. Can you tell me how we are going to get the relationship back on line?

David Mundell: I made a very interesting speech yesterday, and I will send you a copy of it, in which I set out the need for us to reboot our relationship between the UK Government and the Scottish Government. I just do not think that you have a productive dialogue if it is conducted through the pages of newspapers. We have to have a much more direct dialogue on these issues. I am disappointed that Mr Yousaf has not taken up the many offers that Mr Brokenshire made to meet directly. I do not think that it is for us to get into that public rat-tat-tat. As two Governments, I think the people of Scotland watching or otherwise expect us to get on and work more closely together, not to discuss our differences through the media but to try to resolve them, because that is what is in the best interests of Scotland.

Q211 Chris Law: Do you accept then, by what you have just said, that the last 14 months since the Smith Commission was reported on that we have failed to achieve that?

David Mundell: I think that Lord Smith himself identified improving intergovernmental relations was an important feature of a new Scotland post referendum. I think there is still a lot of work to do, but I am committed to doing my part to make sure that happens.

Q212 Chris Law: My last question, therefore, is: given the fact you had so much trouble with the statement last week, and you have apologised and said it was regretful, can we have your guarantee that that is not going to be repeated in the future?

David Mundell: I cannot guarantee that other people will not interpret my actions in a way that I did not anticipate. I am afraid I cannot give that guarantee. I have made it clear that I did not in any way think that making that statement, which, of course, as I say, covered a large range of areas, would create the interpretation that it did. I am sorry that that was the case because it was not. What I can say is that I will not take any deliberate steps to in any way impede the work of this Committee. I have served on this Committee. I regard it as important.

Q213 Chair: Just on the Smith Commission issues then, the UK Government have repeatedly said that what was required from the Smith Commission about having these intergovernmental conversations has actually been done. I think they referred to a debate that was held in Westminster Hall when the Home Office Minister appeared. Do you consider that in terms of the Smith Commission and what it suggests and recommends, which if I can find it in front of me says, “To explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a defined period of

time”, that the UK and Scottish Governments have had that conversation and have been able to meet what is required from them in the Smith Commission report?

David Mundell: I think I have said one or two times in my evidence to date that that is an area where there is an ongoing dialogue. The UK Government has a position but if, as we have said, there are proposals that are brought forward to make the situation—

Q214 Chair: This is important. You as Secretary of State for Scotland do not feel at this stage what is required from both the UK and Scottish Governments has been met when it comes to post-study work schemes? There is still work to be done on that?

David Mundell: In my statement I set out what the current UK Government position is. I have said we are willing to have a dialogue with the Scottish Government. Mr Brokenshire said when he was here before this Committee that he was very happy to meet with Mr Yousaf. I might be wrong because I am not on top of diary detail, but my understanding is that since the point Mr Brokenshire was here there was not any proactive contact from Mr Yousaf to set up such a meeting or discussion. The first communication we had from Mr Yousaf was this week in relation not to his Scottish Government role but on behalf of the all-party group in the Scottish Parliament. I do not want to get bogged down in “he said, she said”. What I want to see is our two Governments working closely together on these issues.

Q215 Chair: That is what we all say. It is what we have all said and the Smith Commission said something very specific when it came to post-study work schemes. What I am hearing from you, and you can tell me if this is correct, is that what was said in the Smith Commission about the two Governments working together to have a conversation about post-study work schemes has not thus far been concluded and further work is still required in order to meet the recommendation in the Smith Commission regarding post-study work schemes. Is that correct?

David Mundell: No. I think some of your sentences are correct but some of them just go too far.

Chair: You tell me what is right and what is wrong.

David Mundell: The position is that the UK Government believes that the policy as currently applies meets the Smith Commission agreement, the policy that it has come up with. Of course, we are willing to continue to have a dialogue with the Scottish Government on the issue, just as I have indicated we are willing to listen to this Committee and take very seriously any report and recommendation that it brings forward.

Q216 Kirsty Blackman: On the issue of the Minister, Mr Brokenshire, meeting with Humza Yousaf, what you have just told us is contradictory to what Mr Brokenshire said. He told us that Humza Yousaf had written to him and that he had said that it would be better for a different meeting between Michael Matheson and the Home Secretary to take place first. So there was contact between Mr Yousaf and the Minister.

David Mundell: Yes, but I did reference in my remarks post Mr Brokenshire’s attendance at this Committee. I think we can agree that is the wrong line to go down because what we

want to do is we want—and this is more broadly—to see these improved Scottish Government/UK Government relations.

Q217 Chair: Here is a test of this new rapprochement that you mentioned yesterday. I note your “Holyrood 2.0” and can I just say you make an unlikely Bruce Willis, but we will leave that one aside just now. If this is the new mood that we are trying to establish and get into with Scotland, if this Committee reports that the evidence is so overwhelming that a post-study work scheme is something that is genuinely required by the higher education sector, wanted by a majority of employers, wanted by trade unions, in this new spirit of working together would you positively take that up and argue for it around the Cabinet table?

David Mundell: I want to see the report. I think we are going around in a circle because I said earlier I want to see the report. If the report shows that there are measures we can take to improve on the existing arrangements for the benefit of Scotland, of course I will take that forward.

Chair: I think we will have to move on from this just now. Kirsty Blackman, you have a question.

Q218 Kirsty Blackman: Yes, I want to talk about a different part in the written statement. The written statement also says, “We believe that the current schemes available to graduates of Scottish universities are precisely the type referred to in the report of the Smith Commission”. Do you agree with that line in your written statement?

David Mundell: Yes.

Q219 Kirsty Blackman: Okay. Why does the UK Government then think that members of the Smith Commission from all parties agree that the UK Government and the Scottish Government should work together to put something in place that is already there?

David Mundell: I think that the wording of the Smith Commission recommendation was not to bring back previous schemes, it was to have schemes that allow international higher education students to remain in Scotland and contribute to economic activity for a defined period of time. I believe that the schemes that we have in place do that. To repeat what I have said, if there is a view that steps can be taken that can improve those schemes, let’s see that in your report. If there is a benefit to Scotland from making a change, let’s look at how that can be taken forward.

Q220 Kirsty Blackman: To follow up on that, I think it is unfortunate that the written ministerial statement talks about the reintroduction of tier 1 because in my mind that is different from what is stated in Smith and in my mind that is different from what the Scottish Government is asking. The Scottish Government is asking to explore a new scheme in a Scotland-only context and in March of this year they are going to be bringing out a report on the introduction of a post-study work scheme. Can you commit to as well as looking at our report when it comes out looking at the report that is going to be provided by the Scottish Parliament?

David Mundell: Yes.

Q221 Margaret Ferrier: I have two points, Chair. First, can you answer what role the Scotland Office played in representing Scottish interests when the Government was considering closing the post-study work visa to begin with?

David Mundell: The Scotland Office plays a part in the determination of all policy across the UK. I believe that the scheme that was closed was subject to widespread abuse. Therefore, the downsides of the scheme far outweighed any benefits that it would bring. In fact, I think that it was prejudicing not just Scotland but the whole of the UK's reputation as an educational centre of excellence. The new scheme, which is dependent only on a university place and ability to speak English, is a scheme that reinforces our educational worth and is one that meets the needs of students coming into the UK and meets the needs of UK institutions seeking to attract students.

Q222 Margaret Ferrier: You are quite happy then if the report comes out and it suggests otherwise, it gets looked at again?

David Mundell: I am quite happy to look at any evidence-based suggestions that could improve the situation in Scotland without opening it up to the abuses that previous schemes allowed.

Q223 Margaret Ferrier: There just appears to be a bit of a conflict of interest in your role. In one sense, you have the UK Government hat and then you have the other hat of Secretary of State for Scotland, which is obviously speaking up and standing up for Scotland.

David Mundell: Yes.

Margaret Ferrier: I feel that it makes it more difficult for you to carry out your role. The final point is: what is the point of the Scotland Office if you are not standing up for Scotland?

David Mundell: Well, I am standing up for Scotland and that is exactly the point of the Scotland Office. The Scotland Office role is clearly to be the voice of Scotland in Whitehall in order to make sure that we do influence UK Government policy in reserved areas as that impacts on Scotland. That is one of the things that I do every day across a whole range of issues.

Q224 Mr Chope: Can I ask about the timing of this? Can the Secretary of State assure us that he will respond to our report on post-study work visas before the Scottish Parliament elections purdah period? If he is keen to do that, can he tell us what the deadline is by which time we must submit our report to ensure that he can guarantee that he will respond to the report before the Scottish elections?

David Mundell: I would certainly undertake to do everything possible to do that. I cannot set out a reverse deadline, I am afraid. I think the Scottish Parliament purdah period is beginning around 24 March. I am not aware if you have a clear date that you have in mind for the publication of your report, but I will certainly do everything within my power to respond. I cannot do a back-track to a date.

Q225 Mr Chope: My second point is: if, as expected, there is a referendum on our membership of the European Union and the vote is to leave the European Union, will you

then carry out a study to see the benefits that would come to Scotland from being able to have control over its own borders and not have to discriminate against foreign students in favour of EU students?

David Mundell: I am sure a whole range of things will need to be done if there is a vote to leave the EU.

Q226 Chair: Thank you for that. Just a couple of questions while we have you here, Secretary of State. It is all right, you do not have to answer them because you are obviously here to answer questions about post-study work schemes. One is on the European Union issue that Mr Chope mentions. I think this Committee looked with great interest at your comments that you favoured a June election for the EU referendum. In fact, if reports are to be believed, you are the first Secretary of State that has said that. Do you not think that will have a massive impact on the conversations and debate we will be having around the Scottish parliamentary election given that it is only a month before it?

David Mundell: No, I don't believe that, Mr Wishart. I took part in the 1999 Scottish Parliament elections when I was elected first to the Scottish Parliament, and the European elections were in the June. I think that people are quite able to separate issues. Obviously, I was expressing my own opinion. My opinion from our own referendum in Scotland, which I think at least we all agree had very significant public engagement, was that it was within that final six-week period of the referendum that people truly engaged with the issues. Therefore, I do not think that just because there is a short period of time between the two elections that that would prevent people from engaging with the issues and making a decision.

Q227 Chair: You have obviously seen the response that we have seen to date to your remarks by Members of the Scottish Parliament and other civic institutions, which have a great concern just because of the way the media operates, for example, that the likelihood is that our parliamentary contest may be overshadowed by the general debate about Europe. Surely you must have some concerns that this might be an element where our great debate, our national parliamentary election, might just be overshadowed by bigger events, as seen by the UK, being played out at the same time.

David Mundell: My personal experience is that the campaign for the Scottish Parliament elections has begun. I think there was a debate maybe last night in Dundee involving representatives of the parties. There is a tremendous amount of activity going on with the parties. There is no doubt in my mind, certainly in the circles I am in and the constituents of mine that I meet, that their preeminent thought at this moment is on the Scottish Parliament elections. I have every confidence in the robust nature of those elections that they are not going to be overshadowed by the EU referendum whenever it takes place.

Q228 Chris Law: Just again about the timing, based on what you said yesterday about an ideal time or preferred time being June, what evidence was that based on? I am just trying to find the detail here, but I believe the Electoral Commission suggested September given the fact that there was Scottish elections but also local elections in Wales and Northern Ireland in May at the same time. What evidence did you use to come to a decision that June would be a preferred moment?

David Mundell: I think I was partly answering the question in the context of was there a reason why it could not take place in June, and I do not believe that there is. I myself on the basis of my experience in the Scottish independence referendum believe that a shorter campaign is a preferable one. I think the evidence is that people do engage with the campaign directly in that final period. However long the campaign is in that final period, my experience of the electorate is that they are well able to differentiate issues and that many of the concerns that the Electoral Commission sometimes has about their ability to do so are misplaced. Let us be quite clear. It won't be me who makes the decision as to when the referendum is held. It will be the Prime Minister. I have offered a view but other views are equally valid.

Q229 Chris Law: I just wanted to know if you knew that the Electoral Commission had said that June would be a premature time and a conflicting time with other nations as part of the UK. If you are not aware of it and you are aware of it now, does it make you think perhaps that June is the wrong time, given the fact that it is incredibly rare, in fact I do not even know if it has ever happened, where a UK Government of the day has gone against the guidance of the Electoral Commission?

David Mundell: I think the Electoral Commission has an important contribution to debates and discussions around referendums and elections, but I do not think that they have a totality of knowledge and expertise on the matter. Others are perfectly entitled, particularly those who have been through the electoral process and particularly those of us in this room who have been through a referendum.

Q230 Chair: We are grateful. One last question on another issue. Again, you are not here to answer this for us if you do not want to; that is fine. You will have noted the report in the Scottish Parliament yesterday about the Trade Union Bill and about the strong recommendations that Scotland be allowed to make its own decisions about this and excluded from the scope and remit of the Bill. I do not know if you have a particular view about that. Have you listened and heard what has been said in Scotland about this? In fact, strong opposition seems to be building towards the Trade Union Bill. Are you prepared as the Secretary of State for Scotland to look at this?

David Mundell: I do not think you saw me obviously last night, Mr Wishart, on "Reporting Scotland"—

Chair: I must have missed it.

David Mundell: —where I answered that question by saying that, of course, the Government will look at the report from the Scottish Parliament Committee. The First Minister raised issues with the Prime Minister when she met him in December. He said that he would consider those issues and that is exactly what he is doing.

Q231 Chair: Secretary of State, thank you ever so much for appearing in front of us. That has helped clarify a number of issues that this Committee had and I think we are all reassured to hear that you will take our report seriously, that it is not closed and that you are prepared to look at the recommendations in the report that we make. In response to Mr Chope you asked when you are likely to see that. We are hoping it is going to be produced very quickly. We have now concluded our evidence taking and we are in the position of trying to

shape up the report. We will have it to you soon and we will be obviously very interested in your views at an early date so we can try to make progress on this.

David Mundell: Can I conclude by commending the Committee on its creative industries report, which was issued yesterday? I thought it was a very informative and helpful report and it is one, again, I can absolutely assure you that the Government will take very seriously.

Chair: Thank you for that.