

Scottish Affairs Committee

Oral evidence: My Scottish Affairs, HC 368

Monday 16 October 2017, Edinburgh

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Members present: Pete Wishart (Chair); David Duguid; Christine Jardine; Gerard Killen; John Lamont; Paul Masterton; Danielle Rowley; Tommy Sheppard; Ross Thomson.

Questions 1 - 50

Witnesses

[I:](#) Colin Borland, Head of Devolved Nations, Federation of Small Businesses Scotland, Helen Martin, Assistant General Secretary, Scottish Trades Union Congress, and Alastair Sim, Director, Universities Scotland.

[II:](#) Rob Gowans, Policy Officer, Citizens Advice Scotland, Layla Theiner, Disability Agenda Scotland, and Craig Wilson, Parliamentary Officer, Scottish Council for Voluntary Organisations

[III:](#) Clare Slipper, Political Affairs Manager, National Farmers Union Scotland, Simon Collins, Executive Officer, Shetland Fishermen's Association, on behalf of Scottish Fishermen's Federation, and Charles Dundas, Vice Chair, Scottish Environment LINK.

[IV:](#) Evelyn Fraser, Development Manager, Scottish Women's Convention, Susan Hunter, Senior Policy and Research Officer, Youthlink Scotland, and Danny Boyle, Parliamentary and Policy Officer, Black and Ethnic Minority Infrastructure in Scotland.

Written evidence from witnesses:

– [Add names of witnesses and hyperlink to submissions]

Examination of witnesses

Witnesses: Colin Borland, Helen Martin and Alastair Sim.

Q1 Chair: May I welcome our first guests to this special session of the Scottish Affairs Committee here in the wonderful surroundings of Edinburgh University, to which we are very grateful once again for hosting this Committee? We are here as part of our My Scottish Affairs inquiry. We are interested to hear the views of civic Scotland about what the Committee should be looking at in the course of this Parliament. We are also hoping to open it up to the public to hear their representations. We have an online campaign, so if anybody is watching this at home, please give us your submissions on the sorts of issues that we should be looking at, and—just to let our guests know—this is going out live on our website and will be recorded.

May I welcome you all this morning? By way of kicking things off, could you all tell us who you are, going from left to right? You know why you are here; it is about making a pitch for what the Committee should be looking at. Perhaps you could share your views on the issues that concern you, that interest you, and that you think we could purposefully take up as a committee. We will start with you, Alastair.

Alastair Sim: I am Alastair Sim, the Director of Universities Scotland, which is the representative organisation for the leaders of all Scottish higher education institutions. We have made a written submission. First of all, I would like to thank the Scottish Affairs Committee for inviting us and also for the value of the issues you have been able to highlight over the past years, for instance, particularly on—

Chair: Can I just stop you? Can everybody hear Alastair all right at the back? They are okay. We are struggling a little bit here.

Alastair Sim: Do I need to do something? How is that?

Chair: No, you are okay. I think we are all right, if everybody else is. Sorry, Alastair, you were in full flow there.

Alastair Sim: In particular, your reports on demography and on post-study work have been really important in identifying issues that need Government and parliamentary attention.

We think that it would be interesting for the Committee to look first at industrial strategy. There is a huge opportunity there for Scotland. There is big money that can really capitalise sustainable economic growth in Scotland if it is used properly, but I think we need scrutiny of whether the way the industrial strategy is being developed, and the way challenge funds are being set up, is transparent and open, which Scottish interests can compete for, and that there is some sort of joint governance of all this.

The Scottish Government and the UK Government are both big economic actors in Scotland, and I think the Scottish Government need to be



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involved in setting the rules of the game and taking a view on what is going to produce economic benefit for Scotland from the various things that the industrial strategy could promote.

Quite closely related to that, I think the Committee should keep an oversight of how UK Research and Innovation is working, which will be one of the major agencies for promoting innovation-led economic growth. It is an area where, as the Higher Education and Research Bill was going through, we had some concerns. For instance, placing Research England into a UK-wide organisation would lead the funders in UKRI to think first of all about English institutions when making decisions. We stress the need for there to be again a bit of shared governance in this, because the Scottish Government are a major funder of research in Scotland, alongside the research councils and Innovate UK, and we think there needs to be proper co-ownership of that proper consultation and a memorandum of understanding with the Scottish Government.

It would be valuable for the Committee to keep an eye on how Brexit is working for Scotland, and from our point of view a Brexit that really works for maintaining our openness to flows of talent and our connectedness to research communities across Scotland, and related to that, obviously continuing its interest in having a wider immigration system that enables us to be open to the talent that our economy needs, wherever it comes from.

Finally, I think it would be valuable if the Committee took a view on how the emerging work of both the UK and Scottish Governments to promote Scotland overseas is working. This is a work in progress, but it is worth seeing, as it develops, whether it is synergistic between, for instance, the GREAT campaign promoting the UK overseas and the work that the Scottish Government are doing, which includes universities, to promote Scotland as a welcoming and open destination.

Q2 Chair: Thank you very much, Alastair. Helen, it is lovely to see you again. What do you think we should be looking at?

Helen Martin: Just by way of introduction, I am Helen Martin, the Assistant General Secretary from the STUC.

It comes as no surprise that one of the biggest priorities for the STUC over the next period is about the changing nature of the labour market and the shape and sustainability of work. We are very concerned about the rise in low-quality employment, the change to the economy and the rise of the gig economy and what that does to workers and the precarious nature of work. We are concerned about levels of pay in the economy—the fact that wages are low and stagnating—and we are interested in things that Government could usefully do to improve the quality of work, improve the quality of jobs associated with that work and also raise the levels of pay available to workers within the economy. We think that these are very serious issues that need to be looked at in some detail in



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order to develop the sorts of strategies that we might need to intervene effectively in the economy.

Related to that, it is difficult to ignore the issue of Brexit. Brexit is going to have a very big effect on the Scottish economy and the UK economy. It is clear that it is coming at a time when we are not in a particularly good economic position. We have now had a decade of austerity policies, and the basis upon which Brexit is coming is quite challenging for businesses. I agree with what Alastair said; there is a role for the Scottish Affairs Committee to consider what Scotland can usefully do to prepare ourselves for Brexit and the sorts of policies that we might need around immigration, support for business and an effective industrial strategy to pave the way and prepare for that process, which I think is going to be quite challenging for businesses and workers alike.

Finally, it would be useful to consider the ongoing effect that austerity is having on the economy and the ongoing effect that policies such as the public sector pay cap are continuing to have on the economy and whether those are the right interventions when the economy is moving into this new phase. It would be very valuable if the Committee could look at those three issues.

Q3 Chair: We are grateful. Before we bring you in, Colin, I will just let you know that the Committee agreed at its last meeting that it will continue with the sustainable employment inquiry. We are looking to call another couple of evidence sessions before concluding that inquiry, and hopefully the report will be available before the end of the year. I know the STUC helped immensely with that report, for which we are very grateful.

Colin, it is nice to see you again too. How are you doing?

Colin Borland: I am well, thank you. Thank you very much for the invitation. By way of introduction, I am Colin Boland, Head of Devolved Nations for the Federation of Small Businesses.

One of the things that we thought might be quite interesting for the Committee to look at is something that we have been debating, discussing and chewing over for a couple of years now: the theme of economic resilience and community resilience. For the last 40 years, since the decline of heavy industry, too many communities in Scotland feel that they have been tossed on these international waves of global forces that they cannot control.

We still have too many places that have too many of their eggs in too few baskets, which means that they are vulnerable to those sorts of global pressures, vulnerable to changes in industry and vulnerable to wider economic pressures. They cannot take advantage of the economy when it is on the up. I do not think the evidence supports the idea that a rising tide lifts all boats. There are areas where you would say there is not a private sector economy worthy of the name.



The complex and interlinked issues behind that and what we can do to address it is the sort of thing that we might have ideas about and might have things that we want to explore, but there is a lot of meat in there, and we feel that a Committee inquiry would be sufficiently resourced to investigate that. Also, there are some quite interesting competing ideas about what we should do about this, because some people might argue, "What you need is a big expanse in private sector employment, much more entrepreneurial activity and much more employment." Others might argue that what you need is more state intervention or perhaps something more akin to protectionism. These things are not necessarily mutually exclusive, but in terms of what we do about it, there probably are some interesting, competing ideas out there, and what better place to debate that than in a parliamentary Committee?

Chair: I am grateful to you all for your very concise opening statements, which I think were all recorded and taken down, but I know we have a couple other questions from Committee members.

Q4 **John Lamont:** Good morning. I want to hear a little bit more about the state of the Scottish economy. You will know that Scotland recently avoided going into recession, with the last round of GDP figures showing economic growth around 0.1%. Over the last year, Scotland's growth has been around 0.5%, compared with 1.5% for the whole of the UK. Could you give us your views on why there is this difference between how the Scottish economy is doing, relative to the rest of the United Kingdom?

Chair: We do not need to hear from everybody on that, so maybe just Helen and Colin.

Helen Martin: This is an issue that we have obviously been very concerned about. We have been looking quite intensely at the economic figures around this. One of the things that we have noted around the difference between the Scottish and UK economies is the effect of the oil and gas supply chain within the figures. We have seen the oil and gas sector in some trouble over the last few years. The growth rate has been very, very low, and that has had a knock-on effect on the oil and gas supply chain, which is featured within the Scottish economic data.

You will recall about two quarters ago a big jump in growth in the Scottish economy relative to the UK economy. That was driven primarily through production and through the oil and gas supply chain, so you can see the effect that that specific sector is having on the wider outcome of Scotland.

There has also been a real growth in self-employment in Scotland—much greater and faster than in other parts of the UK—although it should be noted that it is still relatively low compared with other parts of the UK. It is notable that, in line with trends in other places, self-employment is primarily low paid. That raises some concerns about how our economy is starting to recover from the crash and the sort of work that is now available within the economy. Some of that will be about people



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becoming consultants in marginal businesses that are quite difficult to sustain, some of it is about the gig economy and different ways of working, and that kind of low-paid feature of self-employment that we are now seeing much more prevalently. It also speaks to some of the wider difficulties and the structure of the labour market and the fact that people do not have a lot of money in their pockets.

A lot of what is driving the growth in the UK is consumption. Here in Scotland that is also the case, but I think we should remember that with wages falling and debt levels rising, that is fairly unsustainable in the longer term.

Q5 **John Lamont:** Thank you. In your opening remarks you made reference to the pay cap affecting the economy in Scotland. Clearly the pay cap applies in the rest of the UK in the same way as it applies in Scotland. Could you just drill down a bit more and explain why the pay cap is affecting the economy in Scotland more than in the rest of the United Kingdom?

Helen Martin: I don't think I made that point. What I would say is that the pay cap across the UK is having an impact on our economy because when one of the main drivers of your economy is consumption, people not having money in their pockets affects whether or not your economy is going to grow. There are other parts of the economy where pay is low as well, but it is quite clear that the public sector has a direct influence on public sector pay, so the Government could decide tomorrow to change the pay cap and that would be a contribution to economic stimulus.

It is notable that a 1% pay cap is now significantly below the rate of inflation, so when we have a difficult economic climate, this is something that is and should be considered as a way of stimulating the economy and improving economic measures across the board.

Q6 **Chair:** Do any of our other guests want to contribute on that point? I saw that you were itching to get in, Alastair.

Alastair Sim: Just thinking about economic growth, from our perspective one of the perennial problems and puzzles in Scotland is that we have a good level of investment in higher education research and development, but we are typically not doing as well in terms of business investment in research and development. The same is true of the UK as a whole, but I think it is more acute in Scotland. This troubles me, because my sense is that if Scotland is going to be really prosperous, it has to be in a race to the top in skills and innovation and adding value in ways that other countries cannot do.

As universities, we are proud to be helping over 18,000 businesses a year with innovation and consultancy and producing graduates with an increasingly entrepreneurial mindset. But I think there are signs that Government, in its various forms, need to think in particular about how we support ideas. When you have reached the point when you have a



really good idea, for instance, that has come from a business or a university but it is not yet commercial, should we be putting more support into bridging that gap between the great idea and turning it into a commercial proposition, and should we be gearing Government support at a wider range of businesses?

One of my hopes from the Scottish Government's enterprise and skills review is that Scottish Enterprise, rather than concentrating on a reasonably small number of portfolio-managed companies, spreads its efforts much wider in the SME economy, so that we create a virtuous cycle of even more innovative SMEs demanding more innovation support from universities so that we are in this virtuous catalytic cycle between business and universities to create prosperity.

Chair: Thank you. We only have half an hour for this panel, so we are trying to rush through as much possible, so we do not need a response from all of you, but I know Colin will definitely want to come in on this.

Colin Borland: I will be as brief as possible, because I think the question you raise is absolutely the right one: why is there a differential performance between the two? It is an interesting question. When you look back at, for example, our small business confidence index figures, Scotland has tracked below the UK average every quarter, with the exception of one, for something like the past five years. We can ascribe some of that to short and medium-term issues, such as the drop in the oil and gas price or the disproportionate impact that changes to employment or rising cost pressures will have for an economy such as ours, which is very reliant on tourism and the service industry—the northern half of the country is particularly reliant on tourism and hospitality.

However, that does not explain why this has been going on for five years. Some of that comes back to the point I made in my opening remarks about the shape of our local economies and how they are working and not working. There is something going on there that we do not fully understand yet, and it definitely merits further explanation.

Q7 **Danielle Rowley:** Good morning. Helen, although unemployment has remained at record lows in Scotland, STUC has raised concerns that unemployment is not being matched by decent wages for workers, and in your opening statement you also mentioned the quality of work. Why do you think that low unemployment is not leading to higher wages, and what do you think the risks of that are?

Helen Martin: That is a very interesting question, because traditionally, and classically, low unemployment is supposed to drive wages. I think it is considered a puzzle from the economics perspective that we do have low levels of unemployment—quite significantly low—yet we are still seeing wages falling. It is clear to say that that raises some very significant questions about the shape of our economy and the nature of work.



From the trade union point of view, we are not that puzzled. I think this speaks to quite long-standing issues within our economy. The first is the level of union organisation, which is simply too low. There are far too many workers in the economy who do not have a trade union bargaining for them and they are not covered by collective bargaining, which I think does push down on wages. Secondly, there is a lack of confidence among workers in the economy, so workers are prioritising maintaining their job rather than necessarily going out and changing jobs. It is that change that often can drive up wages and drive up competition for work.

Equally, there are some things that are artificially put into the economy, such as the public sector pay cap, which restrains wages by policy. There is also the fact that you have a real rise in precarious work, so you have quite a lot of workers who are now on zero-hours contracts, or they are in bogus forms of self-employment—they are perhaps in other forms of self-employment that are not bogus but are very precarious and therefore very low paid. That means people struggle to bargain for higher wages because all their bargaining power is going into bargaining for work, bargaining for the hours in the morning and making sure that they are the ones who are given them, because that is the nature of precarious work.

It is not an easy picture in many ways, because there are a few different issues happening at once within the economy, but the overall effect is that real wages are falling because wage rises are below the rate of inflation and obviously the rate of inflation is relatively high because of the low pound, so that contributes as well. But it is a picture that is difficult to maintain within the long term because we cannot have living standards continuing to fall each year.

Q8 David Duguid: Welcome, panel. Alastair, you mentioned the UK industrial strategy. What specific opportunity do you think that presents for Scotland?

Alastair Sim: It could be very real. I think that by 2020 we are seeing another £2 billion a year of UK Government investment going into joint ventures between industry and universities, particularly to create innovation-led economic growth. There are different levels of opportunity there. There are various challenge funds, for instance on robotics in hostile environments and on battery technology, where we have research strengths and we want to be in there competing in joint ventures with universities and industry. To win funds from the Government, we need to make sure that the rules of the game are transparent.

Beyond that, there may be opportunities for some big investments along the lines of the Crick Institute in London, the Royce Institute or the Graphene Institute in Manchester. We are concerned to see that there are transparent rules of competition about who can go in there and say, "Look, we could get a big bit of research council infrastructure in Scotland"—we have a tiny proportion of that at the moment—or, "We could get a big bit of Innovate UK investment in Scotland." Again, we do



not have much of that relatively at the moment because we have great ideas.

We would sense that some of the investments that have been made up until now have gone to people who have had great ideas and pitched them directly to the Treasury, so those with the sharpest elbows have won. If there were fairer and more transparent rules of competition and joint assessment between the UK Government and the Scottish Government about their economic benefit, we would see a playing field in which Scotland had a better chance of coming forward with great ideas that get funded to promote economic growth.

Chair: Industrial strategy has come up quite a lot in the responses we have received, so there are appeals for help with designing a programme for the next few years. We know that the Government are currently consulting on this and that there are very few details about how these joint ministerial forums will be set up. I think that the Committee, having heard what has been said so far, would be interested in seeing how this could work, so anything that either of you could do to help us shape up some terms of reference or ways we could look at this would be really helpful. Does anybody else want to come in on industrial strategy? Let's move on.

Q9 **Tommy Sheppard:** Good morning. I would like to turn to the effect of immigration policy on the economy. The UK Government's current position is that UK-wide immigration policy is capable of delivering for all parts of the UK and is sensitive to regional economic variations. Would you agree with that in the current situation? Also, if and when the UK leaves the European Union, what case do you think could be made for differential immigration policy in different parts of the UK, particularly Scotland?

Colin Borland: I am happy to answer that first, if you like. It is important to note that there are large variations not just within the UK, but within Scotland. I think that Scotland-wide about 26% of our members have at least one non-UK EU member of staff on the team, but when you go into the Highlands that rises to 40%. It is over 40% in certain sectors, such as tourism and hospitality. There is no doubt that we need some sort of system that is responsive to local labour market needs. The mechanics of how one does that, without having lots of different competing tiny little local systems, while still making sure that those particular local sectoral requirements are met, is going to be really interesting.

A possible place to start might be looking at other systems around the world. I think there are some in Sweden, and in other places in Scandinavia, where if you have a permit to work you can come and work, so you are not tied to a particular employer and it takes the burden away from the employer. Perhaps something like that might be able to operate. But until we see the terms of the deal and what we are doing and what



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the framework is going to be, it is difficult to propose a hard and fast model at the moment.

Alastair Sim: There are UK levels and devolved levels here. If we think of the UK level, overall the universities sector—Scottish, English or whatever—needs to be as open as possible to the migration of talent. The free flow of people and ideas across boundaries is just life blood for universities. I also think we should look creatively at the opportunities for doing things a bit differently in Scotland. This is one of the things we have talked about previously in the context of post-study work. We do have different demographics. We do have businesses that are crying out to be able to use these talents that are coming across borders for a period after graduation. We do have examples, such as Canada's provincial nominee scheme, where devolved Governments can do something supplementary to what federal Governments can do to bring in people to meet real skills needs for their local economies. I think a bit of creativity here could enable us to get to a place where we have the right basic openness at UK level, but where we can supplement that at a devolved level for our own particular demographic and skills needs.

Helen Martin: Yes, we would be keen to see not the devolution of immigration as such, but devolution of parts of the immigration system, such as the ability to have Scotland-specific visas within a UK-wide immigration system, as is available in other states. It is something that there are examples of in the world, as Colin has mentioned. It is something that we have done to a certain degree in Scotland in the past through the Fresh Talent initiative. The STUC believes quite strongly that we need to be able to respond to the challenges within the Scottish economy. They are somewhat different from some of the challenges that exist in other parts of the UK, primarily because of levels of virality and specific skills needs that we might have here in Scotland.

We also think that it is important that through the process of Brexit that clarity is given to EU workers about their future status. Despite some of the statements that have been made, there is still a lot of anxiety and uncertainty for EU workers going forward. That is also difficult for employers. We are seeing employers now becoming nervous about employing EU workers and maybe making a different choice because they are not sure whether or not they will still be available in two years, a year and a half or whenever it might be. That is a really negative situation, and it is already having an impact on our economy, so the quicker we see certainty in this area, the better. In our view, we need a system that allows some degree of freedom of movement.

Chair: I am grateful. We only have a few minutes left, but I just want to let you know that this Committee has done a lot of work on immigration-related issues, for example in our post-study work scheme inquiry, and on demography and population. I would not be too surprised if it is an issue that we return to, given the strong representations we have received on the issue. I know that Christine has another question on this,



which maybe Colin can address.

- Q10 Christine Jardine:** Alistair has already touched on this. The Scottish Government have stated that there is consensus in Scotland that we need a return to the post-study route. What are the barriers that you perceive to that at the moment? Also, as well as the post-study route, we have academics who are going to be affected by changes in the immigration policy. What do you see as the barriers and the dangers there?

Alastair Sim: Just dealing with the academics first, we need to get certainty quickly. As Helen says, while the UK Government are now making more positive noises since the Florence speech about EU citizens' right to remain, nonetheless the last published policy is the settled status policy, which is quite unsettling, frankly, because unless you have been in the UK at a certain cut-off date you do not know what your entitlement will be. If you are an academic who has to travel to do fieldwork overseas, go to conferences and all that, you do not spend 180 days in the country, so what on earth is your status going to be?

At least the current published policy is one that is profoundly unsettling. We think that, as part of the EU negotiations, there needs to be a better published policy on the table that explains to EU citizens their rights of residence and also what their rights of access to public services, for them and their dependants, are going to be when Brexit happens. It is troubling a lot of people.

On post-study work the first obstacle is simply political. The UK Government, historically over the past few years, have just not wanted to do it—it is as simple as that. There are perfectly resolvable administrative issues about how you track where a worker is, but that is not beyond the wit of Government to resolve.

Chair: Thank you. Do you want to make a quick contribution, Colin?

Colin Borland: No, nothing further.

Chair: Anything further on the immigration issue? No.

- Q11 Ross Thomson:** I have a couple of questions on trade. I know that the STUC and the FSB talked in their submissions about trade internationally. What do you think the UK's trade policy priorities should be after we leave the European Union?

Colin Borland: I think practicality. Think about what it is going to be like not just for large car manufacturers trying to access the markets they need, but for a self-employed individual who maybe has one or two members of staff. We did a report on this last year, and one of the interesting things that came out of it was the extent to which the single market is like a training ground for ambitious small businesses that want to export to the world because it is relatively easy. Certainly compared to places outside the EU, it is a good place to cut your teeth. Something that would help people make that first step and address those practical issues would be really helpful. I think about 14% of Scottish small businesses



currently export. If we want to get that up, that is where we need to be looking.

Helen Martin: In many ways this is quite a complicated question. The first priority needs to be entering agreement with the EU itself, but we cannot be limited by that, because obviously to date we have been trading on EU trade policies with other places in the world. To a certain degree there is just a prioritisation piece of work that needs to be done, because trade agreements take quite a long time to set up and we need to make sure that we replace the important ones first for our economy. That is going to be quite a challenging and time-consuming process.

There is a real danger for communities within this on the basis that a lot of trade policy we have seen recently has been quite negative. It has the potential to remove the ability to invest in and protect public services. I am speaking specifically about the ISDS investor clauses within TTIP. TTIP is the one that everybody holds up as being kind of iconic, but these are things that are repeated in a whole range of trade deals, and that sort of private justice for private companies is something that we are very concerned about.

We are also concerned about the fact that it will be very difficult for the UK to negotiate good trade policy alone, basically because of size and the big market that you are getting access to. We had more ability to stand up against the kinds of issues that were coming in a deal with Canada or in a deal with the US than we potentially do as Britain, particularly when we are required to agree these deals quite quickly. There is a real danger that we will have trade policies that throw the baby out with the bathwater and potentially put at risk some of the things that we in the UK hold quite dear, and potentially cause a challenge for regulation and for workers' rights.

Q12 **Ross Thomson:** On the business side, what do you think needs to be put in place to support small and medium-sized businesses to take on the opportunities that new trade deals will present? For example, as you know, through the GREAT campaign the Government doubled the amount of export finance available to £5 billion, yet the advertising for that is just not there. What more needs to be done to show visitors that there is help out there, and what else do they need to help take advantage of the opportunities that will come?

Colin Borland: One of the things that we suggested in a joint meeting between UK and Scottish Ministers was some sort of co-ordinated joint approach between the Scottish and Westminster Governments, because obviously parts of this fall into each of their remits. If we could align some of that a bit better and make sure that we have everyone, not just at that top end that you are talking about and the many people that Alastair represents—spinouts from universities and so on—but right down at the level of a member who does knitting patterns from a croft on an outer island. What support do they need? The primary source of advice



for them would be something like Business Gateway, so how is that all integrated and right up to the level that you are talking about?

Chair: Thank you. If any of your members or associated organisations would like to feed into the Committee's inquiry, we are open for any suggestions. That has got us off to a very helpful start. Thank you for coming in. I know you are all regular contributors to the work of the Scottish Affairs Committee, so thank you for your ongoing interest. If you have anything further to contribute, please submit it to us. Thank you very much.

Examination of witnesses

Witnesses: Rob Gowans, Layla Theiner and Craig Wilson.

Q13 **Chair:** Thank you very much for coming along to our inquiry, which is called My Scottish Affairs. Let us just get straight down to business. Please say who you are, what organisation you represent and maybe give us a few suggestions about the type of work that you think we should look at in the course of this Parliament. We will start with you, Mr Gowans.

Rob Gowans: I am Rob Gowans. I am a Policy Officer at Citizens Advice Scotland. Two particularly big issues that we think would be useful for the Scottish Affairs Committee to consider relate to welfare and social security. The first is the ongoing roll-out of universal credit in Scotland, which is one of the biggest policy changes to affect social security since its establishment. It has already had quite a profound effect on the local authority areas where it has been rolled out. Citizens Advice Scotland, along with other organisations, has called for the rollout to be paused so that several issues related to it can be fixed. This includes the six-week wait for a first payment, digital access issues, issues with official areas that can delay payments even further and issues with the helpline to the universal credit support centre, which is not a free phone number and has caused problems to people running out of phone credit when trying to call it or running up large bills.

The other area is the devolution of social security powers to the Scottish Parliament, particularly joint working arrangements between the UK and Scottish Governments to facilitate those powers being used. This could include information sharing, changes to benefits, reserve benefits that have an impact on devolved benefits and vice versa, and just ensuring that the process is smooth and that there are not impediments to the powers being used or gaps left in the shared space that is social security policy.

Q14 **Chair:** I am grateful for that. We held a joint evidence session with our equivalent Committee in the Scottish Parliament, in which we questioned the Secretary of State and the Cabinet Secretary, and I think that CAB gave us some assistance in that inquiry too. It is work that we will continue to look at. Again, we would be very interested in any



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suggestions about how that could be progressed. Ms Theiner.

Layla Theiner: Good morning, everyone. I am Layla Theiner from Disability Agenda Scotland.

I am going to flip it around briefly and talk first about employment. There are some really interesting things that you could be looking at around employment, how UK Government policies are interacting across the Scottish Government and what is happening up here specifically around the disability employment gap. For several years the UK Government were calling for the halving of the disability employment gap. That aim has changed relatively recently to getting 1 million disabled people into work.

Last December, the Scottish Government made a call to at least halve the disability employment gap. There have been some measures from the UK Government and also from the Scottish Government, but actual progress towards that has been quite limited, and it has been without targets or greater investment in employment programmes, for instance to help people into work and to stay in work—whether full-time, paid employment, voluntary work or part time employment—so that could be very interesting.

Part of that would be looking at access to work, which is a UK-wide policy and remains reserved, so although the employment support programmes have been devolved and contracts were recently announced for Scotland, access to work remains reserved. It is a way of disabled people accessing funding for reasonable adjustments, so the impetus is not on the employer; it is to help them and the employer make reasonable adjustments that can help them be in work and stay there. That has been described as the best kept secret of the UK Government. There is quite a low awareness of access to work, so there is a job there around promotion and getting employers in particular, but also disabled people, aware of what is available in a way that is easy to access and that they simply know is there.

We also believe anecdotally that the number of people applying for access to work in Scotland is lower than arguably it should be, in terms of the number of disabled people there are. We are researching that more in order better to understand whether that is the case, or whether it is just anecdotal.

Also, the public sector could take a leadership role in contracting and recruiting disabled people, and in relation to social security and welfare reform, as Rob said, looking at how the Scottish Government and the devolution of social security is working with the UK Government and English/Welsh kind of welfare. Part of that is that some of the powers that are being devolved, particularly around disability benefits but other benefits as well, will not come into implementation for another three to four years. We would say there is still an opportunity for looking at improvements that could be made at UK level around PIP—personal



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independence payments—halting universal credit, which will remain reserved, and also employment support allowance, which will also remain reserved.

Lastly, just to touch briefly on broader matters, stigma and discrimination underpin a lot of the issues that we work on, and also Brexit and what that means for people and for organisations.

Q15 **Chair:** I am grateful. Mr Wilson.

Craig Wilson: I am Craig Wilson, from the Scottish Council for Voluntary Organisations. We are the membership organisation for the subsector in Scotland, and as such we hear from a variety of charitable organisations across the spectrum. For example, we hear quite specific detail from Rob and Layla's organisations, and as a result we have the fortune of seeing at a bird's eye view what the situation is for welfare and social security.

A catch-all statement for our members would be on the continued benefit freeze and the decision to delink from inflation, which is certainly causing an issue around the adequacy of benefits. We saw today that inflation is predicted to reach a five-year high. If Brexit has a negative impact on the economy—that is yet fully to be seen—that would certainly have an impact on the level of benefits that people receive, which they are already finding hard to get by on. That is a problem we are hearing across the membership.

We have concerns about DWP delivery. There is plenty to be learned from the DWP. They do lots of great work, but there are some areas that could perhaps be better. I am thinking specifically about people being allowed access to volunteering. Instead of just working in the back room of a shop, they could be working for a charity and learning meaningful skills and contributing in a different way. We have various concerns but an overarching position.

Q16 **Christine Jardine:** I want to ask the CAB a couple of things. Rob, in your written submission you state that you are concerned about the levels of rent arrears and about PIP delays. One of the things that have come up elsewhere is that people with continuing degenerative conditions, such as motor neuron disease, are being asked to go back for repeat appointments. How significant a problem is that, and do you feel that the system—which you have said is not working effectively and you would like to see frozen—is contributing to those delays?

Rob Gowans: There are a few issues there. We would certainly support changes to the assessment processes for people whose conditions are degenerative and not going to improve, so that people do not need to be repeatedly reassessed, particularly for PIP. We have suggested to the Scottish Government that when disability benefits are devolved they make much better use of existing evidence from people, whether their own evidence or medical evidence, in order to avoid unnecessary assessments.



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In terms of universal credit, it is something that is potentially part of the mix. We know that there are long delays for people waiting for a work capability assessment, and around several of the other issues, including a rise in people seeking crisis support, whether from the Scottish Welfare Fund or being referred for a food parcel.

Q17 Christine Jardine: Where do you think the future devolution of welfare and benefits could have an advantage in these areas? Are there any disadvantages? Do you think there are specific areas that we should perhaps be looking at?

Rob Gowans: I suppose that where there are particular areas for working together, such as the flexibilities for universal credit, the Scottish Government will have administrative powers to change for particular elements of universal credit, such as the frequency of payments, whether the payments are split and whether to impose the bedroom tax or not. Those areas rely on very good information sharing.

There are other areas. For instance, the Scottish Government are planning to create a carer's supplementary payment that would raise carer's allowance to the level of the jobseeker's allowance, so it is worth making sure that it does not have any knock-on impacts on any other reserve benefit payments, or it does not change their income for those purposes, that if payments are increased, then people would get the money in their pockets and it would not be taken away elsewhere.

Layla Theiner: Just briefly, building on a couple of the comments that have been made, most people who are currently on disability living allowance have not moved over to PIP, but we are already seeing some of those problems around the assessment process, and arguably around the quality of decision making. Part of the rationale for the UK Government to move people over from DLA to PIP was that it would be more efficient and reduce the amount being spent. First, because there are more face-to-face assessments, we would argue that it is not a particularly efficient system. There is an inherent cost associated with assessing someone face to face, particularly when there is enough medical evidence or other evidence in their written assessment, so there is definitely something there that could be looked at.

As has been said, for quite a few conditions people are not going to change; they might get worse, or they might get better. Somebody who is registered blind, for instance, is unlikely to change any time soon, so getting them back every few years to have a face-to-face assessment is not necessarily efficient. There are other ways of doing that, even if it is just having to complete a form again.

In terms of further devolution, employment support allowance could be looked at. There are more disabled people on employment support allowance than there are on disability-specific benefits. It is going to get increasingly more complicated with the two systems. The welfare social security system is inherently technical and complicated, but that is one



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area where further devolution, or certainly very close working, could help the systems and people in the longer term.

- Q18 **Gerard Killen:** This question is for Layla. Your introduction was very comprehensive, so thanks for that. You mentioned discrimination against disabled people, and I know that one of the things that this Committee has looked at is access to justice and how groups, for example LGBT people and disabled people, have faced barriers to that. Is that still an issue? What sort of challenges are there?

Layla Theiner: There are a few things. First, what has been interesting and quite disappointing is that the figures for reporting of disability hate crime in Scotland have increased. The COPFS figures for the last few years for disability hate crime have gone up year on year, but also there is a really clear sense that it remains under-reported. Even compared with other forms of hate crime, there is a belief that people are not reporting it. Some of it might be that it is relatively low level so not classed as hate crime. There is currently an inquiry in Scotland looking at hate crime legislation across the board.

It can also vary depending upon where you are. If you are in Glasgow, it might be a bit easier to report it than if you are in the highlands, partly because in smaller groups people might not really want to report an employer, or not being allowed into a shop with a guide dog, especially when it is someone who lives down your street? It is very challenging, and looking at discrimination is quite challenging anyway. LGBT has moved on in positive ways in the last 20 years, but not necessarily as a result of doing a massive campaign; it is culture change. How you encourage culture change is probably by some of these other areas like employment, like supporting people, inclusion, so that people are interacting in other ways. But that is a very topline response to big issues.

- Q19 **Danielle Rowley:** Rob, you mentioned that you have called for the halt of the acceleration of universal credit. Could you tell us in a bit more detail what your concerns are and what changes you think need to be made so that the system suits the needs of claimants? We saw the letter that was signed by many third-sector organisations in Scotland. Craig, perhaps you can tell us if you think that is the view of the third sector in Scotland.

Rob Gowans: The areas that we would be particularly keen to see addressed include the six-week wait for the first payment. Our evidence has shown that for far too many people this is leading to being in rent arrears, in debt, requiring emergency payments or advance payments that then need to be repaid by the time they get their first payment. It is having quite a detrimental effect on their mental health and wellbeing, as they are trying to juggle paying for food, bills and rent. We think that period should be reduced, potentially by making a payment halfway through that does not need to be repaid, by removing the waiting days to



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start a claim. That is basically seven days where there is no payment made, to give it to people that bit faster.

We think there would be work around making it easier for people who struggle with digital to make a claim. Over the last four years we have regularly surveyed CAB clients and found that consistently 20% of people felt they would be unable to make and manage a claim for benefits at all online, even with help, and the majority would struggle and need assistance to do so. We think there needs to be more ongoing digital support, particularly by having people available to train claimants, whether in libraries, jobcentres or other areas. But there are also additional routes to help to manage and make a claim in the first place, because while we support the aim of improving people's digital skills to help make them more employable, having that barrier at the start of the claim, which can cause delays and problems for people getting money in the first place, is not especially helpful.

Part of that would be making the helpline number a free phone number. Previously benefit numbers have been free phone, which has helped people resolve problems, particularly where there can be long waiting times. What we see increasingly is people running out of phone credit, having to come to services such as the CAB just to use the phone, which we are happy to help to do. But in the first month since universal credit was introduced in the first roll-out area, their phone bill increased dramatically, which is not sustainable.

Q20 John Lamont: I have a question about the delivery of universal credit and all these concerns about how it is being rolled out. Clearly, the policy objective behind this reform is to make the payment of benefits simpler and also to encourage people back into work. Notwithstanding your concerns about the delivery of it, do you agree with the policy objectives behind it?

Rob Gowans: Yes, we agree that the benefit system should be made simpler and work should be made to pay. There are laudable aims behind universal credit, which we have always supported. That is why we think it is right to pause it in order to fix these problems, because it is in everybody's best interests that universal credit works and that it works for the claimants, giving them their social security support as well as the other aims.

Q21 John Lamont: Do others agree?

Craig Wilson: Yes. It slightly pre-empted my response to Danielle's question, which was that the aim behind it was laudable. The simplification of welfare was welcomed, but the roll-out of it and the adequacy of the benefit itself are the issues. The only other thing to pick up on was that I agreed with everything that Rob said. That is certainly what we are hearing from our members. There was another issue around split payments for households where there are two people. It was brought up by domestic abuse charities that you both have access to the



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same account and you are able to see where the other person is going for job interviews and suchlike. That was another issue about privacy and allowing people their own profile as well, which was another concern.

Layla Theiner: Very briefly, we supported the aim of simplification. I think there has always been a question mark about how much the introduction of universal credit would help people back into work without other support and without being able to access jobcentres, just because some of the most vulnerable groups who are applying for universal credit, if they are set back by six months and also are probably a little bit away from the jobs market in the first place, we have always had question marks about that. I think some of that is showing through, which is again why we supported the Citizens Advice call to halt it in order to look at some of that.

Q22 **Chair:** This Committee has previously done some joint work with the Social Security Committee in the Scottish Parliament. We looked at management about the preparedness of the devolution aspects and at the ways that the Governments could work together. Is there anything specific, outwith the process-related issue, that we could usefully look at when it comes to the whole range of benefits, with the understanding that the Scottish Parliament will have responsibility for nearly all disability-related benefits and the management of universal credit? Could you make any concrete suggestions about the sorts of things that we might be able to take up? We have had a number of responses about universal credit, but are these just transient concerns or is there a deep-seated feature that we need to examine? Mr Gowans, could you help us with that?

Rob Gowans: I think you should probably examine the roll-out as it affects Scotland. There will be impacts on local authorities and local third-sector agencies in Scotland. In particular, one area that might be looked at is housing. As we have seen in every area where universal credit has been rolled out, both north and south of the border, rent arrears have increased dramatically for housing associations and local authorities. With a significantly higher proportion of housing in Scotland being social housing, that is potentially going to have quite a significant impact, so that might be one area to focus on, as well as the impact on local services in those areas.

Layla Theiner: I am struggling to think of areas beyond what we have already suggested. Something really interesting, and broader, is the purpose of social security and welfare and the aims of the systems, because the tone is very different for what is being suggested. Obviously, with the Social Security Bill before the Scottish Parliament, we will have to see what that means in practice. We should look at how the Scottish system is developing from more a top-line perspective across the board, and underneath that some of these other benefits that potentially might be better placed being devolved. When the Scotland Act was being looked at, people were looking at such a range of issues that perhaps things



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were missed or were chosen not to be devolved that might be better placed.

Q23 **Chair:** Mr Wilson, lastly, are there any specific Scottish issues that we should be looking at and picking up that are different from the rest of the UK when it comes to welfare and social security?

Craig Wilson: I cannot think of anything specific, but maybe you could look at the relationship between the UK and the Scottish sectors in terms of information sharing, IT systems and flexibility. If the Scottish Government are choosing to do something differently, it should be facilitated in the easiest possible way. I know there are huge issues around that, but certainly that problem seems to have come up several times.

Chair: We are very grateful to you for that. We have had lots of good suggestions on welfare-related issues, so I am sure we will be considering them at length. Thank you for your time this morning.

Examination of witnesses

Witnesses: Clare Slipper, Simon Collins and Charles Dundas.

Q24 **Chair:** Good morning. It is always good to see our friends from agriculture and fisheries at the Scottish Affairs Committee.

Charles Dundas: And environment.

Chair: And environment, of course—how remiss of me, Mr Dundas. We welcome you and I think you have all contributed to the work of this Committee over the past few years, for which we are grateful. Just to help the Committee, please state who you are, what you represent and anything by way of a short introductory statement about what we might want to look at.

Simon Collins: Thank you, Chair. It is good to be here and good to see David, given his fishing interests, which are particularly predominant. I work for the Shetland Fishermen's Association. Shetland is miles away from anywhere, but right in the middle of the UK's fishing grounds. In that function I am also on the executive committee of the Scottish Fishermen's Federation.

Since the Brexit referendum we have been wrestling with what this might mean and so on. You will be aware of the Sea of Opportunity campaign that we put out, pointing out that, unlike for many other sectors, the prospects after Brexit are very much a win-win for the catching sector, in terms of wrestling fairer shares of the quota that is in our waters and in terms of better management to a more sustainable regime.

As far as this Committee is concerned, the very wealth of our fisheries creates something of a conundrum, if I can put it that way. The fishing industry in the UK is very much distorted; it is very much towards the north-east of Scotland and Shetland. If we just concentrate on finfish—I



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call them finfish, fishy fish, because I am not talking about shellfish, which are very much more spread around the UK—we see that 70% of UK landings by UK vessels are into Peterhead, Fraserburgh and Shetland. It is a massive concentration of the UK's fishing effort in that part of the world.

When the UK leaves the EU and becomes a coastal state and we have UK frameworks, the one concern we would have is how we ensure that the Scottish dimension, which is particularly important in the UK whole, is protected. How is that spoken for in the right proportion? DEFRA would be the lead agency on fisheries questions, as the UK facing outward. Of course there are many devolved powers within the UK, but as the UK goes forward and negotiates quotas on the international stage, and as it contributes to environmental legislation under various UN bodies, how can we make sure that that Scottish element—that uniquely very heavy Scottish dimension to UK fisheries—is properly represented?

At the moment, and it is early days, DEFRA officials of course talk to Marine Scotland officials in discussing and preparing for the post-Brexit world, but that leaves us just hoping that officials always get on. Could there be any institutional safeguard to make sure that that 70% of those interests are properly represented in the UK's position? I have a suggestion—I do not have any answers for you, whether that is a pity or not—which is that there is a role for the Scotland Office here, to ensure that when DEFRA takes a UK position on fisheries, or on other matters such as agriculture, the Scotland Office can as a backstop and ask, "Have you spoken to Marine Scotland? Have you spoken to the Scottish Parliament? Have you taken on board the Scotland Government's views?" I wonder whether there is some institutional backstop for your Committee as well, making sure this is happening as we go forward.

Q25 Chair: I am grateful. We will have the Scotland Office Ministers in front of this Committee in the next couple of weeks, and I am pretty certain that question will be noted as one to put to them.

Clare Slipper: Thank you for having me here today. I last gave evidence to this Committee almost exactly a year ago, when we talked about Brexit and I outlined that the key priorities for NFU Scotland were three very large overriding themes: trade, labour for the sector after we leave the EU, and a new agricultural support system after we leave. Since then nothing has changed. These are still our key priorities as we move forward, although clearly the situation is beginning to solidify in that we are seeing more from the UK Government on their negotiating priorities. The Prime Minister has confirmed that we will be seeking to leave the single market and the customs union, and we are chewing through White Papers on those two themes at the current time.

We remain absolutely resolute on three key things, the first of which is trade. If we are indeed to leave the single market—we were quite clear during the campaign that our preference would be to remain in it—we must have frictionless and barrier-free trade with the EU. The free trade



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agreement has to protect the provenance of UK and Scottish products. We are very concerned about some of the developing narrative on a no-deal situation, or a situation in which we revert to unilateral trade liberalisation, or indeed to WTO rules. The provenance of our product has to be protected and standards must be equivalent. The FTA must also account for different sectors of the agricultural sector, because different sectors will need and want different things and have different priorities.

On the labour point, this is growing increasingly critical. We must have access to both skilled and competent—we prefer to use the phrase “competent” rather than “unskilled”—labour for on-farm and off-farm positions. There is a seasonal and a permanent dimension to that as well. We have to take much more account of what switching off that steady stream of labour into the UK will mean for businesses and the economy in Scotland.

Finally—this is a key thing for us—we need a future agricultural support policy for Scotland after we leave the EU that incentivises action rather than inertia. We want that new policy to balance financial stability payments with wider, more outward-looking things and, of course, to increase productivity and environmental benefits as well. We want the same quantum of funding to be put into that policy at least that we currently have and for that to be ring-fenced. This is absolutely key to the longer-term sustainability of the industry. We will touch on frameworks afterwards, so I will leave my comments on that until then.

Charles Dundas: I am Charles Dundas, Vice Chair of Scottish Environment LINK, which is an umbrella body that brings together all the environmental NGOs—organisations such as the National Trust, the RSPB, the Scottish Wildlife Trust and my own organisation, the Woodland Trust. If you will excuse me, I am a late substitution to this Committee. The chair of our governance group, Lloyd Austin from RSPB, is inconveniently out of Edinburgh, as is Daphne Vlastari, our advocacy officer. I hope the Committee will excuse me if my pitch is not as slick or informed as either of theirs would have been, but I am sure we can get by with a more conversational, discursive way of engaging.

Like the farmers, we have three main concerns borne out of Brexit. So much of the environmental protection that we enjoy at the moment finds its roots in environmental legislation regulation and institutions. Therefore, the way we extract ourselves from those is of great interest to us. We are concerned by the European Union (Withdrawal) Bill, which is currently going through Parliament, because three things are absent from it, one of which is environmental principles. These are the principles that are enshrined within EU treaties but are not being translated into UK law, such as the precautionary principle or the principle that the polluter pays. We find their absence very concerning.

The second point is what we have dubbed the “governance gap,” which comes from extracting ourselves from the EU institutions. There are



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examples whereby environmental protection is safeguarded through certain European institutions such as the Commission, which will, in UK law, only then be replaced by parliamentary scrutiny and judicial process, which are not necessarily the correct vehicles to get the best outcomes in those cases.

Finally, on the issue of frameworks, I absolutely echo what Clare said about land management payments. This is an opportunity for us to reform the CAP system, which many people say needed a lot of reform. I agree with Clare that we need the same amount of money coming into it, particularly in Scotland, but the key issue on this is how Scotland plays its part in creating those frameworks, and how all four nations of the UK get together to have a mutually-agreed framework that works for all and provides the best benefits.

Chair: That was sufficiently slick, Mr Dundas. Thank you for that.

Q26 **John Lamont:** My question is to Clare and the NFU. In your written submission regarding Brexit, you suggest that policy levers over things such as farming support should be devolved, but you suggest that there should be a common regulatory framework across the UK. Could you expand a bit more about what you mean by that?

Clare Slipper: Absolutely. Clearly since 1999 agriculture has been devolved to the Scottish Government. What is also clear though is that cutting and pasting the CAP into UK policy is not easy. It is a devolved policy but it has also been vastly Europeanised and it is all tied up in regulations and in money, which are not easy things to unpick. But as you rightly say, under the CAP we have all played by the same rules of the game. It was put quite nicely to me recently that we are not operating on a level playing field at the current time, but we are all playing by the same rules of the game.

The way that CAP works at the current time is that the four parts of the UK have significant inbuilt flexibility to devise a policy in a way that fits the particular agricultural context. For example, in Scotland we make use of less favoured area payments and coupled payments for the livestock sectors, but those are flexibilities that are not used elsewhere in the UK. We really want to be able to retain that significant flexibility.

There needs to be some sort of framework for things, areas of regulation that cut across borders. Some examples might be—and I outlined this in the submission—things like animal welfare, plant protection, pesticides and chemical regulation. It would not make any sense for us to go in four different directions in the UK on these areas. Indeed, it is likely that the regulatory framework will be fairly closely aligned to what the EU is doing anyway, because we are proud to have strong protections in these areas and we will need to maintain areas of commonality within the EU. But within that commonly agreed framework—and major emphasis on “commonly agreed”—I would back up what you said there. There has to



be significant devolved flexibilities to do things in different ways in Scotland, fitting to the context.

Q27 John Lamont: Just so that I am clear, for those areas that have been retained for the UK framework, that means those policy areas should be held by the UK Parliament?

Clare Slipper: I think it is an issue of semantics. I am not a constitutional expert on where exactly these powers will come back to and where they sit. Clearly we have hit a deadlock because there is disagreement between the UK and Scottish Governments as to where the powers will come back to on day one of the EU exit. For us, it is not so much about where those powers sit, but it is the regulation being done correctly and there being significant agreement and consultation before the framework is applied between the different parts of the UK. Whether that is done through some sort of emulated UK Council of Ministers, for example, or the existing joint ministerial framework, I do not know how it would best work, but there needs to be more engagement at the current time between the four parts rather than it being a drop-down, DEFRA-centric view of the world, because we are quite clear that will not work for Scotland, and indeed it is quite unlikely to work for England and Wales and Northern Ireland.

Q28 John Lamont: My second question is more general. Notwithstanding the huge financial support that farmers get from the European Union, many farmers voted to leave the European Union. Can you shed any light on which aspects of the European Union annoyed farmers so much that resulted in them voting to leave, and what do we need to reform to ensure that they feel they are getting a better deal now compared with what they had before?

Clare Slipper: To go back a step, clearly Brexit is one of the biggest challenges that we have faced as a union in the hundred or so years since we have been in existence, but there are some opportunities that come from leaving the EU. If we get the trading framework and labour requirements done correctly and have a proper discussion about how we want to support the industry via a newly redrawn policy framework, then that will benefit. There are also areas of regulation that we want to look at. We have recently published a document looking at post-Brexit regulatory change, because we do see this as an opportunity.

Obviously farming is highly regulated at the current time, and rightfully so in many areas—it is important that we establish that—but we have identified various different areas of regulation where it is just not working in the Scottish context. It is these areas that particularly annoyed some of our members who voted to leave. I think there is an opportunity for us to look at those areas, and not to have a bonfire regulation—do not get me wrong—but to look at how we can redraw things to make them work better.



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Some examples might be the penalty matrix and inspections, mapping requirements under the CAP. The three-crop rule arguably does not work in the Scottish context. We want to see how these ill-tailored and ill-fitting areas can be done better. As I say, it is not about a bonfire regulation. In fact, there are perhaps opportunities to introduce more regulation in areas such as food labelling and food procurement, so that we can do more to support the Scottish brand and that sort of thing. I think those are the opportunities from the situation.

Q29 Ross Thomson: My question follows on from your presentation at the start, Clare. You mentioned that the union was concerned about the recent discourse and talk about a no-deal situation. We all want the best deal for Scotland and the United Kingdom and the freest possible access to the EU single market. Do you not agree though that in trying to seek that best possible deal there is a risk posed to that, as well as adding to the inflexibility of EU negotiators, if we say, "We will take it," regardless of what is on the table in spring 2019? Secondly, has the appointment of a new Minister now for no deal, putting the groundwork into that scenario, given any reassurance to the union?

Clare Slipper: Good question. To be quite honest, I think we are still dealing with a lot of hypotheticals. Even though I said in my opening remarks that some thinking has solidified, we still do not know the likelihood of the trading scenario. It is not just about trade; it is about the regulatory framework as well. It is about us having a steady stream of people able to work in the industry. It is about us, certainly in the short to medium term, still having an element of direct support from Government to keep us in what will be a very bumpy few years.

I think it is quite welcome that Government have recognised the need to have some sort of transition, or what they refer to as—I think this is the phrase—a time-limited implementation. We will need that because farming is a long-term industry. Decisions are being made now that will impact the business in three to four years' time when we are out of the EU, so we really need to start seeing a lot more solid thinking about what the trading framework will be.

As for the appointment of a new Minister, do you mean Michael Gove?

Ross Thomson: No, Steve Baker.

Clare Slipper: Yes. We will be seeking to meet him to make our priorities known. As I say, the situation is tied up in quite a lot of politics at the moment, given some of the difficulties over powers between the UK and Scottish Governments, and we need to start moving on from that and having a fuller discussion about policy.

Q30 Ross Thomson: We covered trade briefly in the first section. In terms of priorities for trading from your own sector, as we break down barriers to trading in other parts of the world, where do you see the opportunities there for maybe exporting and around food and drink? I do not know if



those are the areas you have been looking at, but what would you see as the trade priorities for your industry following Brexit?

Clare Slipper: Yes, absolutely. Let me be clear: Scotland and the UK were never going to compete on a “stack it high and sell it low” commodity basis. Our industry is very much based upon provenance and exacting standards. We are pleased to shoot over the mark when it comes to the very high standards that our farmers maintain, and that has to be protected. If we get that right and we are not undercut by cheaper food imports, which would be hugely damaging to the sector, then I can see major opportunities in new markets abroad, such as China and India. But we need our relationship with the EU, certainly in the short to medium term, to look pretty similar to how it is at the moment in terms of the flow of trade there, because otherwise we will see quite a major restructuring in the industry.

- Q31 **Christine Jardine:** You have already asked for a review of agricultural regulation. What areas are you thinking about? As well as expanding on that a wee bit, could you tell us whether the industry is concerned about the possible impact of a lack of a regulatory framework, which was similar to the EU having an impact on trade, as you said? How concerned are you about that? I am thinking specifically about food quality standards. But first expand a wee bit more on the regulation that you think is necessary.

Clare Slipper: I can provide the Committee with a copy of the document that we have produced. As I have said, it absolutely does not support there being a bonfire regulation, but there are areas where it could be done better. Particularly, there are some areas of EU regulation that we feel have been gold-plated and that have not brought about specific environmental gain, productivity gain or whatever they are seeking to achieve. We want to have a good look at how we can get those areas to work properly for the industry and to benefit the environment and productivity in better ways.

In terms of the regulatory framework changing after we leave, a lot of that will be determined by the trade deals we get, because if we end up importing vast amounts of cheaper food that has been produced to a lower standard under different regulatory frameworks from non-EU countries, that will immediately put up a non-tariff barrier and export our standards and regulatory frameworks away from Scotland and the UK because we just will not be able to compete. That is a major concern.

- Q32 **Christine Jardine:** To go back to the regulations—this is probably a danger question for Mr Dundas—if you were to change the regulations, is there a danger that the farming regulations would come into conflict with the environmental regulations, and is there a need to make sure we do not undermine the relationship between agricultural and environment by interfering too much with the regulations post Brexit?



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Charles Dundas: Yes. Obviously no one wants conflict between environmentalists and farmers, but we are both agreed that there are changes that need to be made to the regulations. I am not going to pretend that it will be easy or that we know exactly what they all are, but I think we have a mature enough relationship to be able to—

Christine Jardine: It is more of a joint approach then.

Charles Dundas: I would certainly not advocate inaction for fear of the consequences.

Chair: We are going to move on to fisheries, but first we will have a supplementary question from Tommy Sheppard.

Q33 **Tommy Sheppard:** Good morning. This is possibly a question to Mr Collins, although I would be interested in any others as well. Going back to the discussion about common UK frameworks post Brexit, I am keen to know where the federation thinks the centre of gravity should lie in any arrangements. It seems to me that you could have one model where responsibility lies with DEFRA, but with the responsibility to consult with Scottish agencies and the Scottish fleet, or it could become the responsibility of a Department of the Scottish Government with a requirement to operate within a statutory UK framework. Does the industry have a view as to which would be the most desirable in terms of protecting your interests?

Simon Collins: Probably not. What it does have is probably a desire to have its cake and eat it. What it would like is for the UK to have the force and weight of the UK facing outwards. That is very important. But we would like Scottish interests to be given due consideration within that. There are many stocks, for example. If you talk to the rather narrower area of quota negotiations, some of Europe's biggest stocks lie within what we call Scottish waters. They are fished by the Scottish fleet. You would want the Scottish position to be heard in any negotiations on those stocks—mackerel, for example, but also haddock or North Sea cod, where there is a very heavy Scottish interest. I do not know whether you want to go as far as to call it the veto or anything else, but you would want to be absolutely sure that the Scottish industry's wishes on those negotiations predominate in forming DEFRA'S opinion.

That is not really a helpful answer, because it is not one or the other. It is about making sure that the Scottish voice is heard properly for the stocks where it dominates, but within a UK context because there is a real value in having a UK heft in international negotiations.

Q34 **David Duguid:** Simon, as you mentioned in your opening statement, obviously there is a wide range of different fisheries around the UK and around Scotland. Of course, the fish themselves do not necessarily hang around in the same place all the time, so it is quite a complicated, complex system that needs to be managed. I think you have covered what I was going to ask about that in your previous answers. Thanks for that.



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The SFF and other industry bodies have repeatedly said that regaining fishing rights in the UK coastal state is a priority, but can you say a bit more about how you see that working and what kinds of outcomes you want to see achieved from the negotiations?

Simon Collins: There are two parts to regaining control of what will become the UK's EEZ. The first part I mentioned earlier was to regain what we would regard as fairer shares of the quotas in our waters. I think it is a generally accepted concept right across the UK and Scottish Governments that the long-term aim—not immediately; we probably could not cope with it immediately—would be to have shares of quotas in our waters that match what we call zonal attachment, so that the proportion of stocks that are in our waters over time is broadly reflected in the quota shares. We would not be interested at all in setting autonomous quotas that flout scientific advice, for example. What we are looking at is the shares of internationally agreed amounts that you can take out of the sea.

The critical part upon Brexit is our ability to extract a fairer deal on quotas is not compromised by us losing negotiating power. The biggest thing we have in the context of fisheries is to negotiate those better shares. Nobody is going to give us better shares spontaneously—why would they?—especially as we have already said we would be constrained by the scientific advice.

The really big lever we have is control of access. Almost two thirds of the fish that are caught within the UK's EEZ disappears in other EU vessels—non-UK EU vessels. Many other fleets in the rest of the EU desperately require access to our waters to catch their quotas. That gives us a very powerful lever that we are very keen is not traded away at any point during the exit process. There is no long-term deal, in other words, that safeguards EU fleets' existing quota shares, for example. That would immediately remove that ability. Any concession by the UK Government over access would be most unwelcome, because we could not lever off those higher shares.

That is one part of it. The long-term part of it, which you would not want to lose either, and perhaps in the long run is even more important for the whole industry, is the ability to manage these our seas better. A lot of what Clare was saying earlier about regulation could be said to be exactly the same for fisheries. We believe we could do a far better and more reactive job of managing a dynamic sea in the UK than we could do from Brussels. That could provide—we are convinced it will provide—healthier stocks in the long run as well, and that is a long-term goal.

Both those things come from controlling our EEZ. In a nutshell, as we come out of the EU we do not want to lose any ability to do what we like, as it were, within that EEZ, having already agreed the broad principles that we are not going to overstep scientific quotas and we are going to manage things in a responsible way.



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Q35 David Duguid: You have gone on and answered one of my next questions, but I do have one more, which is about the EU fisheries funding. The number I have here is €243 million between 2014 and 2020 being allocated, which is then matched by the UK Government. What concerns do you have about the longer-term future of that kind of funding post Brexit?

Simon Collins: As a sector we are not nearly as dependent on funding—we love to have it; who doesn't?—as other sectors. To put it in a more local context, in Shetland we worked out the precise balance—it has not been worked out for Scotland as a whole—and the amount of funding from EMFF and its predecessor over the last five years has been worth less than 1% of the value of the fish caught within 50 miles of Shetland. Yes, it is a very nice add-on, but our sector certainly does not depend on this kind of funding. We believe that we are dynamic enough, especially after Brexit if we do get the kind of quota shares we want, to be able to draw in investment in any case.

Q36 Chair: We are missing Bertie this morning, so pass on our best regards to him when you see him next. I have a couple of questions just to round off this session. We are pretty certain that we will be touching on frameworks in the course of various inquiries as we progress through this Parliament, and we are speaking to the Scotland Office and this will possibly be touched on in the course of that inquiry in that evidence session. As we go forward, there are a couple of things that I think we could possibly touch on—and I am thinking of the NFUS, Clare. One would be the immigration question. I represent the finest berries in the whole of the UK in Perthshire, and my farmers will be coming to me with great concerns about the availability. Maybe it is something that we could touch on with that as we go forward.

Secondly, where are we going to be in 2020-21, given that we will be leaving the European Union and the talk about the Barnett formula possibly replacing what we get from CAP funding? Then we had Michael Gove talking about farmers being rewarded for greening and showing interest in that and maybe the payments following that. Are there things that we could start to look at? Are there any issues that you have identified that are worthwhile touching on and addressing?

Clare Slipper: Yes. To take the latter point first, on funding frameworks, there has been a commitment from the Conservative party in its manifesto that funding for farm support will be maintained up to 2022. We have written to the Secretary of State for Environment, Food and Rural Affairs asking him to confirm exactly what that will entail in terms of pillar 1 and pillar 2 and whether that also includes environmental schemes funding. We are going on the assumption that it does. But you are quite right that after 2022 it will be an entirely different ballgame and we will hopefully have a pot of money to distribute across the UK.

As I said in my opening remarks, at the very least we want the same amount of funding coming back into Scottish agriculture and for it to be



ring-fenced. That is really important because we can foresee the situation that if it is just a lump sum that is given, there are obviously other ongoing priorities in the economy. When schools and hospitals need to be built, are the Government going to prioritise agricultural support? That is a different debate for another day, but we are very keen that it is ring-fenced.

We have done a little bit of modelling so far—we are hoping to work with DEFRA to develop this a bit further—on how we might look at allocating agricultural funding after we leave the EU. There is no perfect model as yet, but we have to be quite inventive and perhaps look at a hybrid model of a system based on land classification along with headage payments, but also making sure that it is WTO-compliant. That is not the only answer, it is just that we need to—

Chair: Maybe that is something that this Committee could look at, helping design some sort of scheme for Scottish agriculture beyond that point.

Clare Slipper: Yes. We need to test it against different scenarios and different makeups of different businesses, because in Scotland we have a very diverse agricultural industry and no business's operations are the same. There is a power of work that needs to be done there and we are keen to get the discussion going with DEFRA on that.

Coming back to the labour issues, you will be aware, Pete in particular, that it is becoming an increasingly pressing issue. Clearly there are issues for permanent staff. People who are employed on a permanent basis are very worried about their future. Also, a lot of questions are being raised about staff turnover. These people might not stay in Scotland, so if they leave after we leave the EU, are we going to have a scheme in place to ensure that they can—

Q37 **Chair:** I am sorry to interrupt. You will have seen the conclusions of the DEFRA Select Committee about introducing a new seasonal agricultural worker scheme. Is that something that the NFUS would favour? Is there anything that we could look at specifically Scotland-wide with such a scheme?

Clare Slipper: Absolutely. We have been very clear from the outset that we want to see some sort of seasonal agricultural worker scheme put in place as soon as possible, because again you will be aware that we have already seen some impact this growing season in particular. I spoke to a member last week, in fact, who was unable to pick up tonnes of broccoli from a field last week because literally he just cannot get the boots on the ground because people are not feeling welcome and we are not getting the same amounts of people coming over to Scotland to pick the fruit and vegetables. Yes, we need to see some real movement from the UK Government sooner rather than later on how we might be able to satisfy the demand for the next growing season and after we leave the EU.



Chair: If we consider some sort of inquiry into immigration in Scotland, we would certainly be seeking your views on this issue. I know that you have been doing quite a bit of work on this, so hopefully if that is going to be progressed you will be able to share your views on that.

Q38 **David Duguid:** I just want to ask similar questions to Simon, mostly about the immigration issue and the processing side of things. I know you are more involved in the catching side, but in the processing side of the fishing industry there is a high dependency. As Clare said, it is not just the transient and seasonal workers who come and go, but the full-time workers. Do you have anything more to say on that from a fisheries point of view?

Simon Collins: I would echo the same thing, David. Yes, it is a very serious concern for the processors—the catching sector is a completely different situation. There is a dependence in the north-east of Scotland on migrant workers, but they tend to come from outside the EU, and that is not directly affected. But the processing sector would echo exactly what Clare has just said.

Q39 **Chair:** Lastly, Mr Dundas, given the cross-border nature of so many of these environmental issues and the disparity of responsibility between the Scottish Government and the UK Government, how do you envision the Scottish Government working together on these policies after Brexit once all this is concluded?

Charles Dundas: Working together with the UK Government? We have the benefit within Scottish Environment LINK of meetings with Ministers on both sides. I do not think I am telling tales out of school if I tell you that both of them, when asked how it is going, suck in some breath and say, "It would be going better if the other side would co-operate with us more." Yes, it is going to be difficult. There is a cultural difficulty between the Scottish and UK Governments working together, but if we are going to have a common UK framework on land management payments and so on, they have to work together and work with all four nations.

I am struck by the question that Mr Lamont and Mr Sheppard asked about where the centre of gravity lies. I would echo Clare's point that it does not really matter where the centre of gravity lies because these frameworks have to be created on the basis of parity of esteem. Therefore, for example, if DEFRA was the lead body that was setting up this framework, if it was really serious about devolution, it would let the responsibility sit with Northern Ireland and then it would have to work for a devolved network because it would be out of its hands. There is an old way that if you have to divide a cake between two people you get one person to cut the cake and the other person to pick the slice they want. I think that is the sort of way of dividing up the cake that we need to be going down.



Chair: Thank you. With that analogy we will leave it there. Thank you all very much again and I am sure we will be hearing from you all in the course of the next couple of years as we shape up our agenda together.

Examination of witnesses

Witnesses: Evelyn Fraser, Susan Hunter and Danny Boyle.

Q40 **Chair:** Good mooring. I think you are quite familiar with the sessions we have had thus far. Can you start by stating who you are and any particular things that you think this august Committee should be looking at over the course of the next two years?

Susan Hunter: I am Susan Hunter, the Senior Policy and Research Officer with Youthlink Scotland. Youthlink Scotland is the national agency for youth work. We are a membership organisation and intermediary for large national voluntary youth organisations, local authority youth work services, some regional youth organisations and those who support the way we work. For example, our membership also includes Simply Scotland.

What we are interested in, and hope the Committee also shares an interest in, is young people's views and experiences of Brexit and their life post Europe. In particular, for the youth work service, we are interested in the funding that we attract to invest in experiences for young people, but also for CPD in development opportunities for youth workers and strategic relationships through the Erasmus+ programme. Erasmus+ has a number of strands, one of which is youth. It was previously called Youth in Action and around 10% of the Erasmus+ funds are for that youth strand. That works out at about €2 million over the past seven years for youth organisations and experiences in Scotland. That is not including where Scotland was a partner where the funds may have gone to the lead partner in Sweden, for example, or another European programme country.

We recognise that increasingly youth work organisations are relying on Erasmus+ funding and other European funds, in addition to, or to replace, national or local funds that may have previously been available, in a context where youth workers are experiencing the need to do more with the same or with less and as young people's needs increase.

We are also very interested in the fact that young people's voices are not being heard within the negotiation process, which we think is largely because there is a lack of reliable, credible information where youth workers can support young people to understand some of the challenges and opportunities that Brexit might provide them with. We believe that young people are losing out on their right to information from the media that is reliable and credible, because the process has become so politicised.



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Our other area of interest is around young people's loss of rights and protections through the repeal Bill, because a lot the United Nations conventions, such as child protections, sit within the EU Charter of Fundamental Rights, which would not come down, and also with the issue of factors not then being devolved to Scotland that would not be covered under the Children and Young People (Scotland) Act 2014, which gives furtherance of the UN Convention on the Rights of the Child.

Danny Boyle: Thank you very much. It is a pleasure to be here for our first appearance before the Scottish Affairs Committee. My name is Danny Boyle. I am the Parliamentary and Policy Officer with BEMI Scotland. I will try to give you a very brief overview of where our interests reside at the moment, in relation to devolved and reserved powers, and flag up a couple of issues that have manifested in the last couple of weeks around the topic of immigration, and lastly maybe chime with a lot of what has already been said this morning in relation to Scotland's experience in the forthcoming negotiations on leaving the European Union.

BEMIS is a race equality intermediary body. We are not too dissimilar to Youthlink. We work with diverse communities in Scotland in order to tackle a multitude of issues that they might face. Where we sit structurally is between the Scottish Government's Equality Unit and diverse ethnic and cultural minority communities in Scotland. A lot of the policy areas that we take an interest in and deal with are devolved, but some key ones are reserved. Employment obviously is one and immigration is another.

In 2016 the Scottish Government launched a race equality framework for Scotland from 2016 to 2030, which was a high-level strategic roadmap for progressing and challenging social change in Scotland in relation to inequalities faced by ethnic and cultural minority communities.

I am sure the panel members are all aware that last week the Prime Minister released the race disparity audit, which covered data that was held by Westminster and other reserved functions. We would be interested for the Committee to try to ascertain what the next steps are in relation to the race disparity audit. The race disparity audit has not yet come to the point of creating a race equality framework, which is the strategic document that is going to lead in terms of where we are going next. The audit has flagged up some discrepancies in relation to employment across the board. We would like to see how the Scotland Office will enhance or complement Scotland's race equality framework in order to take that forward.

The second point is that last week we were given sight of a freedom of information request that had been taken forward by the Scottish investigative journalism website called *The Ferret*, which enabled us to see stop and searches that have taken place in Glasgow in relation to immigration status. Over 80% of those stopped were British citizens. In



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numerical terms, 1,501 people have been searched in Glasgow over the last five years. As I have just alluded to, the vast majority of them are British citizens. The question we have with regard to that is: what are the policies and procedures being taken forward by the UKBA and what are supposed to be intelligence-led stop and searches that such a high number of British citizens are being stopped in that regard? The concern there would be that there is an element of racial profiling going on. People are being identified by a visible indicator and are therefore being followed through with these stop and searches. Some clarity would be required as to what those procedures are moving forward and the role that this Committee could play in assessing or analysing that to ensure that any stop and searches are taken forward with validity.

In relation to the ongoing discussions to leave the European Union, we would like the Committee to take a proactive role in terms of assessing the impacts for Scotland. Obviously Scotland's demographics are unique and different from those of the rest of the United Kingdom, and what may be a rational negotiation position for the United Kingdom may not necessarily be the perfect fit for Scotland. What I am alluding to is that the largest community in Scotland who have coverage under the definition of race within the Equality Act is our Polish community—61,000. Additionally, we know from the Scotland pupil census supplementary data that the second most spoken language in Scottish schools is Polish—15,000 speakers. What we are talking about here is not necessarily a continually fluid, young, seasonal migrant group; we are talking about people who are the backbone of Scottish communities and who are well integrated.

Chair: The next point is going to have to be, "And lastly".

Danny Boyle: Finally, just to chime again with my colleague from Youthlink, we do a lot of European work with other European civic society organisations. A lot of that is therefore predicated on EU funding. It is to ascertain where that funding will then be, how we will cover that shortfall post leaving the European Union.

Evelyn Fraser: Good morning. My name is Evelyn Fraser. I am the Development Manager of the Scottish Women's Convention. We are an organisation funded to consult women in communities and use their voices to influence public policy. We hold a number of events throughout the country, making sure that we include women from quite isolated communities and rural locations, and we also visit our Scottish islands to make sure that women who are furthest away from the central belt have their voices included.

Most of the issues discussed at our events are devolved matters, but there are overarching reserved matters as well. One of the key areas is to do with employment, looking at job security, the types of work that women do. Zero-hours contracts are of great concern. We have held an event with young women that has looked at the types of contracts that young people are offered nowadays, but also the difference in the



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national minimum wage for young people. Young people feel as if they are discriminated against because of their age with regard to the different pay ranges, particularly below the age of 25.

We have also spoken to older women who have issues around the change in dates with relation to pensions. They are having to work longer, but it is perceptions in the workplace of how they can do their job and what skills they need and what kinds of jobs they are being expected to do, and also the job security around that. Older women again have also spoken about the issue of pensions and when they can claim their state pension and also their ability to save for a personal pension or to contribute to a company pension scheme. Women tend to be in low-paid, low-skilled jobs that give them less of an opportunity to save for retirement. With the change in age at which women can retire, they are finding issues around pension planning.

Another issue that women have raised is around the gender pay gap, which is still very prevalent. I know that the Government have this year issued regulations meaning that employers with more than 250 employees have a mandatory right to purchase an equal pay audit, but in Scotland there are a number of small employers that fall outwith that 250-employee range. Women have no backup to a pay audit without challenging their employer, which they find very difficult unless they have a trade union to support them.

Around social security, women have issues—we heard about them in one of the previous panels—with the current system of benefits and going to a jobcentre and the whole ethos around that; applying for benefits and being seen as scroungers. We are working with the new social security team and the new agency to see how women's experiences could be used to change the new agency that is coming to Scotland.

Women have also spoken about how they are portrayed in the media. This is a huge issue because the media has a huge role to play in society's view of women. Women make up 52% of the population, but there are still very ingrained ideas of what a woman's role is in society, in the home and in employment. There are also very sexualised images, particularly of young women, which is impacting on their mental health and their ability to engage with society. We have done quite a lot of work on that, looking at social media and the impact it is having.

Finally, we have held a couple of events on Brexit, because we felt that women's voices were not being heard as part of the process. As women are the cornerstones of communities throughout Scotland, it is very important that their voices are heard as part of the negotiations. Women feel that they are not getting information at the moment. It is still very high level, there is nothing coming down to a level that they feel they can contribute to. They have fears around the withdrawal of European funding, particularly in isolated communities and for services that they access. They have concerns about withdrawal of European funding for



infrastructure, for business start-ups, and for making sure that communities are coherent in Scotland. They also have concerns about the withdrawal of rights that women have secured under European legislation over the past 20 to 30 years, particularly on maternity and parental rights. Those are the main issues that we are working on at the moment.

Chair: I am grateful. Thank you very much for that.

Q41 John Lamont: My question is to Evelyn Fraser and the Scottish Women's Convention. In your written evidence—and you mentioned it again just now—you raise concerns about human rights and women's rights being protected post Brexit. Could you expand a little bit more on how leaving the EU could harm human rights?

Evelyn Fraser: Women are concerned about the human rights legislation and where it is at the moment. It is quite strong and they can use that to support their daily lives. At the moment they are worried that, in leaving the EU, the human rights legislation might be diluted. It has not really been explained what is happening. It has not been brought down to a grassroots level. The talks are still very high level. Women have a lot of employment and social rights under EU legislation and they just want to know that those rights are still going to be protected.

Q42 John Lamont: Are you saying that replacing the ECHR with the British Bill of Rights is not going to give the same robust protection to women's rights, and are you therefore saying that the Scottish legal system is not adequate to protect those rights?

Evelyn Fraser: Women have said to us that they do not feel the Bill of Rights is as strong as the—

John Lamont: Is that based on fact though?

Evelyn Fraser: That is based on assumption, on what they have read and what they have found out through the press and through what has been reported. That is what I am saying; that is still at a very high level. Women are finding out what is coming through the media, which can be skewed at times. They want to know facts so that they can be informed and they can make a decision around that, but assumptions just now are based on what they hear and what they see through the media.

Danny Boyle: Very briefly, I think what Evelyn is additionally alluding to is that the negotiations on leaving the European Union are the final stop before we start to process into the next commitment of the current UK Government, which is that they will look to repeal the Human Rights Act. There is a fear within the third sector generally that we are splitting up, in terms of leaving the European Union, and then seeing further regression or a repeal of the Human Rights Act. From our perspective, this is part of a similar process or the same process. That is why, as the negotiations on leaving the European Union continue, we fear that the next stage will be repeal of the Human Rights Act.



Q43 Christine Jardine: Although I have a lot of concerns about what everybody is saying, my question is specifically to Evelyn Fraser. You mentioned women and the change in the pension rights and the pensionable age, which has affected women born in the 1950s specifically. Could you expand a wee bit more on the problems that has caused and whether you think there is some way of resolving it, or what specifically your organisation would want the UK Government to be thinking about in terms of resolution?

Evelyn Fraser: With regard to the initial changes to the state retirement pension—the age you come in—there was a very short timescale for women born in the early 1950s, who had maybe planned retiring in the early 2010s. They are left thinking, “I now have to work another five years.” They had planned their retirement. That was an initial view, that women thought that they would get the state retirement pension, but they then had to think about the job that they were going to do.

Women tend to work in what is classed as low-paid, low-skilled jobs, and a lot of those jobs may be cleaning, catering, clerical work or working in shops. We have had a lot of carers and catering workers come in to us and say, “I’m in my 60s now. Maybe 20 years ago I was fit to do caring work, lifting and handling and moving and all that kind of thing, but physically I cannot do that work anymore. What job am I going to do to see me out to my retirement?” That was a key issue.

Another thing that women had spoken about was their ability for long-term planning. They maybe had thought about saving and putting money by, but if they had to change their job or change their career path to fill that gap to retirement age their salary might drop and there are still ongoing financial commitments there. Something else that women spoke about was what we call sandwich carers in that age group, where they fill in a gap and care around the lack of affordable childcare for their children and also a lack of elder care, where they maybe have elderly parents or relatives.

Women are having to work longer. They are trying to support their families. They are juggling financially. They are worried about their pension and what that means. They are also worried about whether, when they get to retirement age, they are going to have a life after that. Are they going to be so washed out and so brought down that they are unable to enjoy their retirement? There is a whole range of issues that women have reported to us, particularly around the pensions issue. I think—

Chair: Can we leave it there? I am very conscious of the time. Are you satisfied, Christine?

Christine Jardine: Yes.

Q44 Gerard Killen: Just touching on something we heard in an earlier session about disabled people in work, and to broaden that out a bit, the Committee heard in the last Parliament about barriers to women, LGBT



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people, BME communities and disabled people in accessing justice when they have been treated unfairly in work. We saw a huge drop-off with the introduction of tribunal fees, and obviously they have now been found to be unlawful, but is accessing justice still an issue for people in these groups? You talk in particular about women being treated unfairly.

Evelyn Fraser: Women find it difficult due to a whole range of issues, particularly lack of confidence, to raise an issue in the first place, and you have to go through a procedure before you can lodge a tribunal claim. Unless a woman is in a trade union and has that support, she might not take that forward. Because a lot of employers are not supportive of trade unions, or women do not know how to sign up to a trade union, there are a lot of issues in accessing justice at a very basic level, in getting support and raising a point in the first place.

When it comes to the employment tribunal service, women reported that they did not have the funds available to launch a tribunal claim in the first place, not even to see that it would go to the next stage, so there has been a drop-off in the number of access to justice cases there, particularly around discrimination and women's rights in the workplace, because of the higher rate that had to be paid at the employment tribunal. There was a drop-off in the number of claims that were going forward for that, but hopefully now that employment tribunals have been devolved to Scotland we will see how that goes.

Q45 **Danielle Rowley:** Evelyn, you mentioned pay gaps in your opening statement. The Equalities and Human Rights Commission recently released a report revealing that pay gaps are still an issue in Scotland, specifically with women, ethnic minorities and people with disabilities. This Committee has previously heard that young people are often trapped in low-paid, casual work. We have heard a little bit about the reasons behind these pay gaps, so do you have anything additional to add on the reasons? Also, what do you think could be done to address those issues?

Chair: That is for any one of you.

Susan Hunter: From a young person's perspective, we have advocated—I think this was mentioned earlier—in relation to age bands within the national minimum wage or the national living wage and the discriminatory functions in there, where young people are doing the same work but receiving significantly less for their hourly rate and then obviously their monthly salary.

Danny Boyle: I refer the Committee back to my introductory statement. What we have in Scotland is a race equality framework for Scotland, and also we have had the release of the race disparity audit from Theresa May. The Committee is in an advantageous position to ascertain how those two approaches can complement each other in order to try to make progress and meet some of the challenges you have alluded to.

Evelyn Fraser: One of the things we look at with regard to the pay gap is the work that women do. Women tend still to be clustered in low-



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skilled, low-grade jobs, which only exacerbates the pay gap. What we would like to see is employers investing in women and giving them opportunities to apply for training and promotion and putting steps in place. That is an employer's obligation. But I think as well they need to look at a pay audit and bring down the number of employees that an employer has to have before they do a pay audit. They do a financial audit every year, so why not do a pay audit as well? That would highlight some of the pay differences within companies?

- Q46 **Chair:** Susan, I was struck by something you said—and I have just found the figure in my papers—about what you receive from Erasmus+. Did I hear correctly that it is €200,000?

Susan Hunter: €2 million over the last six years of funding.

- Q47 **Chair:** This will be a huge issue if you lose that funding. Is there any provision put in place, or any guarantees that you have had that you will be able to resecure that from other sources?

Susan Hunter: No. I guess our aim, accepting that Brexit is happening, is to position the UK aiming to a model the equivalent of, for example, Norway as a programme country. Non-EU countries can still be programme countries with Erasmus+. About five countries have that status, but Norway is a good example because it has freedom of movement as part of the success of it. That would be our ambition. But no, there is certainly and no guarantee on that. Certainly the funding is really significant, because the Youth Fund particularly prioritises young people who are experiencing the most disadvantage.

There are examples in our written evidence from the Jack Kane Centre, whose catchment in Edinburgh is an area of significant deprivation, and these young people are having their first overseas experiences and just that sense of social mobility, their value, cultural issues and social justice.

- Q48 **Chair:** Over the years many of my constituents have taken advantage of the Erasmus+ programme. I am just struck by the figures here and obviously there is concern.

Ms Fraser, one of the hottest political issues of course is state pensions. My view is that at some point there will be a decision or a vote taken in Parliament that will draw this out. Are there any particular issues when it comes to women's state pensions that are specific to Scotland that you have identified when thinking about the work of the Scottish Affairs Committee? Is there anything that you have detected that is possibly different here in Scotland from the rest of the UK?

Evelyn Fraser: I do not think there is anything specific to Scotland. Where women have raised concerns about the pension age, which changed quite quickly a few years ago, there is a fear that that could happen again and there will be another tranche of women in the same position. We would like to see that kind of monitor to make sure that does not happen again, because it was a quick jump the last time, from



60 to 65—it has now gone up to 67 before you can claim—but I do not think there is anything particular to Scotland on that.

Q49 Chair: Lastly, Mr Boyle, your remarks about the race disparity audit were interesting, which we secured last week, and the statement in the House of Commons. Is there anything, particularly in relation to Scotland, when it comes to issues around what was included in the race disparity audit, that we should be looking at? We have a lower number of people from ethnic minorities in Scotland; we have an issue perhaps with a bigger Polish community per head of population than the rest of the UK. Is there anything that strikes you that we could be specifically looking at around issues to do with race?

Danny Boyle: Yes. We would encourage the Committee to ascertain and analyse where we use the positive action measures that are applicable, using the Equality Act, in order to amend some of these quite clear disparities in employment. It gets slightly more complicated if we are identifying the public sector, for example, as having major under-representation from, say, African and South Asian communities, and many of our local authorities in Scotland are entering a period of public sector freeze, so we are not employing large numbers of people.

We have encouraged the Scottish Government to look at their procurement processes for national infrastructure projects. For example, in a Scottish context, that would be relevant to the Scottish Government's commitment to build 50,000 new houses over the course of the next Parliament. We encouraged them to analyse that from a broad equalities perspective to ensure that we can increase employment in specific areas where we are spending money to do so. That ties in with the race framework, which is the Scottish framework, and a race audit complementing each other, and the role that the Committee can play in ensuring that focus.

Chair: I am grateful.

Q50 Paul Masterton: Very quickly, in relation to the race disparity audit, obviously the Scottish Government did not really take part. I think the official quote was, "It was in Scotland's interest to take part." Are you satisfied that we have an update on north of the border to drill down to some of the issues that were flagged up?

Danny Boyle: The Scottish equivalent is the equality evidence finder, which is a living resource that we have to continue and enhance, but it exists to respond to the disparities that we have already identified in Scotland. In some circumstances, the UK and Scottish Governments have done this work the other way around, so in Scotland we have a race framework that will set the strategy now moving forward, and we are in the process of getting buy-in from other statutory authorities, and so on and so forth. The UK-based Equality and Human Rights Commission has called for the UK Government to create a living document that is relevant



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to the UK in terms of what the Scottish Government has already developed.

Chair: We are going to have to leave it there because colleagues are catching a plane in the next couple of hours. Thank you ever so much for that. It has been a fascinating session. You know where we are if there is anything further that you feel you want to submit to our ongoing inquiry. You have our address.