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Scottish Affairs Committee

Coronavirus and Scotland

Second Report of Session 2019–21

*Report, together with formal minutes relating
to the report*

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The Scottish Affairs Committee

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Summary

The coronavirus pandemic is one of the biggest challenges faced by the UK since the Second World War. We value and respect the endeavours of key workers across all industries and echo the comments of Dr Donald Macaskill’s—Chief Executive, Scottish Care—“we all owe an immense debt of gratitude” to those who have put themselves on the frontline protecting people and vital services.

Major sectors of the Scottish economy have been left in a state of shock and have received unparalleled economic support from both the UK and Scottish Governments. During this pandemic, Governments across the UK have had to make difficult decisions affecting people’s lives: the key issue for the UK Government is how it meets these challenges to ensure the best outcomes for people living in Scotland.

It was clear that effective working relationships between the Governments of all four UK nations would be required during the pandemic: a virus does not respect borders. We are concerned that a lack of regular, timetabled meetings with no consistent format may be contributing to a degree of mistrust between the Scottish and UK Governments from both sides. All four Governments of the UK need a reliable forum for communicating with other key decision makers to ensure that a co-ordinated, evidence-based response is achieved. We had clarification on the general role of the Office of the Secretary of State for Scotland but are looking forward to receiving a full response to the interim report’s question about their specific role during this pandemic.

Whilst the coronavirus pandemic took the world by surprise, such an occurrence had not been completely unexpected. The UK and Scottish Governments were aware of the risks and had both carried out desk-based pandemic preparedness exercises in 2016: the UK Government conducted Exercise Cygnus, and the Scottish Government carried out Exercise Silver Swan. Both exercises assumed that the flu pandemic could be treated by a vaccine or medication: this did not turn out to be the case for the Covid-19 pandemic. We recommend that the lessons learned from Exercise Cygnus in relation to intergovernmental working, specifically inviting devolved administrations to smaller meetings, are revisited.

We recommend that a section of the public inquiry into Covid-19, as committed to by the Prime Minister, should relate to the pandemic in Scotland. It should focus on areas of reserved competence, concentrating on intergovernmental relations and working together in the health sector. It is crucial following the publication of this review that lessons learned are implemented and are assessed annually to ensure that Scotland is prepared for any future pandemics.

There have been major increases in public spending and tax reliefs from both the UK and Scottish Governments. We heard evidence about the positive impact of the economic support made available by the UK and Scottish Governments. Nonetheless, we believe there is a case for conducting a review of the impacts of these packages to ensure they provided value for money, were targeted appropriately, and to see what lessons could be learned for any future similar contingencies. This should take place by Easter 2021.

Key themes emerged around immigration, the supply chain and exports. Although

immigration is a reserved matter, the Scottish Government has alternative policy levers that it can use to make Scotland attractive for migration. We have been waiting for over two years for a UK Government response to our predecessor committee's report: Immigration and Scotland. While we acknowledge the exceptional pressures on the Government in recent years, a delay of this length is wholly unacceptable and the response should be produced as soon as possible, and in any case no later than the end of 2020.

One of the ways in which the food and drink industry was affected by the pandemic was the impact on immigration for seasonal workers: not having enough people to harvest Scottish food puts an important part of the Scottish economy at risk, along with the ability to feed Scottish people and export food. With potential continued restrictions upon immigration as cases rise, the UK Government needs to assess the impact of the "Pick for Britain" scheme moving forward. Seasonal workers are vital for the Scottish food sector and we recommend that numbers for the Seasonal Workers Pilot Scheme be increased.

The health and social care sector relies on immigration to fill roles and the pandemic has affected the availability of people to do these key worker roles. We heard that staffing levels have worsened during the pandemic. We heard evidence that the Migration Advisory Committee classify social care jobs as "low skill". Our witnesses were shocked by this description, and found the classification to be deeply offensive. The Migration Advisory Committee has recently recommended that senior care workers and nursing assistants be included on the Shortage Occupation List, but we do not think this goes far enough. We recommend that all key health and social care workers are added to the Shortage Occupation List for Scotland. We also urge the Scottish Government to do more to encourage a larger share of migrants to the UK to live in Scotland.

Scottish exports make a major contribution to the Scottish economy and the risks to those key export sectors ought to be a major concern of both the UK and Scottish Governments. We have heard about the huge reduction in exports throughout the first part of 2020, largely due to the coronavirus pandemic.

We recommend that when the UK Government plans for future pandemics it considers all three areas—immigration, supply chain and exports—as part of the whole picture. Where responsibility is devolved to Scotland, the UK Government and Scottish Government should work closely together to support these three key areas. These plans should be annually reviewed by the UK Government.

The Covid-19 pandemic has laid bare the weaknesses built into the UK systems of governance. Covid-19 does not recognise national boundaries: all Governments of the UK must work together to minimise the impacts of the virus until an effective vaccine is found. It is imperative that the UK and Scottish Governments work together to learn the lessons from the pandemic. These lessons need to be learned and implemented swiftly to ensure that the response to the continued pandemic is as effective as it could be.

1 Introduction

1. The coronavirus pandemic is one of the biggest challenges faced by the UK since the Second World War. This is an extraordinary crisis where everyone has been affected. As of 11 October, there have been a total of 4,301 deaths registered in Scotland.¹ We are yet to understand the lasting health effects of the ‘long-term Covid’ illness, as well as the impacts on the identification and treatment of other diseases. We value and respect the endeavours of key workers across all industries and echo Dr Donald Macaskill’s—Chief Executive, Scottish Care—comments that “we all owe an immense debt of gratitude”² to those who have put themselves on the frontline protecting people and vital services.

2. Major sectors of the Scottish economy have been left in a state of shock, with some being hit more severely than others.³ Professor Alasdair Smith—Commissioner, Scottish Fiscal Commission—highlighted the uncertainty of coronavirus on the economy: “businesses are suffering effects that they are not going to recover from quickly at all”.⁴ A variety of sectors required unparalleled economic support from both the UK and Scottish Governments to avoid mass redundancies, businesses collapsing and living standards falling. In this report we have focused on industries that are vital for the Scottish economy: fishing, oil and gas, food and drink and health and social care. The key issue for the UK Government is how it meets these challenges. To help Scotland pull through these complex times the UK Government must work with key partners including the Scottish Government and Scottish industry to ensure the best outcomes for people living in Scotland.

Our inquiry

3. We launched our inquiry, *Coronavirus and Scotland*, on 12 May 2020 and published a call for written evidence to address the following terms of reference:

- i) How effective has the four-nations approach been in tackling the coronavirus pandemic? What improvements could be made to formal intergovernmental structures, such as the Joint-Ministerial Committee, in light of the pandemic?
- ii) To what extent has the Four Nations Action Plan (published 3 March) been fit for purpose? How was it designed, and did it reflect the right balance of expert advice?
- iii) How will the UK Government’s ‘Stay Alert’ message, announced on 10 May, impact Scotland? How effective was the coordination between UK and Scottish Governments, and their respective advisory groups, in relation to the ‘Stay Alert’ message?⁵

1 Coronavirus deaths have been defined as those where the novel coronavirus (Covid-19) was mentioned on the death certificate; National Records of Scotland, [Deaths involving coronavirus \(COVID-19\) in Scotland](#), 14 October 2020

2 [Q407](#)

3 [Q224](#)

4 [Q271](#)

5 This text was agreed before the Scottish Government, and other devolved administrations, changed their own messaging during the pandemic

- iv) What implications are there for divergence in UK and Scottish Government policy in tackling the pandemic? Should there be further divergence between nations in easing lockdown restrictions?
- v) Have the UK's funding package and support schemes been sufficient in supporting Scottish businesses, employees and self-employed people in Scotland? Have they been able to reach all sectors in Scotland?
- vi) Has UK and Scottish Government policy around key workers been effective? What further policy changes are required to support: a) seasonal workers; b) social care workers; and c) other key workers?
- vii) What more could the UK and Scottish Government do to ensure that Scottish key workers have been able to gain access to personal protective equipment (PPE)?
- viii) How has the Coronavirus pandemic impacted a) the oil and gas industry in Scotland; b) the Scottish food and drinks industry; and c) the rural economy? What support ought to be provided by the UK and Scottish Governments?
- ix) Have there been particular Scottish issues relating to coronavirus that have not been addressed by a Government response?⁶

4. We held ten evidence sessions as part of this inquiry. We would like to thank the witnesses who gave written evidence, and especially those who have found the time to speak with us despite highly pressured schedules in these difficult times.

5. This report should be read in addition to our interim report, *Coronavirus and Scotland: Interim Report on Intergovernmental Working* published on 23 July 2020.⁷ That report focused on intergovernmental relations and the four-nations approach taken in coordinating the Covid-19 response, and we look forward to receiving the Government response to our recommendations. However, we also wanted to hear the testimonies of people living and working in Scotland. Whilst we do not under-estimate the challenges surrounding effective governance during the pandemic, we are keenly aware of the impact the pandemic has had on Scottish industries. This report focuses on the challenges that have arisen in some industries and assesses how the UK Government ought to develop its response.

Report structure

6. This report begins by building on our interim report conclusions on intergovernmental relations in chapter 2. As part of the considerations outlined in that chapter, we also consider the role of the Office of the Secretary of State for Scotland. Chapter 3 looks at health issues in relation to the pandemic affecting Scotland. In chapter 4 the report considers the economy and how specific sectors have been affected, including the contributory effects of immigration and export policies. Chapter 5 provides final thoughts and developments since our final evidence session on 17 September.

6 Scottish Affairs Committee, [Coronavirus and Scotland inquiry](#), accessed 14 October 2020.

7 Scottish Affairs Committee, First Report of Session 2019–21, [Coronavirus and Scotland: Interim Report on Intergovernmental Working](#), HC 314

2 Coronavirus and intergovernmental working

7. During this pandemic Governments across the UK have had to make difficult decisions affecting people's lives. These have had to be made quickly and with limited information to protect both the nation's health and the economy. Intergovernmental working has been especially important to ensure that the response to the pandemic is the best it can be for the people of Scotland.

8. Our initial set of evidence sessions focused on intergovernmental working and the four-nations approach in responding to the pandemic, and this formed the basis of our interim report, *Coronavirus and Scotland: Interim Report on Intergovernmental Working*.⁸ This chapter builds on the conclusions of that report, and considers further evidence we received since its publication. We recommend that this chapter be read in addition to that report.

9. The previous report provided a timeline with an overview of key moments in the UK and Scottish Governments' response to the pandemic (up to 16 July 2020): the timeline is continued below.⁹ The boxes highlighted in grey record the evidence sessions undertaken by our Committee.

Date (2020)	Event
24 July	Face coverings in shops in England made compulsory ¹⁰
31 July	England postponed reopening of casinos, bowling alleys, skating rinks for two weeks and indoor performances did not resume ¹¹
1 August	Shielding paused in England, ¹² Scotland ¹³ and Northern Ireland. ¹⁴ Wales paused shielding on 16 August ¹⁵
8 August	Face coverings being made compulsory in more indoor settings in England ¹⁶ and Scotland ¹⁷
11 August	Schools in Scotland re-open full-time ¹⁸
14 August	Compulsory for hospitality settings in Scotland to collect the contact details of visitors to their premises in support of Test and Protect ¹⁹
20 August	Nicola Sturgeon announces that Scotland will stay at level 3 ²⁰
1 September	Schools in England re-open full-time ²¹

8 Scottish Affairs Committee, First Report of Session 2019–21, [Coronavirus and Scotland: Interim Report on Intergovernmental Working](#), HC 314

9 An outline of economic interventions can be found in Appendix 1.

10 Department for Health and Social Care, [Face coverings to be mandatory in shops and supermarkets from 24 July](#), 14 July 2020

11 Prime Minister's Office, [Prime Minister's statement on coronavirus \(COVID-19\): 31 July 2020](#), 31 July 2020

12 Department of Health and Social Care, [Updates to the shielding programme on national and regional levels](#), 31 July 2020

13 Scottish Government, [Shielding to be paused](#), 23 July 2020

14 NI Direct Government Services: [Coronavirus \(COVID-19\): pausing of shielding for extremely vulnerable people](#), accessed 8 October 2020

15 Welsh Government, [Shielding in Wales to pause from 16 August](#), 16 July 2020

16 Prime Minister's Office, [Prime Minister's statement on coronavirus \(COVID-19\): 31 July 2020](#), 31 July 2020

17 Scottish Government, [Coronavirus \(COVID-19\) update: First Minister's speech 7 August 2020](#), 7 August 2020

18 Scottish Government, [Schools to re-open full-time](#), 30 July 2020

19 Scottish Government, [New safety rules for hospitality industry](#), 14 August 2020

20 Scottish Government, [Coronavirus \(COVID-19\) update: First Minister's speech 20 August 2020](#), 20 August 2020

21 Department for Education, [Guidance for full opening: Schools](#), accessed 8 October 2020

3 September	Scottish Affairs Committee takes evidence from: John Anderson, Chief Executive, Scottish Fishermen's Organisation, Jimmy Buchan, Chief Executive, Scottish Seafood Association and Elspeth Macdonald, CEO, Scottish Fishermen's Federation
9 September	Operation Moonshot announced by Prime Minister. This aims to allow for mass testing and quick testing ²²
10 September	Protect Scotland app launches ²³
10 September	Scottish Affairs Committee takes evidence from: Dr Donald Macaskill, Chief Executive, Scottish Care, Theresa Fyffe, Director, Royal College of Nursing Scotland, and Wilma Brown, Employee Director, NHS Fife, and Lay Activist, UNISON
14 September	Gatherings of more than six people banned in Scotland ²⁴ and England ²⁵ in both indoor and outdoor settings. There are slightly different rules for each nation, for example children aged under 12 will not count towards the total in the "rule of six" in Scotland. In Scotland, the "rule of six" applies to gatherings of no more than two households – unlike in England, where there is no household limit on the rule
17 September	Scottish Affairs Committee holds final evidence session: Rt Hon Alister Jack MP, Secretary of State for Scotland, Scotland Office, Iain Stewart MP, Parliamentary Under Secretary of State (Minister for Scotland) Scotland Office and Gillian McGregor CBE, Director, Scotland Office
18 September	Legal requirement for venues to record contact details in England ²⁶
22 September	Household restrictions and 10pm closing time for hospitality settings announced for England ²⁷ and Scotland ²⁸
24 September	NHS Covid-19 app launches across England and Wales ²⁹
9 October	16-day measures for the hospitality industry in Scotland, including reducing hours that alcohol can be served ³⁰ The Scottish Government introduced Advice and guidance relating to local outbreaks or clusters of coronavirus cases, particularly in the central belt of Scotland ³¹
12 October	The UK Government introduced a three-tiered system of local COVID Alert Levels in England. ³²

10. It was clear that effective working relationships between the Governments of all four UK nations would be required during the pandemic since, as the Secretary of State highlighted, a virus does not respect borders.³³ At the beginning there was a good start towards effective intergovernmental working. This was demonstrated by the publication

22 Prime Minister's Office, [Prime Minister's statement on coronavirus \(COVID-19\): 9 September 2020](#), 9 August 2020

23 Scottish Government, [Protect Scotland app launches](#), 10 September 2020

24 Scottish Government, [Coronavirus \(COVID-19\) update: First Minister's speech 14 September 2020](#), 14 September 2020

25 Cabinet Office, [Coronavirus \(COVID-19\): What has changed – 9 September](#), 9 September 2020

26 Department of Health and Social Care, [Venues required by law to record contact details](#), 10 September 2020

27 Cabinet Office, [Coronavirus \(COVID-19\): what has changed – 22 September](#), 22 September 2020

28 Scottish Government, [New measures to drive down infection rate](#), 22 September 2020

29 Department of Health and Social Care, [NHS Covid-19 app launched across England and Wales](#), 24 September 2020

30 Scottish Government, [Coronavirus \(COVID-19\) update: First Minister's speech 7 October 2020](#), 7 October 2020

31 Scottish Government, [Coronavirus \(COVID-19\): local advice and measures](#), 9 October 2020

32 Prime Minister's Office, 10 Downing Street, [Prime Minister announces new local COVID Alert levels](#), 12 October 2020

33 [Q482](#)

of the Coronavirus (Covid-19) action plan.³⁴ Akash Paun—Senior Fellow at the Institute for Government—told us “the Governments were literally at [that] stage on the same page, and then we saw it with the Coronavirus Act that was jointly produced between the Governments and we saw it with the announcement of the lockdown, but things have changed very much since then”.³⁵

11. Our concerns began to grow when it became clear that existing infrastructure intended for intergovernmental working was not being used during the pandemic, for example, the Joint Ministerial Committee (JMC) was not used. The previous Scottish Affairs Committee described the JMC as “at the heart of the UK’s formal system of intergovernmental relations”.³⁶ Rt Hon Alister Jack MP—Secretary of State Scotland—told us on 14 May 2020: “during our dealing with this pandemic there has been a lull in JMCs. We have instead been operating pretty much daily on what we call MIGs: Ministerial Implementation Groups”.³⁷ From the evidence we received, the majority of formal meetings ended in May and the focus moved to informal, irregular meetings. When he came back to give evidence on 17 September 2020, he updated us:

We started with the COBR meetings and then moved to the ministerial implementation groups, which were very much the thing during March, April and May, and that is right. There was a huge volume of necessary policy development at that time and we needed to all share information and be on the same page as best we could.³⁸

He added that Health Ministers met weekly and that: “The territorial Secretaries of State and the Cabinet Office have discussions with the Scottish Government weekly”.³⁹

12. He also described the content of these meetings as information sharing: “Rather than creating policy, it is broadly sharing information or sharing decision making, which tends to be a bit of a one-way street, on the steps that we are taking as we come out of lockdown”.⁴⁰

13. Although the two Governments have been meeting in many different ways across the pandemic, it is clear that regular, timetabled meetings have not been taking place; and before that JMCs were taking place sporadically. Professor Nicola McEwen pointed out that “sometimes the barrier to setting up a JMC is simply finding the space in people’s calendars”.⁴¹ Akash Paun, from the Institute for Government, told us that: “you need proper systems for trying to reach joint decisions that do not necessarily impinge upon the autonomy of the different governments, but that at least try to develop a consensus between the governments”.⁴²

14. Intergovernmental meetings are necessary during times of crisis. When preparing for a pandemic the UK Government conducted a desk-based exercise, Exercise Cygnus in 2016.⁴³ There is a chapter in the Exercise Cygnus report about *The Four Nations*

34 Department of Health and Social Care, [Coronavirus \(COVID-19\) action plan](#), 3 March 2020

35 [Q168](#)

36 Scottish Affairs Committee, Eighth Report of Session 2017–19, [The relationship between the UK and Scottish Governments](#), HC 1586, page 11

37 [Q18](#)

38 [Q460](#)

39 [Q460](#)

40 [Q460](#)

41 [Q192](#)

42 [Q174](#)

43 This is described in more detail below in *Chapter 3: Health*

Response to a pandemic. The lesson identified was: “meetings of the four health ministers and CMOs [Chief Medical Officers] should be considered best practice and included as part of the response ‘battle rhythm’”, it continues: “There was an indication throughout the exercise that each of the countries of the UK should, where possible, enact the same responses within similar timeframes”.⁴⁴ Devolved administrations were not invited to attend these smaller meetings and this was evaluated as “an oversight”.⁴⁵ However, the devolved administrations contributed directly to the COBR discussions as part of the exercise.⁴⁶ We were told that the Chief Medical Officers were meeting regularly during the current crisis⁴⁷ but it is not clear if the other evaluation points above were acted upon. This highlights the importance of a good rhythm of intergovernmental meetings.

15. We are concerned that a lack of regular, timetabled meetings, with no consistent format may be contributing to a degree of mistrust between the Scottish and UK Governments. Professor Nicola McEwen—Co-Director, Centre on Constitutional Change—told us about the two main barriers to intergovernmental relations working effectively in the UK being “trust—or lack of trust—and lack of awareness of devolution in Whitehall”.⁴⁸ On 15 September 2020, Michael Russell—Cabinet Secretary for the Constitution, Europe and External Affairs, Scottish Government—gave evidence to the Committee on the future relationship with the European Union. The evidence session was about the progress of the negotiations on the UK’s future relationship with the EU. He was asked about trust between the UK and Scottish Governments during the negotiation process. He commented that this trust is not in the same place as it used to be: “We have had four very difficult years and that trust in that cannot be rebuilt quickly”.⁴⁹ Rt Hon Alister Jack MP also described the relationship between the UK and Scottish Governments in terms of trust: “There have been incidents over the summer where we have felt that it is a one-way street. [...]. Trust is a two-way street”.⁵⁰ It is clear that relationships between the Governments with such different political viewpoints are strained, however this does not mean that the trust cannot be built up.

16. We agree with Professor Nicola McEwen that trust is an essential ingredient for intergovernmental relations, and it is clear that trust needs to develop between the UK and Scottish Governments. This takes effort from both sides. Holding regular, formal, structured, minuted meetings is an essential part of co-ordinating the response to a pandemic that does not respect borders. All four Governments of the UK need a reliable forum for communicating with other key decision makers to ensure that a co-ordinated, evidence-based response is achieved. The current rising case numbers make the need for such an approach even more vital. Regular meetings can help build on the existing relationships and grow trust between the two Governments. *We build on our previous recommendation in the interim report (paragraph 60) and recommend that a timetable of regular intergovernmental meetings should be set up, both during the rest of this pandemic, especially if there is a second wave, but also for after the pandemic. We need a resilient format to be put in place immediately so that we know there will be*

44 The Guardian, [What was Exercise Cygnus and what did it find?](#), 7 May 2020, page 12 of the report

45 The Guardian, [What was Exercise Cygnus and what did it find?](#), 7 May 2020, page 12 of the report

46 The Guardian, [What was Exercise Cygnus and what did it find?](#), 7 May 2020, page 13 of the report

47 [Q27](#)

48 [Q190](#)

49 Oral evidence taken before the Future relationship with the European Union Committee on 15 September 2020, [HC 203 \(2019–21\)](#), Q753 [Mike Russell]

50 [Q461](#)

regular, formal, planned meetings of key decision makers. This recommendation builds upon a recommendation in the interim report about formal mechanisms to guarantee intergovernmental communications.⁵¹

Review of Intergovernmental working

17. In March 2018 a review of intergovernmental working was agreed in a Joint Ministerial Committee.⁵² This review had been paused but recently picked up again. On 17 September, Rt Hon Alister Jack MP confirmed that the intergovernmental review will be published “before the end of this year”.⁵³ That review will be published alongside the Dunlop review, which considered the UK Government’s union capability; consideration is being given by the UK Government to its institutional arrangements to meet the challenge of strengthening and sustaining the Union in the future.⁵⁴ **We welcome the review of intergovernmental working and look forward to seeing the results of the report. We intend to return to this issue later in the Parliament.**

Office of the Secretary of State for Scotland

18. The Office of the Secretary of State for Scotland supports the Secretary of State in “promoting the best interests of Scotland within a stronger United Kingdom”.⁵⁵ It is responsible for ensuring that Scottish interests are fully and effectively represented at the heart of the UK Government, and the UK Government’s responsibilities are fully and effectively represented in Scotland.⁵⁶ The objectives of the Office of the Secretary of State for Scotland are described on their website as:

- Strengthen and sustain the union;
- Act as Scotland’s voice in Whitehall; and
- Champion the UK Government in Scotland.⁵⁷

19. We heard from Professor Nicola McEwen—Co-Director, Centre of Constitutional Change—that the Scottish Government: “prefer to nurture relationships directly with Whitehall portfolio Departments, and if there is any unlocking needed, it now tends to be done by the Cabinet Office. I would say the Cabinet Office is the main interlocutor for Scottish Government Officials looking for that kind of access to Whitehall and the promotion of devolution issues in Whitehall”.⁵⁸ Gillian McGregor—Director, Office of Secretary of State for Scotland—responded to this: “The Cabinet Office has an important role and me and my colleagues in the Wales Office and Northern Ireland Office are also part of those discussions because it is happening across the whole of the UK”.⁵⁹

20. In our interim report we recommended that the Government must specify and define

51 Scottish Affairs Committee, First Report of Session 2019–21, [Coronavirus and Scotland: Interim Report on Intergovernmental Working](#), HC 314, para 60 and para 61 (iii)

52 10 Downing Street, [Joint Ministerial Committee \(Plenary\)](#), 14 March 2018

53 [Q469](#)

54 UK Government, [The Dunlop Review into UK Government Union capability](#), accessed 6 October 2020

55 Office of Secretary of State for Scotland, [About us](#), accessed 27 July 2020

56 Office of Secretary of State for Scotland, [About us](#), accessed 27 July 2020

57 Office of Secretary of State for Scotland, [About us](#), accessed 27 July 2020

58 [Q177](#)

59 [Q481](#)

a clear role for the Office of the Secretary of State for Scotland in the context of Covid-19 and similar UK-wide emergencies.⁶⁰ However, it is not clear to us that Office of the Secretary of State for Scotland has identified a useful role for itself during the pandemic. Instead, during our final evidence session Gillian McGregor—Director General of the Department—gave a general outline of the work of the Office of the Secretary of State for Scotland:

We have an overview of everything that is going on but if there are some specific issues to be dealt with that are fairly detailed—and some of these health discussions are very detailed—there is no reason why that sort of dialogue would not happen between the experts from each Government.⁶¹

21. The Secretary of State added his thoughts on the Department’s role in Whitehall: “The Scotland Office does many things [...] we are able to help through our ability across Whitehall to knock heads together or get things done. [...] We are Scotland’s voice in Whitehall [...] but we are trying all the time to look at what we can do to bring Scotland’s influence to the table”.⁶² Gillian McGregor then highlighted the facilitation role of the Office:

We try to look across all Government policy as it impacts on Scotland and make links that people who are working in individual policy areas may not spot themselves. [...] if we spot something we think is important to Scotland, and also areas where we can collaborate and work together with the Scottish Government, we will try to support them and make that work.⁶³

Mr Jack finished by stating “a lot of what we do is protecting the devolved settlements”.⁶⁴

22. The evidence we received covering the general role of the Office of the Secretary of State for Scotland has been helpful. We look forward to hearing a response to the recommendation in the interim report about the specific role of the Office of the Secretary of State for Scotland during the coronavirus pandemic and what their role could be in the context of similar UK-wide emergencies.

60 Scottish Affairs Committee, First Report of Session 2019–21, [Coronavirus and Scotland: Interim Report on Intergovernmental Working](#), HC 314, para 72

61 [Q470](#)

62 [Q471](#)

63 [Q471](#)

64 [Q471](#)

3 Health

23. Whilst the coronavirus pandemic took the world by surprise, such an occurrence had not been completely unexpected. Since its inception in 2008, the National Risk Register of Civil Emergencies produced by the Cabinet Office⁶⁵ had identified an influenza pandemic as a major risk to the UK.⁶⁶ To mitigate the risk, desk based pandemic preparedness exercises have been run by both the UK and Scottish Governments in 2016:⁶⁷ the UK Government conducted Exercise Cygnus, and the Scottish Government carried out Exercise Silver Swan.⁶⁸

24. Despite the UK Government awareness of risks, the UK has experienced one of the highest death tolls in the world.⁶⁹ As of 11 October, there have been a total of 4,301 deaths registered in Scotland where the novel coronavirus (Covid-19) was mentioned on the death certificate. 46% Covid-19 deaths in Scotland have taken place in care homes.⁷⁰

25. “Deaths attributed to Covid-19” is a way of counting deaths, which differs in methodology from “excess deaths”, with the latter defined by the Scottish Government as the total number of deaths registered in a week in 2020 minus the average number of deaths registered in the same week over the period 2015 to 2019.⁷¹ From 9 March to 5 October—using the latest figures available—excess deaths in Scotland stand at 5,048.⁷² The daily and weekly deaths relating to Covid-19 have specific definitions in Scotland:

- Number of people who have died with confirmed Covid-19 (daily deaths); and
- The number of deaths that have been registered in Scotland where Covid-19 was mentioned on the death certificate (weekly).⁷³

26. In October 2016, the UK Government ran a desk-based simulation of an influenza outbreak for England: Exercise Cygnus. It involved 950 officials from central and local government, NHS organisations, prisons and local emergency response planners as well as officials from devolved administrations.⁷⁴ The exercise assumed the flu outbreak could be treated by a vaccine or medication; unfortunately, no alternative exercise without the assumption of an immediately available vaccine was conducted, as turned out to be the case during the Covid-19 pandemic.⁷⁵ Dr Donald Macaskill—Chief Executive, Scottish Care—highlighted that this assumption had not been recommended by the World Health Organisation:

It does seem a little bit stupid to have planned for a pandemic that had a vaccine when it was clear, certainly from the World Health Organisation, that pandemic planning needed to consider the potential of a virus that was

65 Cabinet Office, [National Risk Register of Civil Emergencies: 2017 Edition](#), September 2017

66 Cabinet Office, [National Risk Register of Civil Emergencies: 2008 edition](#), 17 July 2008

67 Exercise Cygnus was run by the UK Government in October 2016, as described later. Exercise Silver Swan was run by the Scottish Government in 2015: Scottish Government, [Exercise Silver Swan](#), April 2016

68 Scottish Government, [Exercise Silver Swan](#), April 2016

69 World Health Organisation, [WHO Coronavirus Disease \(COVID-19\) Dashboard](#), Accessed 5 October 2020

70 National Records of Scotland, [Deaths involving coronavirus \(COVID-19\) in Scotland](#), 14 October 2020

71 Scottish Government, [COVID-19 in Scotland](#), 7 September 2020

72 Scottish Government, [COVID-19 in Scotland](#), 14 October 2020, data section

73 Scottish Government, [Coronavirus \(COVID-19\) data: definitions and sources](#), 1 September 2020

74 The Guardian, [What was Exercise Cygnus and what did it find?](#), 7 May 2020

75 The Guardian, [What was Exercise Cygnus and what did it find?](#), 7 May 2020, Appendix 2 to Annex C – Outline of Scenario, page 45 of report; [Q456](#), [Q457](#)

unknown or which at the very least did not respond to a vaccine.⁷⁶

27. The Exercise Cygnus report has not been officially published, but on 29 March 2020 The Sun newspaper published leaked excerpts.⁷⁷ Subsequently, more of the report was leaked to The Guardian.⁷⁸ The report had 22 *Lessons Identified* and found: “The UK’s preparedness and response, in terms of its plans, policies and capability, is currently not sufficient to cope with the extreme demands of a severe pandemic that will have a nationwide impact across all sectors”.⁷⁹ The plan was to incorporate the lessons learned into future pandemic preparedness. NHS England board papers from 2017 state:

Plans are currently being revised to incorporate the learning from this exercise and ensure our continued preparedness for future pandemic influenza outbreaks. We are also continuing the challenging work around the management of surge and escalation decision making processes.⁸⁰

28. Gillian McGregor—Director, Office of the Secretary of State for Scotland—described advantages from conducting Exercise Cygnus: “one of the possible advantages that came out of that was an understanding that we would have to act quickly and jointly to prepare legislation for extreme events”.⁸¹ She also highlighted that these exercises “get us used to working together in crisis moments”.⁸² The two most useful things that came from operation Cygnus for her were “the legislative aspects and moving quickly”.⁸³ The lessons learned here were acted upon as all four UK Governments worked together quickly to ensure the *Coronavirus Act 2020*⁸⁴ came into force efficiently.

29. During the Covid-19 pandemic lessons have been learned in the health and social care sector in Scotland. We heard that while at the beginning of the pandemic there was little joined up working between care homes and the NHS, this improved as the outbreak continued. Wilma Brown—Employee Director, NHS Fife, Lay Activist, UNISON—commented on the lack of joined up working: “The failing was that not everyone was at the table at the same time, we didn’t move forward together, we moved forward in stages”.⁸⁵ Theresa Fyffe—Director, Royal College of Nursing Scotland—when asked about preparedness of PPE and if things had changed, stated: “There is no doubt we have learned the lessons”.⁸⁶ She expanded about why this was the case early in the pandemic: “I believe that lack of engagement is what led to the discrepancies that were in place”.⁸⁷

30. The British Medical Association is amongst many who have called for a public inquiry into the UK Government’s handling of the pandemic.⁸⁸ The Prime Minister has

76 [Q457](#)

77 The Sun, [TEST FAIL NHS ‘failed test of its ability to handle full scale pandemic three years ago’ and ‘ministers hid the results’](#), 29 March 2020

78 The Guardian, [What was Exercise Cygnus and what did it find?](#), 7 May 2020

79 The Guardian, [What was Exercise Cygnus and what did it find?](#), 7 May 2020, page 6 of the report

80 NHS England, [NHS England Board paper](#), 30 March 2017

81 [Q479](#)

82 [Q479](#)

83 [Q479](#)

84 [Coronavirus Act 2020](#)

85 [Q455](#)

86 [Q440](#)

87 [Q440](#)

88 British Medical Journal, [Covid-19: Doctors call for public inquiry into UK government’s handling of pandemic](#), 15 September 2020; HSJ, [A public inquiry into the UK’s response to coronavirus must begin now](#), 7 May 2020; UK Government and Parliament petition, [Hold a Public Inquiry into the handling of the Covid-19 crisis](#), accessed 6 October 2020; Parliamentary and Health Service Ombudsman, [Covid-19 means public inquiry guidance is more important than ever](#), 31 July 2020; Institute for Government, [There needs to be a rapid review on coronavirus as part of a full public inquiry](#), 11 June 2020

committed to conducting an independent inquiry into Covid-19 “at the appropriate time”.⁸⁹ It is not clear when this will be, however when one does take place Scotland should not be forgotten.

31. We recommend that the lessons learned from Exercise Cygnus in relation to intergovernmental working, specifically inviting devolved administrations to smaller meetings, are revisited. This should feed into the public inquiry of Covid-19, as committed to by the Prime Minister. A section of this public inquiry should relate to the pandemic in Scotland. This should focus on areas of reserved competence, concentrating on intergovernmental relations and working together in the health sector. It is crucial following the publication of this review that lessons learned are implemented and are assessed annually to ensure that Scotland is prepared for any future pandemics.

4 Economy

32. Both the UK and Scottish Governments have increased their public spending and tax reliefs significantly. Below is an overview of the major the economic responses by the UK Government and the Scottish Government.⁹⁰ The UK Government support packages below cover the whole of the UK; we have decided not to list the schemes that apply to England only, although it should be noted that the funding provided to England only schemes will affect Barnett consequentials.⁹¹

Highlights of UK Government economic packages

- Coronavirus Job Retention Scheme (Furlough);
- Coronavirus Business Interruption Loan Scheme (CBILS);
- Coronavirus Large Business Interruption Loan Scheme (CLBILS);
- Self-employment income support scheme;
- Bounce Back Loan Scheme;
- Deferral of VAT and Income tax payments;
- Kickstart scheme for young people getting into work;
- Job retention bonus;
- VAT cut for hospitality and tourism sector,
- Eat Out to Help Out Scheme; and
- Barnett consequentials: The most recent number available from the Scottish Fiscal Commission on 2 September 2020 was £6.5 billion.⁹²⁹³

Highlights of Scottish Government economic packages

- Business Support Fund;
- Rates Relief and 100% rates relief;
- Self-employed and SME support; and
- Support for the fishing industry.⁹⁴

33. The majority of funding for the Scottish Government is constructed by the block grant through the Barnett formula, as described in this House of Commons Library paper:

90 For more detail see Appendix 1

91 For more information about the Barnett Formula please see the House of Commons Library paper: [The Barnett Formula](#), 6 January 2020

92 For more detail see Appendix 1

93 Scottish Fiscal Commission, [Supplementary Publication – Fiscal Update – September 2020](#), 2 September 2020, page 11, figure 2.1

94 For more detail see Appendix 1

The majority of the Scottish Parliament’s budget is funded by grants from the UK Government, the “block grant” being the largest. Since the late 1970s, the non-statutory Barnett formula has determined annual changes to this block grant. Importantly, the formula does not determine the total amount of the block grant, only the yearly change. [...]

The UK Government provides other grants outside the block grant, usually for less-predictable demand-driven spending. Changes in these grants are negotiated by the UK Government and devolved administrations. The Barnett formula is not used to determine their change (for example, “City Deals” in Scotland) [...] Spending in England is treated as a baseline, but the reverse does not apply, so if Northern Ireland, Scotland or Wales individually receives additional spending, other parts of the UK do not. [...]

Recent devolution of tax and spending powers to Scotland, Wales and Northern Ireland have left the Barnett formula largely unchanged, although respective block grants have been adjusted to accommodate the revenue derived from new powers. Such adjustments aim to ensure that neither the UK Government nor the devolved authorities are made worse off simply by the power being devolved.⁹⁵

Economic responses to Covid-19

34. We heard evidence about the positive impact of the economic support made available by the UK and Scottish Governments. John Anderson—Chief Executive, Scottish Fishermen’s Organisation—told the Committee:

It could be easy with the benefit of hindsight to point out some inconsistencies between the schemes. Overall, they were devised and introduced fairly rapidly, getting financial support to where it was needed. It is quite a good example of the Government and industry working together under pretty high pressure to deliver something the industry clearly needed quickly at that point in time.⁹⁶

Elsbeth Macdonald—CEO, Scottish Fishermen’s Federation—added:

The combination of action and funding from both the UK Government and the Scottish Government, and the urgency with which that was made available, has been very important.⁹⁷

Deirdre Michie—CEO Oil & Gas UK—noted:

The UK Government’s response, the package from the Chancellor, the previous one and the existing one, has been very helpful. As has both Governments working with us to keep the industry going.⁹⁸

95 [“The settled will”? Devolution in Scotland, 1998–2020, Briefing Paper CBP-8441](#), House of Commons Library 6 April 2020, page 26, box 3

96 [Q366](#)

97 [Q367](#)

98 [Q338](#)

35. The Job Retention Scheme (Furlough) was welcomed by many of our witnesses. For example, James Withers—Chief Executive, Scotland Food and Drink—told the committee “the furlough scheme and also the pivotal enterprise fund in Scotland have been a critical lifeline”.⁹⁹ Karen Betts—CEO Scotch Whisky Association—echoed these comments “the furlough scheme has been critical [...] we are very grateful for the very pragmatic way that was rolled out quickly”.¹⁰⁰ Ian Stewart MP—Parliamentary Under Secretary of State (Minister for Scotland)—commented about the furlough scheme: “it was always intended to be a countrywide, all-sectors support scheme. I think that it was the right intervention at the time. [...] It was the right intervention at the time, but we are not in the phase where we need to move into rebooting the economy, getting people back to work. The job retention scheme was just one of a much broader package of measures”.¹⁰¹

36. The evidence we have received suggests that the economic support packages provided by both the UK and Scottish Governments have been effective. Nonetheless, we believe that there is a case for conducting a review of the impacts of these packages, ensure they provided value for money and were targeted appropriately, and to see what lessons could be learned for any future similar contingencies. This review should take place by Easter 2021 and implement lessons learned into contingency planning by the end of 2021 at the latest.

99 [Q226](#)

100 [Q227](#)

101 [Q504](#)

Sector specific issues

37. During the course of this inquiry we heard from key sectors in the Scottish economy including Scottish food and drink, farming, whisky, fisheries, health and social care workers and oil and gas. Key themes emerged around immigration, the supply chain and exports.

Immigration

38. Immigration is a reserved matter in the UK. We heard how the coronavirus pandemic has affected recruitment of overseas staff in farming and for health care workers. Immigration to Scotland is not a new issue and the previous Committee investigated this in 2018.

39. Our predecessor Committee's report *Immigration and Scotland*¹⁰² noted the demographic challenges Scotland faces and that "future population growth in Scotland is expected to be entirely dependent on inward migration".¹⁰³ However, the previous Committee also concluded that "immigration is not the only solution to meeting Scotland's demographic and economic challenges".¹⁰⁴ Although immigration is a reserved matter the report highlighted that the Scottish Government has alternative policy levers that it can use to make Scotland attractive for migration.¹⁰⁵ ***The Government response to our predecessor Committee's report on Immigration and Scotland is now more than two years overdue. While we acknowledge the exceptional pressures on the Government in recent years, a delay of this length is wholly unacceptable. The response must now be produced as soon as possible, and in any case no later than the end of 2020.***

Immigration in the food sector

40. One of the ways in which the food and drink industry was affected by the pandemic was the impact on immigration for seasonal workers. Jonnie Hall—Director of Policy, National Farmers Union Scotland—told us that during the pandemic there were "particular challenges with the availability of people" for farming.¹⁰⁶ The UK Government launched the "Pick for Britain" scheme that brought UK-based workers and employers together to ensure the UK continued to "deliver the best quality British fruit & veg for everyone to enjoy".¹⁰⁷ James Withers—Chief Executive at Scotland Food and Drink—described the Pick for Britain drive as having a "spike of interest",¹⁰⁸ but "it instinctively does not feel to me like we have a long-term solution in re-energising the domestic labour force into that kind of work".¹⁰⁹ Jonnie Hall went on to say "Even in the context of furloughed workers who expressed interest in working locally on fruit farms in Angus, Fife and places like that, we still had huge challenges in getting the right number of folk in the right place under safe conditions and so on, so that has been quite a challenge".¹¹⁰

102 Scottish Affairs Committee, Fourth report of session 2017–19, [Immigration and Scotland](#), HC 488

103 Scottish Affairs Committee, Fourth report of session 2017–19, [Immigration and Scotland](#), HC 488, para 21

104 Scottish Affairs Committee, Fourth report of session 2017–19, [Immigration and Scotland](#), HC 488, para 28

105 Scottish Affairs Committee, Fourth report of session 2017–19, [Immigration and Scotland](#), HC 488, para 26

106 [Q224](#)

107 Pick for Britain, [Welcome to Pick for Britain](#), accessed 2 October 2020

108 [Q243](#)

109 [Q243](#)

110 [Q224](#)

41. James Withers also pointed out the critical reliance on seasonal labour in the Scottish food sector: “It is critical to the supply chain obviously in soft fruit and flowers and the vegetable industry as well. It is absolutely central to it”.¹¹¹

42. Jonnie Hall spoke about the seasonal workers pilot scheme;¹¹² he was asked about what he would like to see come out of the seasonal workers pilot scheme in light of the pandemic, and gave a clear answer: “A significant increase in the numbers involved, without question”.¹¹³ The Secretary of State has responded to this by stating “the Home Office is working closely to evaluate the findings of the pilot and, in the interim, ministers and officials from this department remain in close contact with counterparts in the Home Office and in Defra”.¹¹⁴ They hope to be able to say more on this matter soon.

43. The Seasonal Workers Pilot Scheme is vital for the Scottish food sector, the pandemic highlighted that there is not the local take-up for these seasonal roles. We believe that not having enough people to harvest Scottish food puts an important part of the Scottish economy at risk, along with the ability to feed Scottish people and export food. With potential continued restrictions upon immigration as cases rise, the UK Government needs to assess the impact of the “Pick for Britain” scheme moving forward. We agree with the evidence we have heard about increasing numbers for the Seasonal Workers Pilot Scheme and recommend that numbers on this programme be increased by at least 50%.

Immigration in the health and social care sector

44. The health and social care sector relies on immigration to fill roles, as described in the previous Committee’s report.¹¹⁵ The pandemic has affected the availability of people to fill these key worker roles. In a UK wide Royal College of Nursing survey¹¹⁶ that captured nearly 42,000 nursing staff’s experiences of working during the pandemic, a third of respondents said that staffing levels had worsened during the pandemic.¹¹⁷

45. Theresa Fyffe—Director, Royal College of Nursing Scotland—highlighted the workforce shortages that already existed within the health and social care sector before the pandemic: “Before the crisis, nursing staff levels and staff levels generally within the care home sector were very stretched”.¹¹⁸ As the health and social care sector relies on immigration the witnesses were shocked by the Migration Advisory Committee’s (MAC’s)¹¹⁹ report that defines social care as “low skill” and the reason that these jobs are not on the Shortage Occupation List.¹²⁰ Dr Donald Macaskill said that this is “deeply

111 [Q243](#)

112 Department for Environment, Food and Rural Affairs, Home Office, [Seasonal Workers Pilot request for information](#), 21 February 2020

113 [Q244](#)

114 [Letter received 5 October 2020 from Rt Hon. Alister Jack MP](#), Secretary of State for Scotland, Office of the Secretary of State for Scotland

115 Scottish Affairs Committee, Fourth report of session 2017–19, [Immigration and Scotland](#), HC 488

116 Royal College of Nursing, [Building a Better Future for Nursing](#), 21 August 2020

117 Royal College of Nursing Scotland ([COR0023](#))

118 [Q442](#)

119 The Migration Advisory Committee (MAC) is an independent, non-statutory, non-time limited, non-departmental public body that advises the government on migration issues: Migration Advisory Committee, [About us](#), accessed 6 October 2020

120 The Shortage Occupation List lists occupations where employers face a shortage of suitable labour and where it is sensible to fill those shortages with migrant workers: Migration Advisory Committee, [A guide to the Shortage Occupation List \(SOL\)](#), 27 May 2020

offensive”.¹²¹ Theresa Fyffe added: “I’m shocked that we equate a lower salary as somehow low skill”.¹²²

46. Theresa Fyffe went on to say that decisions on Shortage Occupation Lists were not based on clear data:

We have significant workforce shortages for nursing support workers across all health and care sectors. These are more acute in certain sectors and staff groups, but due to the significant limitations and gaps in the available data, we believe there is a strong reason for all to be listed. That is the challenge. The data was not clear and they [the Migration Advisory Committee] have used data to argue they did not need to do that, but we believe that they should list that.¹²³

47. The Royal College of Nursing Scotland, in their written evidence, highlighted that international recruitment will be necessary for some time: “While international recruitment cannot be used as a substitute for appropriate domestic training and supply, given that it takes at least three years for new nurses to qualify, it is clear that international recruitment must continue, and increase in the short to medium term, so that patients can receive safe and effective care”.¹²⁴ They go on to say that future plans for the immigration system are not what is required for the health care sector:

The Government’s plans for the UK’s future immigration system fall short of what is required to meet the workforce needs of the health and social care sectors, now and in the future. The current proposals will exclude many health and care workers from entering the UK, primarily social care staff, which will have a devastating impact on the health and social care sector.¹²⁵

48. On 29 September 2020 the Migration Advisory Committee announced: “Senior care workers and nursing assistants are among the occupations that should be added to the Shortage Occupation List to relieve pressure when freedom of movements ends”.¹²⁶ The Secretary of State has responded to these comments:

I would like to put on record that the UK Government does very much appreciate the significant contribution of the social care sector, whose value to this country has never been better demonstrated than during the Covid-19 crisis. The UK Government is working alongside the social care sector to ensure the workforce has the right number of people to meet increasing demands, with the right skills, knowledge, and behaviours to deliver quality, compassionate care.¹²⁷

He added: “we intend to review the list of eligible occupations able to benefit from the Health and Care Visa, to reflect the introduction of the expanded skills threshold in the

121 [Q444](#)

122 [Q445](#)

123 [Q445](#)

124 Royal College of Nursing Scotland ([COR0023](#))

125 Royal College of Nursing Scotland ([COR0023](#))

126 Migration Advisory Committee, [Migration Advisory Committee reviews shortage occupation lists](#), 29 September 2020

127 [Letter received 5 October 2020 from Rt Hon. Alister Jack MP](#), Secretary of State for Scotland, Office of the Secretary of State for Scotland

new immigration system”.¹²⁸

49. We acknowledge there are staffing issues for the health and social care sector and that the Migration Advisory Committee did not have enough information when making the decisions about the Shortage Occupation List for Scotland. We welcome the recent development of including senior care workers and nursing assistants to the Shortage Occupation List but do not believe this goes far enough. We recommend that the Migration Advisory Committee include all key health and social care workers on the Shortage Occupation List for Scotland. We also urge the Scottish Government to do more to encourage a larger share of migrants to the UK to live in Scotland.

Logistics

50. A challenge at the beginning of the pandemic for farming, food, fisheries and the whisky industry was around transport infrastructure logistics. Jonnie Hall—Director of Policy, National Farmers Union Scotland—told the Committee: “the biggest impact initially was the realignment overnight of the supply chain”.¹²⁹

51. A lot of Scottish exports are transported by air. James Withers—Scotland Food and Drink—talked about airlines and the issues with grounding of planes: “a lot of our high-value perishable products go by air, so the grounding of a large proportion of the world’s airlines has meant that that traditional route to market, for instance on the belly of the plane that goes from Glasgow to Dubai, was cut off as well”.¹³⁰ This was echoed by Elspeth Macdonald—CEO, Scottish Fishermen’s Federation—“the reduction in air travel was significant during the pandemic, and continues to be so [...] if passenger planes are not flying, there is limited availability and prices are high. That was significant”.¹³¹

52. James Withers commented on shipping and ferry capacity: “I think there is an issue around our ability in Scotland to be resilient with transport infrastructure. [...] The one thing I would say about disruption is that within the UK, the UK supply chain works well, but we need to keep a close eye on the islands and on ferry capacity”.¹³²

53. Although logistics were an issue for some, not everyone felt the effects. John Anderson—Chief Executive, Scottish Fishermen’s Organisation—noted that when transport was needed it was available: “By the time that demand came around again, things were moving already. It was not a particular issue for us”.¹³³

54. Rt Hon Alister Jack told us that the logistic plans went well during that pandemic due to preparations for Brexit:

We were fortunate that we had preparations in place because the European Union Operations Committee, running up to 31 October, had made lots of plans for what would happen in the event of a no-deal Brexit. Those preparations were able to be used for the Covid pandemic.¹³⁴

128 [Letter received 5 October 2020 from Rt Hon. Alister Jack MP](#), Secretary of State for Scotland, Office of the Secretary of State for Scotland

129 [Q224](#)

130 [Q225](#)

131 [Q373](#)

132 [Q235](#)

133 [Q372](#)

134 [Q484](#)

He also emphasised that he is confident of future progress “we have taken steps and are in better shape for that going forward”.¹³⁵

Exports

55. Exports are vital for the Scottish economy. Key exported products contributed significant amounts to the Scottish economy in 2019:

- The fishing industry: £1 billion;¹³⁶
- The food industry and non-whisky drink exports: £1.8 billion;¹³⁷ and
- Whisky exports total £4.7 billion.¹³⁸

Each sector told us of the impacts of the pandemic on their industry and any extra support they need.

Fishing industry

56. The impacts of the pandemic have been felt across the fishing industry. Jimmy Buchan—Chief Executive, Scottish Seafood Association—described the continuing situation: “The situation is still continuing. The shellfish sector is probably still only at 50% of the capacity for where it should be at this time of year”.¹³⁹ John Anderson—Chief Executive, Scottish Fishermen’s Organisation—added to this:

The value of our nephrops landings by the SFO fleet this year is down over 50%. That represents a 30% price decrease on average across the board. That is grim by any stretch of the imagination. The reality is that coronavirus has majorly impacted on the nephrops value chain and it looks like it will take quite some time to fully recover.¹⁴⁰

57. The closure of the hospitality sector had a large impact on the fishing industry, as Elspeth Macdonald—CEO, Scottish Fishermen’s Federation—explained:

There is a high reliance on the hospitality market, particularly for shellfish such as nephrops, as John and Jimmy have alluded to, and for scallops. Clearly, the hospitality sector, at home and abroad, was essentially non-existent during the early part of lockdown. That had a significant impact.¹⁴¹

58. Difficulties with exports also had a large effect on the fishing industry as noted by John Anderson: “we export the majority of what we catch and produce and import the majority of what we consume”.¹⁴² Jimmy Buchan highlighted the difficulties of exports being low and the market for locally caught fish not being there in Scotland: “It is really difficult because we cannot stimulate enough demand in our own local economies. We have all said that we need to keep trying to help that, but until we can get international

135 [Q484](#)

136 [Q397](#)

137 [Q222](#)

138 [Q221](#)

139 [Q360](#)

140 [Q360](#)

141 [Q361](#)

142 [Q376](#)

trade moving at pace and in volume we will be in a very difficult position”.¹⁴³

Food and Drink Industry

59. James Withers—Scotland food and drink—told us of the issues the food industry is facing: “We are down only about 12% year on year, largely because that first quarter period captured about four to five weeks of the real pain of Covid. Our current estimation is that in 2020 we could lose up to half of our normal export value, so somewhere over £800 million of Scottish food export sales could be lost this year, and that is presuming we are on a trajectory of gradual recovery”.¹⁴⁴ He pointed out that exports need government support:

I think there is still an ongoing issue there about the connections between DEFRA, DIT and the work of devolved nations. The reality is that other than trade negotiations, the development of brand and export opportunities are devolved, yet we still have too much drive at UK Government level without reflecting what is happening in devolved areas. I am optimistic about the ability to address that. I think there should be a UK export council that is the four nations coming together on an equal basis to determine where they can collaborate collectively on export activity. I think there is not enough of that collaboration at the moment.¹⁴⁵

60. Karen Betts—CEO, Scotch Whisky Association—told us about the impact of the pandemic on the Whisky sector: “In the first quarter of this year exports were down 17%, so that is a loss of £190 million”.¹⁴⁶ She also highlighted the need for more support on exports: “We need a real focus from Government in market access issues across the board”.¹⁴⁷

Oil and gas industry

61. Deirdre Michie—CEO, Oil & Gas UK—told us that the pandemic was not the only thing affecting the oil and gas sector exports: “We have been hit by what we are calling the triple whammy of Covid, the dramatic drop in the oil price and the low, low gas prices. As a result, we saw industry having to respond by reducing activity levels by about 40%”.¹⁴⁸ Professor John Underhill—Chair of Exploration Geoscience, Institute of GeoEnergy Engineering, Chief Scientist, Heriot-Watt University and Member, Scottish Scientific Advisory Council—went on to tell us about the reduction of exploration in the North Sea for oil and gas: “the impact of Covid, it has basically stopped exploration in its tracks for 2020”.¹⁴⁹

62. When asked what the Office of the Secretary of State for Scotland was doing to promote Scottish exports, Rt Hon Alister Jack’s response outlined the work of the Department for International Trade with the devolved nations. He also highlighted that a new Trade Hub

143 [Q384](#)

144 [Q225](#)

145 [Q229](#)

146 [Q223](#)

147 [Q230](#)

148 [Q315](#)

149 [Q337](#)

has been announced in Queen Elizabeth House, Edinburgh.¹⁵⁰

63. Scottish exports make a major contribution to the Scottish economy and the risks to those key export sectors ought to be a major concern of both the UK and Scottish Governments. We have heard about the huge reduction in exports throughout the first part of 2020, largely due to the coronavirus pandemic. More could be done to support exports both in the short and long-term.

64. We recommend that when the UK Government plans for future pandemics it considers all three areas—immigration, supply chain and exports—as part of the whole picture. Where responsibility is devolved to Scotland, the UK Government and Scottish Government should work closely together to support these three key areas. These plans should be annually reviewed by the UK Government and have the recommendations implemented as soon as practicable, at least by the end of 2021.

150 [Letter received 5 October 2020 from Rt Hon. Alister Jack MP](#), Secretary of State for Scotland, Office of the Secretary of State for Scotland

5 Final thoughts

65. Since we concluded our evidence gathering there have been developments that we have not had an opportunity to consider with witnesses. Some of the major developments are listed below:

- The Chancellor outlined the Winter Economy Plan on 24 September.¹⁵¹ This included:
 - i) A new jobs support scheme;
 - ii) extending the Self Employment Income Support Scheme;
 - iii) extending the 15% VAT cut for the hospitality and tourism sectors; and
 - iv) help for businesses in repaying government-backed loans.
- Joint statement on coronavirus issued from UK Government, the Northern Ireland Executive, the Scottish Government, and the Welsh Government.¹⁵²
- A general debate about Covid-19 took place in the House of Commons on Monday 28 September in the name of the Prime Minister: that this House has considered Covid-19;¹⁵³ and
- A debate on temporary Covid-19 provisions took place on 30 September in the House of Commons.¹⁵⁴

66. The Covid-19 pandemic has laid bare the weaknesses built into the UK systems of governance. The country was not fully prepared for a pandemic and had not learned lessons from previous exercises in pandemic preparedness when it came to health care in Scotland. As Professor Linda Bauld—Professor of Public Health, University of Edinburgh—told us:

Let's be frank, and I should have said this at the beginning, we have done appallingly badly by international comparisons with our excess mortality. [...] We have not handled this pandemic well in any part of the UK.¹⁵⁵

67. The four-nations approach that was in place at the beginning of the pandemic needs to be resurrected with regular meetings set up between all four UK nations. Covid-19 does not recognise national boundaries and future pandemics are likely to be the same. All Governments of the UK must work together to minimise the impacts of the virus until an effective vaccine is found.

68. It is imperative that the UK and Scottish Governments work together to learn the lessons from the pandemic. This evaluation should include how they work together, health aspects, economic aspects and sector specific issues. These lessons need to be learned and implemented swiftly to ensure that the response to the continued pandemic is as effective

151 UK Government, [Chancellor outlines Winter Economy Plan](#), 24 September 2020

152 Cabinet Office, [A joint statement on coronavirus \(COVID-19\) from the UK Government, the Northern Ireland Executive, the Scottish Government, and the Welsh Government](#), 25 September 2020

153 HC Deb, 28 September 2020, [Col 22–126](#), Commons Chamber

154 HC Deb, 30 September 2020, [Col 388–415](#), Commons Chamber

155 [Q172](#)

as it could be.

69. If lessons are learned from this pandemic about the four nations working together and solid foundations were built, the whole of the UK will be in a better place during the rest of this pandemic and if a pandemic were to happen again.

Appendix 1: Economic support packages

Table 1: UK Government Economic Support packages

Date launched	Title	Description	Eligible group
20 March	Coronavirus Job Retention Scheme (Furlough)	Pay 80% of wages up to £2,500 a month. Initially for three months ¹⁵⁶ then extended with amendments to the end of October 2020 ¹⁵⁷	Any employer in the UK was eligible
23 March	Coronavirus Business Interruption Loan Scheme (CBILS)	The scheme helps small and medium-sized businesses to access loans and other kinds of finance up to £5 million. The government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months ¹⁵⁸	Business is based in the UK and has an annual turnover of up to £45 million ¹⁵⁹
26 March	Deferral of VAT payments due to coronavirus	This scheme ended on 30 June 2020 ¹⁶⁰	Any VAT payments deferred between 20 March and 30 June should be paid in full on or before 31 March 2021 ¹⁶¹
3 April	Coronavirus Large Business Interruption Loan Scheme (CLBILS)	The scheme provides financial support to larger businesses affected by coronavirus ¹⁶²	Business based in the UK, has an annual turnover of over £45 million has not received support under the Bank of England's Covid-19 Corporate Financing Facility (CCFF) ¹⁶³

156 HM Treasury, [The Chancellor Rishi Sunak provides an updated statement on coronavirus](#), 20 March 2020

157 HM Treasury, [Chancellor extends furlough scheme until October](#), 12 May 2020

158 UK Government, [Apply for the Coronavirus Business Interruption Loan Scheme](#), 1 May 2020

159 UK Government, [Apply for the Coronavirus Business Interruption Loan Scheme](#), 1 May 2020

160 UK Government, [Deferral of VAT payments due to coronavirus \(COVID-19\)](#), 25 September 2020

161 UK Government, [Deferral of VAT payments due to coronavirus \(COVID-19\)](#), 25 September 2020

162 Department for Business, Energy & Industrial Strategy, [Apply for the Coronavirus Large Business Interruption Loan Scheme](#), 3 April 2020

163 Department for Business, Energy & Industrial Strategy, [Apply for the Coronavirus Large Business Interruption Loan Scheme](#), 3 April 2020

Date launched	Title	Description	Eligible group
13 May	Self-employment income support scheme	Can claim a grant if self-employed or a member of a partnership and have been adversely affected by coronavirus. ¹⁶⁴ 80% of average monthly profits over the last three years up to £2,500 a month ¹⁶⁵	HMRC will assess if you are eligible for both grants based on your trading profits and non-trading income on your Self-Assessment tax returns. ¹⁶⁶ Only those who are already in self-employment, who have a tax return for 2019, will be able to apply ¹⁶⁷
4 May	Bounce Back Loan Scheme (BBLs)	This scheme enables smaller businesses to access finance more quickly during the coronavirus outbreak ¹⁶⁸	The scheme helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan available is £50,000 ¹⁶⁹
26 May	The Coronavirus Statutory Sick Pay Rebate Scheme	This scheme repaid employers the Statutory Sick Pay paid to current or former employees ¹⁷⁰	This scheme allowed small and medium-sized employers, with fewer than 250 employees, to apply to HMRC to recover the costs of paying coronavirus-related SSP ¹⁷¹
5 July	Culture Recovery Fund	Arts, culture and heritage industries will receive a £1.57 billion rescue package. The majority of funding is for England, but Scotland received £97 million ¹⁷²	Available across the country. Thousands of organisations across a range of sectors including the performing arts and theatres, heritage, historic palaces, museums, galleries, live music and independent cinema will be able to access emergency grants and loans ¹⁷³

164 HM Revenue and Customs, [Claim a grant through the Self-Employment Income Support Scheme](#), 13 May 2020

165 HM Treasury, [Chancellor's statement on coronavirus \(COVID-19\): 26 March 2020](#), 26 March 2020

166 UK Government, [How HMRC works out trading profits and non-trading income for the Self-Employment Income Support Scheme](#), 17 August 2020

167 HM Treasury, [Chancellor's statement on coronavirus \(COVID-19\): 26 March 2020](#), 26 March 2020

168 UK Government, [Apply for a coronavirus Bounce Back Loan](#), 4 May 2020

169 UK Government, [Apply for a coronavirus Bounce Back Loan](#), 4 May 2020

170 UK Government, [Check if you can claim back Statutory Sick Pay paid to employees due to coronavirus \(COVID-19\)](#), 3 April 2020

171 HM Revenue & Customs, [Coronavirus Statutory Sick Pay Rebate Scheme set to launch](#), 19 May 2020

172 Department for Digital, Culture, Media and Sport, [£1.57 billion investment to protect Britain's world-class cultural, arts and heritage institutions](#), 5 July 2020

173 Department for Digital, Culture, Media and Sport, [£1.57 billion investment to protect Britain's world-class cultural, arts and heritage institutions](#), 5 July 2020

Date launched	Title	Description	Eligible group
8 July	Job retention bonus	The Job Retention Bonus is a £1,000 one-off taxable payment to the employer for each eligible employee that was furloughed and kept continuously employed until 31 January 2021. The bonus can be claimed between 15 February 2021 and 31 March 2021. This money does not have to go to the employee ¹⁷⁴	An employer who has furloughed employees and made an eligible claim for them through the Coronavirus Job Retention Scheme. The employee must have been eligible for the Coronavirus Job Retention Scheme grant to be eligible for the bonus.
8 July	Cut in VAT for hospitality and tourism sector	5% reduced rate of VAT. The cut will be from 15 July 2020 to 12 January 2021 ¹⁷⁵	Certain supplies of hospitality, hotel and holiday accommodation, and admissions to certain attractions ¹⁷⁶
3 August	Eat out to help out	Government paying half on restaurant bills up to £10 per person, excluding alcohol, Monday to Wednesday for the whole of August ¹⁷⁷	Anyone visiting a participating restaurant, café or pub on Mondays, Tuesdays and Wednesdays throughout August will receive the half price discount ¹⁷⁸
2 September	Kickstart scheme for young people getting into work	16–24 year olds on Universal Credit will be offered six-month work placements with wages paid by the government. ¹⁷⁹ Employers can choose to top up this wage	Government will also pay employers £1,500 to set up support and training for people on a Kickstart placement, as well as helping pay for uniforms and other set up costs ¹⁸⁰

174 HM Revenue and Customs, [Check if you can claim the Job Retention Bonus from 15 February 2021](#), 2 October 2020

175 HM Revenue and Customs, [Guidance on the temporary reduced rate of VAT for hospitality, holiday accommodation and attractions](#), 9 July 2020

176 HM Revenue and Customs, [Guidance on the temporary reduced rate of VAT for hospitality, holiday accommodation and attractions](#), 9 July 2020

177 HM Treasury, [Eat Out to Help Out launches today – with government paying half on restaurant bills](#), 3 August 2020

178 HM Treasury, [Eat Out to Help Out launches today – with government paying half on restaurant bills](#), 3 August 2020

179 HM Treasury, [Landmark Kickstart scheme opens](#), 2 September 2020

180 HM Treasury, [Landmark Kickstart scheme opens](#), 2 September 2020

Table 2: Scottish Government Economic Support Packages

Date launched	Title	Description	Eligible group
24 March	Business Support Fund	Two types of grant are available to ratepayers: A one-off £10,000 grant to ratepayers of small businesses. A one-off grant of £25,000 available to retail, hospitality and leisure business ratepayers with a rateable value between £18,001 and £50,999 ¹⁸¹	
25 March	Sea Fisheries Hardship Fund	Emergency hardship support for fishing vessels 12m and under in length ¹⁸²	Only be for those who have or will suffer market failure or loss and not where alternative markets clearly remain. For those eligible an initial payment of 50% of two months' average vessel earnings will be made. Initial payments will be capped at a maximum of £27,000 as we explore State Aid restrictions and where there are owners of multiple vessels ¹⁸³
27 March	100% Business Rates Relief	100% rates relief for retail, hospitality and leisure sectors and aviation industries for the whole of 2020–21 ¹⁸⁴	A range of businesses including restaurants, bars, pubs, cafes, shops, cinemas, bingo halls and letting agents ¹⁸⁵

181 Scottish Government, [£1 billion Business Support Fund opens](#), 24 March 2020

182 Scottish Government, [Coronavirus \(COVID-19\): Sea Fisheries Hardship Fund - application form](#), 25 March 2020

183 Scottish Government, [Coronavirus \(COVID-19\): Sea Fisheries Hardship Fund - application form](#), 25 March 2020

184 Scottish Government, [100% rates relief for heavily-impacted sectors](#), 27 March 2020

185 Scottish Government, [100% rates relief for heavily-impacted sectors](#), 27 March 2020

Date launched	Title	Description	Eligible group
1 April	Small Business Grant Scheme	A grant up of up to £10,000 if you were an eligible small business and were: the registered non-domestic rate payer (even if you do not need pay because you get reliefs) or a business who leases the property from the registered non-domestic rate payer. ¹⁸⁶ This closed on 10 July	The Small Business Grant and Retail, Hospitality and Leisure Grant schemes closed to new applications on 10 July 2020. ¹⁸⁷ On 12 May this was extended to properties occupied by charities. ¹⁸⁸ On 8 June this was extended to small businesses that share properties but do not pay business rates ¹⁸⁹
8 April	Extra hardship payments for students	A £5 million package of emergency financial support put in place to help students facing hardship as a result of the coronavirus outbreak ¹⁹⁰	Extra cash will be available to any university and college students now struggling as a result of Covid-19, including those attending private institutions ¹⁹¹
13 April	Wellbeing Fund	Third sector organisations across Scotland can apply for emergency funding from the £50 million Wellbeing Fund, which has been established to assist third sector organisations working with people impacted by the pandemic ¹⁹²	More than 2000 charities, community and voluntary groups, and social enterprises are eligible for immediate financial support ¹⁹³
15 April	Aquaculture hardship fund	Hardship payments of up to £27,000 were made available for around 100 businesses which make a full time living from shellfish growing and trout farming ¹⁹⁴	

186 Scottish Government, [Help for non-domestic rate payers in Scotland during coronavirus \(COVID-19\)](#), 13 July 2020

187 Scottish Government, [Coronavirus \(COVID-19\): business support fund grant statistics](#), 10 September 2020

188 Scottish Government, [Extra support for charities](#), 12 May 2020

189 Scottish Government, [More support for small businesses](#), 8 June 2020

190 Scottish Government, [Extra hardship payments for students](#), 8 April 2020

191 Scottish Government, [Extra hardship payments for students](#), 8 April 2020

192 Scottish Government, [Wellbeing Fund open for bids](#), 13 April 2020

193 Scottish Government, [Wellbeing Fund open for bids](#), 13 April 2020

194 Scottish Government, [Support for aquaculture](#), 15 April 2020

Date launched	Title	Description	Eligible group
15 April	Self-employed fund	A £100 million fund is made available to protect self-employed people and viable micro and SME businesses in distress due to Covid. Applications for the £100 million fund were open by the end of April ¹⁹⁵	This fund was channelled through local authorities and enterprise agencies to target newly self-employed people and businesses who are ineligible for other Scottish Government or UK Governments schemes ¹⁹⁶
30 April	Hardship fund for newly self employed	£34 million hardship fund for the newly self-employed, administered by local authorities and Scotland's enterprise agencies and paid out grants in early May ¹⁹⁷	Newly self-employed who are ineligible for UK support (as they became self-employed since April 2019) but are facing hardship with £2,000 grants ¹⁹⁸
30 April	Creative, Tourism and Hospitality Enterprises Hardship Fund	£20 million fund for small and micro enterprises in the creative, tourism and hospitality sectors. Administered by local authorities and Scotland's enterprise agencies and paid out grants in early May ¹⁹⁹	Small and micro creative, tourism and hospitality companies not in receipt of business rates grants of up to £25K ²⁰⁰
30 April	Pivotal Enterprise Resilience Fund	£45 million for viable SMEs crucial to the Scottish economy which are vulnerable. Administered by local authorities and Scotland's enterprise agencies paid out grants in early May. ²⁰¹ This doubled on 8 May 2020 ²⁰²	Bespoke grants and wrap around business support to viable but vulnerable SMEs who are vital to the local or national economic foundations of Scotland ²⁰³

195 Scottish Government, [£100m funds to help business](#), 30 April 2020

196 Scottish Government, [£100m funds to help business](#), 30 April 2020

197 Scottish Government, [£100m funds to help business](#), 30 April 2020

198 Scottish Government, [£100m funds to help business](#), 30 April 2020

199 Scottish Government, [£100m funds to help business](#), 30 April 2020

200 Scottish Government, [£100m funds to help business](#), 30 April 2020

201 Scottish Government, [£100m funds to help business](#), 30 April 2020

202 Scottish Government, [SME support doubles to £90m](#), 8 May 2020

203 Scottish Government, [£100m funds to help business](#), 30 April 2020

Date launched	Title	Description	Eligible group
5 May	Private Rent Sector Landlord Covid-19 loan Scheme	A £5 million fund offered interest-free loans to landlords whose tenants are having difficulty paying rent during the coronavirus crisis ²⁰⁴	Landlords facing difficulties with repayments on a mortgage for a rental property are expected to seek a mortgage repayment holiday from their lender before they apply for a loan. ²⁰⁵
7 May	SME Housebuilders	Housebuilders are able to apply for short-term loans of up to £1 million ²⁰⁶	An SME housebuilder with a turnover of £45 million or less per year and building five or more homes per annum ²⁰⁷
1 June	Inshore fishing support	Inshore fishers who usually target shellfish will now be able to diversify into new markets and access fishing opportunities worth up to £2 million ²⁰⁸	The applies to fishing vessels that are not members of a producer organisation and is not restricted by vessel length ²⁰⁹
12 June	Energy Transition Fund	£62 million fund for oil, gas and energy sector to support them for the next five years ²¹⁰	The £62 million funding package is available to support Net Zero projects. The fund will also position the North East of Scotland as a Hydrogen model region, contributing early funding to projects ²¹¹

204 Scottish Government, [Aid for private rental landlords](#), 5 May 2020

205 Scottish Government, [Aid for private rental landlords](#), 5 May 2020

206 Scottish Government, [Emergency loan fund for SME housebuilders](#), 7 May 2020

207 Scottish Government, [Emergency loan fund for SME housebuilders](#), 7 May 2020

208 Scottish Government, [Additional quota for inshore fishing](#), 1 June 2020

209 Scottish Government, [Additional quota for inshore fishing](#), 1 June 2020

210 Scottish Government, [£62 Million fund for energy sector](#), 12 June 2020

211 Scottish Government, [£62 Million fund for energy sector](#), 12 June 2020

Date launched	Title	Description	Eligible group
16 June	Return to work package	£230 million package that covers construction, low carbon projects, digitisation and business support and will provide a flow of work for businesses and support jobs. It is funded by the reallocation of underspends from schemes interrupted by Covid-19 ²¹²	New projects featured include: £51 million for business support £78 million for construction £66 million to kick-start green recovery £35.5 million for digitisation ²¹³
10 July	Early stage businesses and grass roots venues	£38 million for high growth companies managed by Scottish Enterprise ²¹⁴	Three levels for: start-ups, innovation funding and Scottish Investment Bank co-investment funds ²¹⁵
13 July	Non- domestic Rates Relief	All non-domestic properties in Scotland will get a 1.6% rates relief. This relief effectively reverses the change in poundage for 2020–21. This will be automatically applied by local councils ²¹⁶	Retail, hospitality and leisure businesses will get 100% rates relief. To get this relief, a property has to be occupied. Properties that have closed temporarily due to the government's coronavirus advice will be treated as occupied ²¹⁷
16 July	Extension to Fair Start Scotland	£100 million for 2020/21, with at least £50 million of that funding set aside to help young people get into work. A job guarantee for young people, national retraining scheme, more advice ²¹⁸	Fair Start Scotland supports people who have struggled to find a job that meets their needs ²¹⁹
17 July	Agriculture loan scheme	The scheme will give farmers and crofters access to financial support up to three months earlier than the EU CAP payment period, helping them continue to operate during the crisis. Up to £340 million available ²²⁰	Scottish farmers and crofters

212 Scottish Government, [Return to Work package launched](#), 16 June 2020

213 Scottish Government, [Return to Work package launched](#), 16 June 2020

214 Scottish Government, [Investing in Scotland's entrepreneurs and innovators](#), 10 July 2020

215 Scottish Government, [Investing in Scotland's entrepreneurs and innovators](#), 10 July 2020

216 Scottish Government, [Help for non-domestic rate payers in Scotland during coronavirus \(COVID-19\)](#), 13 July 2020

217 Scottish Government, [Help for non-domestic rate payers in Scotland during coronavirus \(COVID-19\)](#), 13 July 2020

218 Scottish Government, [£100 million for employment support and training](#), 16 July 2020

219 Mygov.scot, [Get help to find a job](#), 29 May 2019

220 Scottish Government, [Agriculture loan scheme launches](#), 17 July 2020

Date launched	Title	Description	Eligible group
31 July	Transitional Support Fund	£11.2m made available to support childcare providers with the cost of safely reopening ²²¹	Childcare providers in the private and third sectors, including out-of-school care providers ²²²
2 August	Emergency funding for Science Centres	An extra £2 million in emergency funding to help weather the effects of the coronavirus pandemic ²²³	Scotland's four science centres
16 August	National Trust for Scotland jobs	A support package worth £3.8 million is to be made available to the National Trust for Scotland (NTS) to aid the heritage organisation's recovery from the impacts of Covid-19 ²²⁴	The package will support the reopening of 33 heritage sites, rather than the 27 the Trust originally planned ²²⁵
17 August	Museums Recovery and Resilience Fund	£4 million fund, a result of the £1.57bn in culture funding announced by the UK Government. The fund is intended to prevent museums from running out of funds before 31 March 2021 ²²⁶	For independent museums. Open from 17 August to 30 October 2020 ²²⁷
19 August	Aberdeen business funding	The fund, which will be administered by Aberdeen City Council, provided grants of £1,000 and £1,500 to those most affected and includes £100,000 of discretionary support for sectors not required to close by the regulations ²²⁸	Businesses in Aberdeen
24 August	Funding for events sector	£10 million fund to help events sector recover from coronavirus pandemic. The funding comes as a result of the £97 million in UK Government consequentials ²²⁹	Organisers of cultural, community, and sporting events, as well as to supply chain firms facing hardship. ²³⁰ Closed on 14 September 2020 ²³¹

221 Scottish Government, [Support for childcare sector](#), 16 July 2020

222 Scottish Government, [Support for childcare sector](#), 16 July 2020

223 Scottish Government, [Funding boost for science centres](#), 2 August 2020

224 Scottish Government, [Supporting National Trust for Scotland jobs](#), 16 August 2020

225 Scottish Government, [Supporting National Trust for Scotland jobs](#), 16 August 2020

226 Museums Galleries Scotland, [Recovery and Resilience Fund](#), accessed 8 October 2020

227 Funding Scotland, [£4m Covid-19 Museums Recovery & Resilience Fund](#), 14 August 2020

228 Scottish Government, [£1 million funding for Aberdeen businesses affected by temporary measures](#), 19 August 2020

229 Scottish Government, [Supporting events](#), 26 July 2020

230 Scottish Government, [Supporting events](#), 26 July 2020

231 Visit Scotland, [Covid-19 support fund for Scottish events industry](#), accessed 8 October 2020

Date launched	Title	Description	Eligible group
26 August	Hotel Support Programme	£14 million funding from the Scottish Government, plus bespoke packages of wrap-around business support provided by Scotland's enterprise agencies and their partners ²³²	a rateable value of more than £51,000, employ at least 50 employees, have operated since before December 2019, be based in Scotland and Provide jobs that are critical to the local economy and the recovery of the tourism sector ²³³
13 September	Islands Green Recovery Programme	£2 million programme of locally-led green projects designed to help support their economic recovery from the coronavirus pandemic ²³⁴	Islands areas
12 October	Self-Isolation Support Grant	£500 grant if asked to self-isolate for those on low incomes ²³⁵	For those who would lose income if they needed to self-isolate, such as those unable to carry out their work from home. Also, for those who are in receipt of Universal Credit or legacy benefits ²³⁶

232 Visit Scotland, [New £14 million hotel support programme launched](#), 26 August 2020

233 Visit Scotland, [New £14 million hotel support programme launched](#), 26 August 2020

234 Scottish Government, [Building resilience for island communities](#), 13 September 2020

235 Scottish Government, [New grant for those self-isolating](#), 30 September 2020

236 Scottish Government, [New grant for those self-isolating](#), 30 September 2020

Conclusions and recommendations

Coronavirus and intergovernmental working

1. We agree with Professor Nicola McEwen that trust is an essential ingredient for intergovernmental relations, and it is clear that trust needs to develop between the UK and Scottish Governments. This takes effort from both sides. Holding regular, formal, structured, minuted meetings is an essential part of co-ordinating the response to a pandemic that does not respect borders. All four Governments of the UK need a reliable forum for communicating with other key decision makers to ensure that a co-ordinated, evidence-based response is achieved. The current rising case numbers make the need for such an approach even more vital. Regular meetings can help build on the existing relationships and grow trust between the two Governments. *We build on our previous recommendation in the interim report (paragraph 60) and recommend that a timetable of regular intergovernmental meetings should be set up, both during the rest of this pandemic, especially if there is a second wave, but also for after the pandemic. We need a resilient format to be put in place immediately so that we know there will be regular, formal, planned meetings of key decision makers.* (Paragraph 16)
2. We welcome the review of intergovernmental working and look forward to seeing the results of the report. We intend to return to this issue later in the Parliament. (Paragraph 17)
3. The evidence we received covering the general role of the Office of the Secretary of State for Scotland has been helpful. We look forward to hearing a response to the recommendation in the interim report about the specific role of the Office of the Secretary of State for Scotland during the coronavirus pandemic and what their role could be in the context of similar UK-wide emergencies. (Paragraph 22)

Health

4. *We recommend that the lessons learned from Exercise Cygnus in relation to intergovernmental working, specifically inviting devolved administrations to smaller meetings, are revisited. This should feed into the public inquiry of Covid-19, as committed to by the Prime Minister. A section of this public inquiry should relate to the pandemic in Scotland. This should focus on areas of reserved competence, concentrating on intergovernmental relations and working together in the health sector. It is crucial following the publication of this review that lessons learned are implemented and are assessed annually to ensure that Scotland is prepared for any future pandemics.* (Paragraph 31)

Economy

5. *The evidence we have received suggests that the economic support packages provided by both the UK and Scottish Governments have been effective. Nonetheless, we believe that there is a case for conducting a review of the impacts of these packages,*

ensure they provided value for money and were targeted appropriately, and to see what lessons could be learned for any future similar contingencies. This review should take place by Easter 2021 and implement lessons learned into contingency planning by the end of 2021 at the latest. (Paragraph 36)

6. *The Government response to our predecessor Committee’s report on Immigration and Scotland is now more than two years overdue. While we acknowledge the exceptional pressures on the Government in recent years, a delay of this length is wholly unacceptable. The response must now be produced as soon as possible, and in any case no later than the end of 2020.* (Paragraph 39)
7. **The Seasonal Workers Pilot Scheme is vital for the Scottish food sector, the pandemic highlighted that there is not the local take-up for these seasonal roles. We believe that not having enough people to harvest Scottish food puts an important part of the Scottish economy at risk, along with the ability to feed Scottish people and export food. With potential continued restrictions upon immigration as cases rise, the UK Government needs to assess the impact of the “Pick for Britain” scheme moving forward. We agree with the evidence we have heard about increasing numbers for the Seasonal Workers Pilot Scheme and recommend that numbers on this programme be increased by at least 50%.** (Paragraph 43)
8. **We acknowledge there are staffing issues for the health and social care sector and that the Migration Advisory Committee did not have enough information when making the decisions about the Shortage Occupation List for Scotland. We welcome the recent development of including senior care workers and nursing assistants to the Shortage Occupation List but do not believe this goes far enough. We recommend that the Migration Advisory Committee include all key health and social care workers on the Shortage Occupation List for Scotland. We also urge the Scottish Government to do more to encourage a larger share of migrants to the UK to live in Scotland.** (Paragraph 49)
9. **Scottish exports make a major contribution to the Scottish economy and the risks to those key export sectors ought to be a major concern of both the UK and Scottish Governments. We have heard about the huge reduction in exports throughout the first part of 2020, largely due to the coronavirus pandemic. More could be done to support exports both in the short and long-term.** (Paragraph 63)
10. *We recommend that when the UK Government plans for future pandemics it considers all three areas—immigration, supply chain and exports—as part of the whole picture. Where responsibility is devolved to Scotland, the UK Government and Scottish Government should work closely together to support these three key areas. These plans should be annually reviewed by the UK Government and have the recommendations implemented as soon as practicable, at least by the end of 2021.* (Paragraph 64)

Formal minutes

Thursday 15 October 2020

Members present:

Pete Wishart, in the Chair

Deidre Brock	Jon Cruddas
Wendy Chamberlain	John Lamont
Alberto Costa	Liz Twist

The Committee deliberated.

Draft Report (*Coronavirus and Scotland*), proposed by the Chair, brought up and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 69 read and agreed to.

Summary agreed to.

Papers were appended to the Report as an Appendix.

Resolved, That the Report be the Second Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134).

[Adjourned till Wednesday 21 October at 1.30pm.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Thursday 14 May 2020

Mr Alister Jack, Secretary of State, Scotland Office; **Douglas Ross**, Parliamentary Under-Secretary, Scotland Office; **Gillian McGregor**, Director, Scotland Office

[Q1–59](#)

Thursday 21 May 2020

Dr Gregor Smith, Interim Chief Medical Officer for Scotland; **Professor Sheila Rowan**, Chief Scientific Adviser for Scotland; **Professor Andrew Morris**, Independent Chair, Scottish Government's Covid-19 Advisory Group

[Q60–116](#)

Thursday 11 June 2020

Jeane Freeman OBE, Cabinet Secretary for Health and Sport, Scottish Government; **Professor Jason Leitch**, Clinical Director of Healthcare Quality and Strategy, Scottish Government

[Q117–163](#)

Thursday 18 June 2020

Akash Paun, Senior Fellow, Institute for Government; **Professor Linda Bauld**, Professor of Public Health, University of Edinburgh; **Professor David Bell**, Professor of Economics, University of Stirling; **Professor Nicola McEwen**, Co-Director, Centre of Constitutional Change

[Q164–220](#)

Thursday 25 June 2020

Jonnie Hall, Director of Policy, National Farmers Union of Scotland; **James Withers**, Chief Executive, Scotland Food and Drink; **Karen Betts**, CEO, Scotch Whisky Association

[Q221–264](#)

Thursday 02 July 2020

Professor Alasdair Smith, Commissioner, Scottish Fiscal Commission; **David Phillips**, Associate Director, Institute for Fiscal Studies

[Q265–310](#)

Thursday 09 July 2020

Deirdre Michie, CEO, Oil and Gas UK; **Colette Cohen**, CEO, Oil and Gas Technology Company; **Professor John Underhill**, Chair of Exploration Geoscience, Institute of GeoEnergy Engineering, Chief Scientist, Heriot-Watt University, Member, Scottish Scientific Advisory Council

[Q311–355](#)

Thursday 03 September 2020

Elsbeth Macdonald, Chief Executive Officer, Scottish Fishermen's Federation; **Jimmy Buchan**, Chief Executive, Scottish Seafood Association; **John Anderson**, Chief Executive, Scottish Fishermen's Organisation

[Q356-406](#)

Thursday 10 September 2020

Dr Donald Macaskill, Chief Executive, Scottish Care; **Theresa Fyffe**, Director, Royal College of Nursing Scotland; **Wilma Brown**, Employee Director, NHS Fife, Lay Activist, UNISON

[Q407-458](#)

Thursday 17 September 2020

Rt Hon Alister Jack MP, Secretary of State for Scotland, Scotland Office; **Iain Stewart MP**, Parliamentary Under Secretary of State (Minister for Scotland), Scotland Office; **Gillian McGregor CBE**, Director, Scotland Office

[Q459-526](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

COR numbers are generated by the evidence processing system and so may not be complete.

- 1 British Veterinary Association (BVA) ([COR0006](#))
- 2 Chronopoulos, Dr Dimitris ([COR0003](#))
- 3 deafscotland ([COR0021](#))
- 4 Food and Drink Federation Scotland ([COR0020](#))
- 5 The Law Society of Scotland ([COR0014](#))
- 6 Lukas, Dr Marcel ([COR0003](#))
- 7 NFU Scotland ([COR0002](#))
- 8 Oil and Gas UK ([COR0015](#))
- 9 Perth and Kinross Association of Voluntary Service (PKAVS) ([COR0008](#))
- 10 Royal College of Nursing Scotland ([COR0023](#))
- 11 Royal Society of Edinburgh ([COR0013](#))
- 12 Scotland Office (Rt Hon Alister Jack MP, Secretary of State) ([COR0012](#))
- 13 ScotlandIS ([COR0007](#))
- 14 Scottish Beef Association ([COR0017](#))
- 15 Scottish Care ([COR0010](#))
- 16 Scottish Land and Estates ([COR0019](#))
- 17 Scottish Renewables ([COR0005](#))
- 18 Scottish Retail Consortium ([COR0016](#))
- 19 SEFARI Gateway (Dr Charles S Bestwick, Director) ([COR0024](#))
- 20 Which? ([COR0018](#))
- 21 Wilson, Professor John O. S. ([COR0003](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2019–21

First Report	Coronavirus and Scotland: Interim report on Intergovernmental Working	HC 314
First Special Report	Problem drug use in Scotland: Government Response to the Committee's First Report of 2019	HC 698