



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

DEVOLUTION (FURTHER POWERS) COMMITTEE

Tuesday 23 February 2016

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DEVOLUTION (FURTHER POWERS) COMMITTEE
8th Meeting 2016, Session 4

CONVENER

*Bruce Crawford (Stirling) (SNP)

DEPUTY CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

COMMITTEE MEMBERS

*Malcolm Chisholm (Edinburgh Northern and Leith) (Lab)

*Linda Fabiani (East Kilbride) (SNP)

*Rob Gibson (Caithness, Sutherland and Ross) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Alison Johnstone (Lothian) (Green)

*Stewart Maxwell (West Scotland) (SNP)

*Mark McDonald (Aberdeen Donside) (SNP)

*Stuart McMillan (West Scotland) (SNP)

*Tavish Scott (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Rt Hon David Mundell MP (Secretary of State for Scotland)

CLERK TO THE COMMITTEE

Stephen Imrie

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Devolution (Further Powers) Committee

Tuesday 23 February 2016

[The Convener opened the meeting at 18:59]

Scotland Bill

The Convener (Bruce Crawford): Welcome to the Devolution (Further Powers) Committee's eighth meeting in 2016. I remind all members to switch off their phones or at least put them into a mode such that we cannot hear them.

Agenda item 1 is evidence on the Scotland Bill from the Rt Hon David Mundell MP, Secretary of State for Scotland, and officials. David, it is slightly unusual to see you on a television screen sitting in a corner of our room, but it is good to have you here. I thank you and the Scotland Office for agreeing to give evidence to the committee this evening. I am aware that, if you are required to vote in the House of Commons, you might have to leave us and you probably would not be able to return for a sustained period, as you would be going through the lobbies and so on. Although the committee has made significant efforts to accommodate this session, particularly with regard to the videoconference, I propose that, in that event, we would for simplicity end the session and seek to rearrange it as soon as possible. That would probably be the best way to deal with that.

I believe that you want to make an opening statement, secretary of state. We would be more than grateful for that, but could you first introduce the officials who are with you? We do not know who they are.

Rt Hon David Mundell MP (Secretary of State for Scotland): I notice that you have put my screen on the floor, but I will try to look up as I give evidence. I am extremely grateful to the committee for facilitating my appearance by videolink, which was needed because I have been required in Westminster today for parliamentary business. I am accompanied by James Dowler, deputy director for constitutional policy at the Scotland Office, who has appeared before the committee previously, and by Lindsey Whyte, deputy director for devolution at Her Majesty's Treasury.

I have said before that I regard the committee's work in scrutinising the bill as valuable, and I reiterate that. I am pleased to give evidence as the lead minister for the bill, and I am delighted to do so with agreement having been reached between Scotland's two Governments on a new fiscal

framework for Scotland. A short time ago, I made it clear in the House of Commons that I will make a statement to it tomorrow on the fiscal framework, so that members of the United Kingdom Parliament can have the same opportunity as members of the Scottish Parliament have had to hear about the framework.

The committee will be aware that the Chief Secretary to the Treasury has led on the fiscal framework negotiations for the UK Government. He committed to giving evidence to the Scottish Parliament once an agreement was reached, as it has been now. He will be able to provide the relevant committee—the Finance Committee—with more detailed technical information on the agreement.

The Scotland Bill completed its committee stage in the House of Lords yesterday and begins the report stage tomorrow. We now approach the concluding stages of the bill, and I am mindful of the further opportunities for scrutiny from both Parliaments that the coming weeks will allow and of the need for the Scottish Parliament to debate and pass a legislative consent motion.

I think that Mr Crawford will agree that the new Scottish Parliament that is elected in May will be very different from its predecessor. The new powers in the Scotland Bill will make the Scottish Parliament one of the most powerful devolved Parliaments in the world. In effect, it will be a new Scottish Parliament. Lord Smith has confirmed that the bill delivers the legislation that is required to honour the cross-party Smith agreement. I am confident that, now that we have agreed a fiscal framework that is fair and built to last, we can deliver a Scotland act that will deliver a strong Scottish Parliament within the strong United Kingdom that the people of Scotland voted for.

The Convener: It falls to the committee to scrutinise the agreement that the two Governments have arrived at and to conclude whether it represents a good deal for Scotland before we make our recommendations to the Scottish Parliament. To help us to understand the background, will you confirm that, as was suggested this afternoon in the Scottish Parliament, under the proposals at the beginning of the negotiation process, Scotland's budget would have been down with a potential detriment of £7 billion but, today and if the agreement holds, that number stands at zero?

David Mundell: You will not be surprised to learn that I do not see the position in those terms. This has been a negotiation, which has concluded with an agreement. Various comments have been made during the negotiation process, but what is important is the agreement that has been reached. As you said, your committee and the Scottish Parliament as a whole—and indeed the

Westminster Parliament—will look at the agreement that has been reached and determine whether it is fair to Scotland and to the rest of the United Kingdom. I believe that it is.

The Convener: I accept that, but there has been significant public comment and we must make a decision and make a recommendation to the Parliament. I ask you again to confirm that, under the proposals at the beginning of the process, the detriment to Scotland's budget was potentially £7 billion but today, following the agreement, it is zero.

David Mundell: The process was to reach an agreement. An agreement has been reached and, as I understand it, it is the agreement, not the negotiation process, that is open for scrutiny. During the—*[Interruption.]* You will be pleased to know that that bell does not mean that I have to leave.

The Convener: I thought that someone was ringing it intentionally. *[Laughter.]*

David Mundell: As far as I am aware, I do not have to leave.

There we are; it has stopped—

The Convener: I cannot hear anything now.

Let us just complete—*[Interruption.]* Do you have to leave now? We will wait until the bell stops before we start again.

The bell has stopped, so we will try to proceed—let us see how we get on. I am glad that we have electronic voting in the Scottish Parliament. Let me ask the question in a slightly different way. Can we confirm that the impact on the Scottish budget, following the agreement, is that there is no detriment?

David Mundell: Yes. The Scottish budget will not be reduced on the basis of the agreement that has been reached today.

The Convener: I will leave it at that and bring in Stewart Maxwell.

Stewart Maxwell (West Scotland) (SNP): Good evening, secretary of state. You have confirmed that there will be no detriment during the transitional period of five or six years that the First Minister talked about in her statement to the Parliament this afternoon. Will you confirm that, at the end of that period, it will be necessary for both Governments to reach a joint agreement on what will happen afterwards, and that no one Government can force a future model on the other at that stage? There must be agreement from both Governments.

David Mundell: Yes. The two Governments have agreed that the arrangements will be reviewed following the UK and Scottish Parliament

elections in 2020 and 2021. That will allow an assessment in the light of a session's worth of experience of the best way of achieving a fair, transparent and effective outcome that is in line with all the Smith principles.

The review will be informed by an independent report with recommendations that will be presented to both Governments by the end of 2021. The fiscal framework does not include or assume the method for adjusting the block grant beyond the transitional period. The two Governments will jointly agree that method as part of the review. The method that is adopted will deliver results that are consistent with the Smith commission's recommendations, including the principles of no detriment, taxpayer fairness and economic responsibility.

Stewart Maxwell: If, after the transitional period, the review and the negotiations, the two Governments cannot come to agreement, will the transitional position carry on until agreement is reached or will there be an end date at which something else happens?

David Mundell: It is envisaged that both Governments will receive the report by the end of 2021. The transitional period is due to end in 2022. On the basis of the experience that we have had in reaching the agreement and the good faith that has been demonstrated, along with the independent element to the analysis, I think that it will be possible for the Governments to reach agreement by the end of the transitional period.

Stewart Maxwell: I am sure that we would all welcome that being the case. The question that I am asking is this: if there was no agreement at that point, would the no-detriment principle carry on beyond that date? If not, what would happen?

David Mundell: What will not happen is the enforcing of any methodology. If the Governments clearly could not reach agreement on the outcome of the review, they would have to agree on what would happen in the short term until they were able to reach an agreement.

Tavish Scott (Shetland Islands) (LD): Good evening, secretary of state.

David Mundell: Good evening.

Tavish Scott: I will ask a couple of follow-on questions to Stewart Maxwell's questions. First, when will the committee see the overall agreement that has been reached? We were told today in Parliament that it would be available by the end of this week. Is that your understanding, too?

David Mundell: That is my understanding. To be fair to our colleagues in the Scottish Government, I understand that stage 3 of the budget bill takes place tomorrow. There is an immediate pressure, and officials are working as

diligently as possible to produce the full agreement, but it would be unrealistic to say that it will be available tomorrow. We are working towards it being available at the end of the week. I give the undertaking that everything possible will be done to get it to members as expeditiously as possible.

Tavish Scott: That is absolutely fine.

For the review that you discussed with Mr Maxwell, what will be the independent body?

David Mundell: That will be agreed by the Governments.

Tavish Scott: Is that yet to be decided or are things being made up as we go along?

David Mundell: Things are not being made up as we go along. We accept the need for the review to have an independent element. I am sure that there will be many in the Scottish Parliament who have views on how the independent aspect of the review will be best achieved.

Tavish Scott: I take your point—the decision has not yet been made. I assume that that detail will not be present in the formal papers that we will receive by the end of this week.

David Mundell: The formal papers will confirm the independent element, but I am sure that Mr Scott will appreciate that there will require to be agreement about who and what is “independent”. A number of people in Scotland hold themselves out as being independent but may not necessarily be so.

Tavish Scott: Well, there we are. That could take six years to negotiate, too.

I have one more question. You said to Mr Maxwell that the transitional period will end in 2022 and that the negotiations between the Governments will begin only after the elections of 2020 and 2021. Is it fair to assume that, if the Scottish Parliament election is in May 2021, that will leave the Governments and ministers of the day the period from May or June 2021 through to the end of the financial year 2021-22 to resolve the matter and put in place whatever is going to be put in place?

19:15

David Mundell: A requirement has been built into the agreement for the review to be completed by the end of 2021. The period before the transitional period ends will be relatively short, but it will be in both Governments’ interests to conclude an agreement in that timescale. Just as I have always been confident that we would agree the fiscal framework, I am confident that, with good will, such an agreement will be capable of being reached.

Tavish Scott: Indeed. Is it envisaged that the work to inform the review, such as the independent analysis that you have described, will be done earlier than 2021? At what point will it be carried out?

David Mundell: It is envisaged that the review will be concluded after the 2021 Scottish Parliament election, so that the Scottish Parliament will have had a full session in which to see how the arrangements have worked in practice. The review should not come forward immediately prior to any elections, which, as we sometimes discover, can make agreement and discussion less easy to facilitate.

Tavish Scott: I am glad that you have made that point.

The Convener: Does Alison Johnstone have a question on the review?

Alison Johnstone (Lothian) (Green): I wanted to seek clarity on that point and to confirm that we will not be in a similar process before the next election. I am content with what Mr Mundell said.

The Convener: I have a question about the process of establishing the independent group. It will be some time before we know who its members will be, but the committee will want assurance on the mechanism for jointly appointing the members before we sign off the Scotland Bill, whatever recommendation we finally make. Will you assure us that the mechanism will be as transparent as possible and that we will be able to see what it is?

David Mundell: I am happy to raise that directly with Mr Swinney so that we can bring forward something for you. I understand that the exact detail of the mechanism is not part of the agreement.

Stewart Maxwell: I would like something to be clarified. I think that you said that the review is due to be completed by the end of 2021. Is that correct?

David Mundell: That is correct.

Stewart Maxwell: The agreement should then take effect from the beginning of the following financial year, in April. Are you saying that the whole thing will have to be agreed by the two Governments in a 12-week period?

David Mundell: I am saying that the transition period ends at the end of the financial year 2021-22. I do not see why the two Governments should not be capable of reaching an agreement in a 12-week period. Sometimes, when people have a really short time to reach agreement, that provides the circumstances and a compelling reason to reach agreement. A longer time does not

necessarily lead to agreement being reached expeditiously.

Stewart Maxwell: I hope that I share your optimism about a 12-week period, but I go back to a question that I asked earlier. You said that that is a really short time. If there is no agreement after 12 weeks—let us hope that that does not happen, but it is perfectly possible—is it your understanding that the no-detriment arrangement will carry on after that period?

David Mundell: I confirm that no mechanism would be imposed at the end of that period without agreement. If we were unable to reach agreement on what was to happen in the longer term, post 2022, we would have to agree on what was to happen in the short term. However, no arrangement would be imposed on the Scottish Government.

The Convener: Stuart McMillan, did you want to come in on issues to do with borrowing?

Stuart McMillan (West Scotland) (SNP): Yes, although first I have a brief supplementary to the previous question. It is regarding the secretary of state's comments on the review. Is it possible that the situation that we have just had could be replicated because of the local authority elections that will take place in Scotland in 2022?

David Mundell: Obviously, there are always reasons not to agree. However, the fact that there will have been a full session of the Scottish Parliament since the powers came to the Parliament is the determining factor in setting the review date. Inevitably, there are elections—it seems—every year in Scotland that could be said to have some degree of influence, but the fact that the review would not be immediately before a UK general election or a Scottish Parliament election would be important. By the way, I do not diminish local government elections; they are very important, but I do not think that they would be a factor in influencing a failure to reach agreement.

Stuart McMillan: This morning, the Deputy First Minister, understandably, did not want to go into any figures regarding the borrowing. Are you in a position to tell the committee what the borrowing limit will be for Scotland?

David Mundell: I am able to say that we have agreed that the Scottish Government will have substantial new borrowing powers. That will ensure that the Scottish Government can manage its budget effectively and invest up to £3 billion in vital infrastructure. As set out in the Smith agreement, we will provide the Scottish Government with £200 million to set up and administer the new powers that it will control.

Stuart McMillan: Is that is the level that the Scottish Government was looking for?

David Mundell: We have reached an agreement. It is not appropriate to comment on offer and counter-offer. What has been agreed is what has been agreed, and it is that agreement that is to be scrutinised to determine whether it is fair and appropriate for the Scottish Government's needs, as identified in the Smith commission.

The Convener: Mark McDonald has one last question on the fiscal stuff. I want to move on to the Scotland Bill itself, just to conclude the evidence-taking session. Sorry—Alex Johnstone wants to come in after Mark McDonald.

Mark McDonald (Aberdeen Donside) (SNP): My question goes slightly wider. Secretary of state, you spoke earlier about the powers coming into effect in the next session of Parliament. I want to ask you about the timescale once the bill has concluded its passage. There was discussion at the beginning of this process about how some powers would be easier to devolve at an early stage than others. For example, the Scottish rate of income tax, which was included in the Scotland Act 2012, has only recently come into effect. I appreciate that much of the groundwork that has already been laid will make future devolution easier, but is it likely that all powers will transfer as a package or are some likely to transfer earlier than others? Are you able to give any indication on timescales?

David Mundell: The intention is that the tax powers will be transferred in time for April 2017. In effect, the next budget of the new Scottish Parliament will be set in the context of the new powers. Obviously, that still has to be agreed with the Scottish Government.

The point that you make is a very good one. Although the SRIT is not often heralded, it has laid much of the groundwork for the arrangements for the new tax powers. The income tax powers can come into effect in April 2017 because of that groundwork. The new coding arrangements will be in place from April 2016 and will thus not have to be tested.

I understand that it is the shared view of both Governments that the transfer of the welfare powers should be on the basis of agreement through the joint ministerial working group on welfare. There are different levels of arrangement. The two Governments are working extremely well in relation to taking those powers forward. I commend both Alex Neil and Roseanna Cunningham, who have worked particularly constructively with my colleagues Iain Duncan Smith and Priti Patel. Officials in the Scottish and UK Governments have worked to smooth the transition of the welfare powers. They will come on stream on a basis that is agreed by both Governments.

Mark McDonald: I asked about the timing of the transfer of powers because, if there is to be a six-year transitional period with a review at the end of it, it is important to understand for how much of that transitional period the Parliament will have control of certain areas. Obviously, that would influence the effectiveness of any review. I appreciate that you may not be able to give definitive timescales, but could you give us an indication of the UK Government's thinking about how long it will take for some of those powers to be devolved? You mentioned April 2017 for the taxes, and that is very welcome. For some of the other policy areas, it would be good to have an understanding of the envisaged timescale from the UK Government's perspective.

David Mundell: The timetable that I envisage is that, subject to the Parliament bringing forward its legislative consent motion and the bill proceeding to royal assent ahead of the Scottish Parliament election, a number of the powers will be in place almost immediately after that election. For example, one of the other tax powers, air passenger duty, can be transferred at the point that the Scottish Government has its model ready. If the arrangements are in place shortly after the Scottish Parliament election, we will be able to transfer the power. We place no impediment in the way of the transfer of those powers.

From the perspectives of both Governments, as agreed in the joint ministerial working group on welfare, the welfare powers are slightly different in the sense that everybody has to be confident that the new arrangements are in place and working. For example, when the UK basis of personal independence payments is switched off, the new arrangements have to be in place, because we cannot leave vulnerable people in a vacuum. We are working closely to ensure that everything is in place when the welfare powers switch over. On the basis of the good working relations that we have, I am confident that that will be the case.

The Convener: It would be useful if you could set out the detailed explanations in a letter to the committee. If it is not known exactly when some of the powers will be in place, it would be very useful for the committee to have information on what the mechanism for decision will be.

19:30

David Mundell: I would be happy to do that. Although I do not want to suggest too much, it would probably also be helpful for the committee if the Scottish Government could set out how it envisages dovetailing with that process, because it is a dovetailing process. I want to transfer air passenger duty as soon as I can, but I require the Scottish Government to tell me when it wants that

to happen and what transitional methodology it wants us to put in place.

The Convener: Of course, we would be asking the Scottish Government to do the same, but we will decide that.

Alex Johnstone (North East Scotland) (Con): I am encouraged to hear that intergovernmental relations have been developing so constructively during this process.

Does the secretary of state envisage the Scottish Fiscal Commission having a role within the fiscal framework?

David Mundell: We envisage the Scottish Fiscal Commission having an important role. As will become clear as part of the fiscal framework, we have set out that the commission is required to be independent in its operation. The Scottish Government has agreed to that. In the arrangement, there is a modification to the proposals that the Scottish Government previously put forward to ensure that degree of independence, which your colleagues in the Scottish Parliament have certainly argued for.

Alex Johnstone: Does the usefulness of the commission in the process depend entirely on ensuring that it is strengthened and in a position to wield that power to make those decisions effectively?

David Mundell: It has been agreed as part of the fiscal framework agreement that that will happen. The detail of that will emerge in the documentation that you will see before the end of the week. The Scottish Government has agreed that those strengthening arrangements should be put in place to ensure the independence that you refer to.

For the record, as Mr Johnstone referred to intergovernmental relations, I want to commend how the process has been conducted. Although we have not always seen eye to eye, I assure the committee that the arrangements have been conducted with the utmost cordiality. Throughout that process, Mr Swinney and I have always been able to engage cordially with each other while having robust discussions. That stands us in good stead for the further development of intergovernmental relations in the way that we would all want to see.

The Convener: An appropriate place to go to now is questions on the Scotland Bill and the Crown Estate, because there is a fair bit to do on that yet.

Rob Gibson (Caithness, Sutherland and Ross) (SNP): Good evening, secretary of state. Our committee wrote recently to the Treasury expressing concern about a number of areas where we consider that the draft memorandum of

understanding and the statutory transfer scheme appear to be too restrictive and lack clarity for the Crown Estate. What is your view of the concerns that the committee has expressed?

David Mundell: My understanding from Treasury colleagues is that they are going to respond fully to the points that have been made. We are still engaged in discussion directly with the Scottish Government about the arrangements for the Crown Estate. We will take cognisance of the committee's views, but the methodology by which we approach the Crown Estate is something that has been agreed.

Rob Gibson: Is the Treasury's response to us going to arrive in time for us to scrutinise it before the legislative consent motion?

David Mundell: Yes. I undertake to ensure that you have that response, along with the other documentation, by the end of the week.

Rob Gibson: If there is a need for full consultation about the process, that will probably happen during the next session of this Parliament. Would it be possible for the draft transfer scheme to be consulted on in session 5, so that the new Parliament can come to a considered view on what is on offer? Obviously, it will be that Parliament that will have the job of implementing it.

David Mundell: I am not unsympathetic to your point, but I would have to double-check the process, because I am not fully conversant with the cross-over processes between Parliament and these arrangements. I will write to you specifically on that point by the end of this week.

Rob Gibson: Thank you very much.

The Convener: Alison Johnstone wants to ask a question about post-study work visas.

Alison Johnstone: We took evidence on the issue a couple of weeks ago that was very striking. We had a couple of witnesses who had benefited from being part of the fresh talent initiative. I am not sure whether you have had a chance to look at any of that evidence yet. Do you agree with Scotland's business directors, as represented by the Institute of Directors, and with organisations such as Universities Scotland and the Scottish Trades Union Congress that a post-study visa scheme should be reintroduced in Scotland?

David Mundell: As I set out when I recently appeared before the Scottish Affairs Committee on this very issue, I am looking at its report. If the report sets out ways in which the existing arrangements can be improved, we will consider doing that. The report was produced last week and I will respond to it shortly. I should also say that I am aware of your committee's evidence, too. I am

alive to the issue, and we are looking at the information that is being provided to us.

Alison Johnstone: That is heartening.

The Convener: Linda Fabiani has questions on work programme issues. After that, I think that we have only one more question.

Linda Fabiani (East Kilbride) (SNP): Hello, secretary of state. I want to talk about where we are with the work programme. The Smith agreement talked about the devolution of the work programme. When the draft clauses came along, the extent of the devolution of the work programme had been somewhat reduced. Since that point, we have had changes from the UK Government. We are now talking about merging the work programme and work choice and having a new programme. Along with that, we have had not only massive budget cuts, which your Government confirmed just recently, but extensions of contracts for running the work programmes and so on. Will you give me an idea of what we will see in this area in the agreement that will come to us in the next week or so for scrutiny?

David Mundell: The agreement will not make specific reference to the work programme or work choice. There has been extensive discussion about the arrangements—I have participated in some of them. My understanding is that, having initially not been sympathetic to the extension of the contracts, the Scottish Government took the view that it needed a period in which to progress a mechanism to set up its own system of equivalence to the work programme and work choice.

The committee wrote earlier this month to the Minister of State for Employment and she responded on 19 February specifically on the financial issues. I think that she made clear that there was not going to be the level of budget changes that had been suggested.

I have had a series of discussions with the Deputy First Minister about employability. As you may know, we have something called the employability forum, which brings together the Scottish Government, the UK Government and the Convention of Scottish Local Authorities. We need to find ways of working more closely together. I take on board the point that you make—the Smith commission agreement on this area was made at a moment in time, and a number of things have changed since then, not least the fact that there is now a record number of people in employment, which we all welcome. However, we need to continue to work together in the area of employability.

Linda Fabiani: Are you saying that negotiations on that are on-going?

David Mundell: I am saying that there are still discussions that the two Governments would want to have about improving employability arrangements within Scotland. That should not be interpreted as meaning that we are somehow agreeing to some Smith-plus provision. That is not what we are seeking to do; we are seeking to come to the most effective arrangements for employability within Scotland, bringing together all those who have a specific interest, namely, the UK Government, the Scottish Government and COSLA.

Linda Fabiani: I am sure that, if you wanted to talk about Smith-plus, we would be happy to do so.

David Mundell: I know that you would. However, I am trying to offer a reasonable way forward because I accept that, in relation to employment programs, the Smith agreement was made at a moment in time, and that things have evolved since then. We have to work together as we go forward.

I think that Ms Patel's letter of 19 February addresses the financial concerns. However, of course, we will continue a dialogue with the Scottish Government on employability more generally.

The Convener: I will leave the last question to Mark McDonald.

Mark McDonald: Gosh! What a privilege.

The Scotland Bill completed its committee stage in the House of Lords yesterday. Are you in a position to advise whether the Government intends to make any further amendment to the bill at report stage or at its third reading? If so, in what areas will those amendments be made? This committee has previously highlighted areas where it would like the bill to be amended.

David Mundell: The amendments that will be tabled are only technical ones that are intended to improve the language of the bill. Those amendments have been agreed with the Scottish Government. Some amendments that will be tabled on Thursday are consequent on the fiscal framework, particularly with regard to the adjustment to the borrowing powers.

We intend to table an amendment, following agreement with the Scottish Government, to support legislation on parking on the pavement. The Scottish Government wants to address that issue and the bill is seen as an opportunity to do so expeditiously. However, the Government does not intend to table any other amendments and is not minded to accept any amendments that have been suggested by the Opposition parties in the House of Lords.

Mark McDonald: It is good to hear the Government's thinking on that. The committee will perhaps probe the issues further.

The Convener: Secretary of state, thank you for giving evidence this evening. It has been helpful for us to understand the UK Government's position. Would it be possible for you and, potentially, another UK minister to be available sometime next week to take further questions from us once we have seen the colour of the ink on the agreement?

David Mundell: I am happy to give an undertaking in that regard. I am pleased to be able to engage with the committee. It is important that the fiscal framework and the other aspects of the bill are properly scrutinised. I have no difficulty with that.

Some have suggested that the arrangements have been conducted in secret, but that is not the case. They have been conducted in the way in which important negotiations have to be conducted. However, what is important is the agreement that has been reached. I think that it is a significant agreement for Scotland. It is fair to Scotland and is fair to the rest of the UK and I am happy to participate in any further scrutiny of it.

The Convener: Thank you. I now close the meeting.

Meeting closed at 19:45.

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