



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Affairs Committee

Thursday 19 November 2020

Session 5



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CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE
28th Meeting 2020, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

COMMITTEE MEMBERS

*Annabelle Ewing (Cowdenbeath) (SNP)

*Kenneth Gibson (Cunninghame North) (SNP)

*Ross Greer (West Scotland) (Green)

*Dean Lockhart (Mid Scotland and Fife) (Con)

*Oliver Mundell (Dumfriesshire) (Con)

*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*Beatrice Wishart (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

David Barnes (Scottish Government)

Alan Johnston (Scottish Government)

Michael Russell (Cabinet Secretary for the Constitution, Europe and External Affairs)

CLERK TO THE COMMITTEE

Stephen Herbert

LOCATION

Virtual Meeting

Scottish Parliament

Culture, Tourism, Europe and External Affairs Committee

Thursday 19 November 2020

[The Convener opened the meeting at 09:33]

Future Relationship between the European Union and the United Kingdom Government

The Convener (Joan McAlpine): Good morning, and welcome to the 28th meeting in 2020 of the Culture, Tourism, Europe and External Affairs Committee. Our first agenda item is continuation of our scrutiny of the future relationship negotiations between the European Union and the United Kingdom Government. I welcome to the meeting the Cabinet Secretary for the Constitution, Europe and External Affairs, Michael Russell; Alan Johnston, the deputy director of EU exit readiness at the Scottish Government; and David Barnes, the head of EU exit strategy and negotiations at the Scottish Government.

Before we move to questions, I invite the cabinet secretary to make a brief opening statement.

The Cabinet Secretary for the Constitution, Europe and External Affairs (Michael Russell): Thank you very much, convener, and thank you for inviting me back.

I was last at this committee before the summer, so I should start by reflecting on the fact that we still do not have the details of or, indeed, any certainty of, a deal on the UK withdrawal. The end of the transition is very near, and it is extraordinary that the outcome of the negotiations is still unknown. However, whatever the outcome is and whatever takes place, it will not be a good-news deal for Scotland. We have to be under no illusion: we are faced with considerable and imminent damage that will disrupt Scotland's economy and society. That will be the theme of what I will say today. We will have an immeasurably poorer substitute for what we have now, in transition, and for what we had with membership of the EU.

I have spoken before about the difficulties of negotiating with the United Kingdom. We have raised substantial concerns again and again about the nature of the engagement. That continues on the issues of readiness. Months passed before readiness material was shared with us and before we were invited to participate in any way in the

readiness and preparation structures. We are still not at all the meetings—or close to being at all the meetings—of the key committees.

I have written to the committee with some more examples, and I will not repeat them all. However, there are now fewer than 30 working days until the end of the transition, and there are very considerable and mounting challenges for all sectors and businesses. The evidence that the committee has taken in recent weeks could not have been clearer. Taking back UK control appears to involve taking on significant bureaucracy and chaos at our borders.

Third-country status will mean that full sanitary and phytosanitary—SPS—procedures must apply in exporting to the EU. If anybody is in doubt about that, they should look at, for example, some of the information that shellfish companies in my constituency have been bringing to the table and demonstrating. Along with other demands, businesses face export health or phytosanitary certification, pre-notification of arrival, presentation at border control points, documentary and identification checks, and risk-based physical checks and sampling. There will be fees for certifier time and a fee for clearance and checks at border control posts. New UK Government guidance suggests that those costs and controls will be applicable to all SPS trade—the essential trade of food, animals and plants—including from Great Britain to Northern Ireland. Retailers are openly warning of empty shelves in Northern Irish supermarkets, and we are told that the border control post infrastructure in Northern Ireland will not be ready by 1 January.

Against those requirements, ambiguities and confusions, we are doing everything that we can to mitigate the consequences of the UK Government's actions or lack of actions. However, we will not be able to avert every negative outcome. The practical consequences of the lack of basic information bind all our hands as well as those of businesses as they prepare—as does the continuing essential focus on the pandemic. We are working closely with banks, through the banking and economy forum, to mitigate the economic impacts and to encourage cash-flow support to business. Our multi-agency prepareforbrexit.scot website, which is hosted by Scottish Enterprise, provides advice, access to sources of financial support and online self-assessment tools. Scottish Enterprise is now proactively targeting around 80 high-value traders to offer support. During November, an additional 500 companies assessed as being vulnerable to Brexit impacts will be contacted and offered support. That number will grow to 1,200 ahead of 31 December. However, much more needs to be done, and we are focused on doing the maximum that we can.

I conclude by saying that we did not vote for this. In fact, no one voted for a Brexit of this nature—going out of the single market and out of the customs union and having to accept the end of freedom of movement. As the committee's evidence sessions have shown, it is an act of extraordinary recklessness to end the Brexit transition period in December, when so much preparation by business remains undone and at a time when the economy and society are being hit hard by Covid-19. It has been an avoidable action, and it is an utterly irresponsible action, but we will, of course, all work to try to assist the people of Scotland with it in some way.

The Convener: Thank you very much, cabinet secretary.

It certainly is a very grave situation that we are facing. As you rightly said, we have taken a lot of evidence from businesses and other organisations about the lack of knowledge of what they are supposed to be preparing for.

You will be aware that, several weeks ago, nine food and drink businesses wrote to Mr Gove to ask for a period of grace in the event that some kind of deal is reached or if there is no deal—we know that, if a deal can be pulled off in the time available, it will be a minimalist, bare-bones deal. The committee followed up on that and said that that should apply to all businesses, not just those in the food and drink sector. We wrote to Mr Gove to seek a six-month period of grace to allow time for businesses to prepare and adjust. Would the Scottish Government support that?

Michael Russell: Yes, of course. I noted the letter, and I think that any action at this stage to try to diminish the impact is worth trying and supporting. I am sorry that the letter was not entirely unanimous. Everyone in Scotland should be saying that we have to avoid as many of the consequences of this dreadful situation as we can. One of the ways to do that would have been to have had a grace period. Another way would have been to have had a much more ambitious trade agreement. The best way of all—apart from not doing any of this—would have been to have extended the transition period. We support any and every action that diminishes the likely impact on businesses and—[*Inaudible.*]

The Convener: It is encouraging to know that you support the committee's position on that.

I have looked at your exchanges with Mr Gove, and I note that he stated in one of his letters to you that there had been "intensified engagement" with Scottish Government officials and that officials had received

"Central Case and Reasonable Worst Case planning assumptions for the end of the transition period, which were shared on 3 September."

To what extent—if at all—has there been intensified engagement either at ministerial or official level on the content of negotiations or the preparations? Will you summarise what

"Central Case and Reasonable Worst Case planning assumptions"

means?

Michael Russell: Let me deal with the ministerial part of the question. I will then ask Alan Johnston to say a word or two about how the official interaction has been undertaken.

The word "intensified" is among the most-used words in the UK Government's lexicon; we hear it all the time. It very often relates to the fact that briefings that should have been held are being held anyway. It does not relate to the quality of the interactions, and that is highly significant. I think that there have been around eight joint ministerial committee meetings this year, but I cannot say that any of them has got us to the position in which we feel that we have made an impact or that there has been an understanding of the point that has been made. I say "we" because I think that that feeling is held by us, the Welsh Government in particular, and very often parts of the Northern Ireland Administration as well—indeed, sometimes the whole of it.

There is a sense of frustration. I will give an example. During the first meeting when the Northern Irish came back into the process, they asked for a group to be set up for the joint ministerial committee (European Union negotiations) on the protocol, because they felt—indeed, we all felt—that there was a need to involve the other devolved Administrations in the protocol. It met in June or July, and we were simply told all the things that we already knew in the meeting. There was no intention of engaging constructively and sensibly.

At the most recent meeting, Jeremy Miles from Wales and I reflected on the fact that the terms of reference of the JMC(EN), which were established out of a JMC plenary as long ago as October 2016, have never been observed. We have never had oversight of the negotiations. We were meant to have input into the article 50 letter, but that never happened.

Therefore, I do not think that the spin about "intensification" and all of the rest of it means anything. It is pointless. Now that we have seen the Prime Minister's real views on devolution, which are not a surprise to me in the slightest, that is part of a package. It does not surprise me that the Prime Minister blurted that out, because that is where the current UK Government is.

Alan Johnston might like to say a word or two about official engagement, because he deals with the sharp end of that.

Alan Johnston (Scottish Government): Yes. Thank you, cabinet secretary.

I echo the cabinet secretary's comments about the contrast between quantity and quality. It is the case that, as of September, some of the previous arrangements that we had in planning for no deal during 2019 were restored to a degree. For example, a few of us take part in fortnightly transition readiness portfolio board meetings, which involve the UK Government's fairly high-level and brief reviews of progress across different delivery activities. We now have more regular meetings with our counterparts, and there has been some uptick in the quantity of information that is exchanged between Whitehall departments and our directorates in the Scottish Government. However, the quality has been limited by how late we are in the process and how late we are in getting decisions on the key issues. What I hear most about from my colleagues in the Scottish Government is significant decisions that are still required and how that they are stalling preparations on key issues, such as what will happen at Cairnryan and in certification of one kind or another.

The level of engagement has improved, but the quality has improved only to a degree and probably not enough, given how late on in the process we are.

09:45

The Convener: The situation is very worrying. I pass over to the deputy convener, Claire Baker.

Claire Baker (Mid Scotland and Fife) (Lab): A few weeks ago, we heard from Paul Sheerin, who is the chief executive of Scottish Engineering. I think that the majority of the members of his organisation are small and medium-sized businesses. He said that they are not really engaged with Brexit and any preparations that might be necessary. That might partly be because they do not know what preparations will be necessary, and it might all feel a bit overwhelming.

I hope that the cabinet secretary will say more about what the Scottish Government is doing to support businesses. I note from one of your letters that you have a building resilience steering group, but that is a single response to both Brexit and Covid. I am looking for assurance that there is enough capacity in that group to deal with two huge issues. A financial commitment has already been made, but is it likely to be expanded?

Michael Russell: Claire Baker is pointing to the concurrence issues, which are particularly

worrying. I know from discussions that I have had with businesses over the past few months that many of them have been completely absorbed by the challenge of Covid, because they are fighting for their lives, and it is incredibly difficult. We knew from previous no-deal preparations, of which there have been two sets in the past few years, that businesses took a long time to wake up to the threat of no deal. Those two things coming together have been, and still are, very worrying and problematic. There is some evidence that the take-up and preparation activity has fallen off rather than increased in recent weeks because, with a new lockdown in England and new regulations in Scotland, people are very focused on survival. It is not a surprise that we are in this situation, but it is a disappointment.

On what we are doing, it is very important that we recognise the concurrent pressures. That is part of our resilience group response. Brexit is a major pressure, Covid is enormously central to the situation, and so are the winter pressures that come upon us every winter—naturally. In the circumstances, we have to treat those pressures as parts of the same process.

My colleagues and I meet to discuss the situation, and we ensure that we all understand all the work that we are doing together and its interlinking nature. I agree with Claire Baker that it is a big task, but I think that, in resilience terms, it can be tackled only in that way. I took part in a winter preparation exercise earlier this week. That concurrence is really important.

You mentioned the building resilience steering group. That is providing strategic leadership and co-ordination, which also comes from ministers and officials meeting together in the Scottish Government resilience room structure, which is our emergency structure. We are involved in that. As I said in my introductory remarks, we are working closely with the banks through the banking and economy forum, and my colleague Fiona Hyslop is very engaged with some of the business issues.

In December, we will launch the Scottish customs academy. We are developing that with the Institute of Export and International Trade to support Scottish businesses that export to the EU so that there is additional high-level support. We are guiding people towards the information that exists in the UK Government, which has the primary responsibility for Brexit, and trying to make sure that there is take-up of that. I also mentioned the Scottish Enterprise website and information. It has self-assessment materials that businesses can use.

All that stuff is in place, and there is also a place for this type of information giving and discussion,

so that people understand the challenge and can respond.

Claire Baker: My other questions are about border readiness. A number of members will want to focus on exports. The witnesses who have given evidence so far have talked a lot about exports, but there is also the issue of imports. Will you give us an idea of how much of Scotland's economy relies on imports? How important are imports to manufacturing and other areas? It was suggested to us that what the importing regime will be is clearer, but are there still pressures in the manufacturing and import sectors?

Michael Russell: Yes. There are pressures in two ways. There will be direct import pressures in relation to goods that come directly to Scotland. Those goods come in largely through the container ports and through Grangemouth, in particular, so there is direct importing. Of course, some material is transshipped to Scotland and then goes out again to Northern Ireland and the Republic of Ireland. There is a particular set of issues in that regard.

There is the much larger issue that relates to materials that, presently, come in largely through the short straits and then spread out through a variety of supply chains, including food supply chains and medicines supply chains, across England and into Wales and Scotland. Committee members are familiar with the point that the further you are towards the end of the supply chain, the more precarious the position is.

The importation of such goods is problematic, and it could be very problematic if there were problems and pressures at the short straits. We know from the lorry parks issue, for example, that there is preparation for such difficulties and delays. Indeed, the UK Government has warned that there will be some dislocation and an increase in prices. Imports should be treated in a variety of ways. It is not just about manufacturing companies saying, "We need these goods here to do that."

There is a particular difficulty relating to rules of origin. It is very important to know the origin of goods in order to know what tariffs or fiscal constraints are applied to them. There is also the issue of re-exportation. All those things are dealt with seamlessly when countries are in the EU, because they are covered by the arrangements in the single market and the customs union. We have to start again, in essence, and we cannot go back to where we were 50 years ago. Those preparations are very slow; indeed, many of them are not even in place.

My biggest concern about importation is the supply chains issue. Supply chains are also vulnerable to winter weather, so the situation is difficult, given the time of year. Companies that

are aware of, and have woken up to, the issue are working very hard to secure supply chains, but they have a difficulty because of the two previous no-deal preparations. Stockpiling occurred particularly as part of the first of those preparations, but I suspect that that will be much less in evidence now, particularly if it requires financing, given that money is very tight, or if it requires willing participation from outside these islands, where people are a bit tired of the situation.

The Convener: We have a little bit of time in hand, so I will take a supplementary question from Stewart Stevenson. Is his camera on?

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): Yes, I am here, convener. Given my constituency interests, and my more general interests, I want to focus on issues relating to fishing. This week, the idea has emerged that particular west coast vessels might re-register at Northern Ireland ports, which they could quickly and virtually cost free.

Ireland has three ports—Dublin, Rosslare and Cork—which have five ferry routes to the EU. Those routes take ferries to Santander, Roscoff, Cherbourg, Zeebrugge and Rotterdam. Under section E3 of part II of schedule 5 to the Scotland Act 1998, Scotland is specifically forbidden from providing financial assistance for supporting marine services that start or end outside Scotland. What is the size of the threat in that regard? I suspect that it is not as big as it sounds, because I understand that ferries from Ireland are running more or less at capacity and the sea crossings are quite long.

However, a big issue is the export of live animals, which is lucrative for many small communities around Scotland's coast, as are many of the catches. What progress have we made in addressing that issue? Up until now, I have not heard very much, cabinet secretary.

Michael Russell: There are two aspects to your question. One is the conundrum in the sea of opportunity campaign, because it does not really matter how much you catch if you cannot process it and you cannot sell it. There is an issue then about exportation.

There are different pressures in the west and in the east—I know the west best, and you know the east better than I do—but those are broadly related to that issue. They are also related to the issue of how you get product to market in difficult circumstances. Those difficult circumstances might simply be to do with physical transportation—that there is not enough of it—or they might be to do with paperwork and delays.

All those aspects are coming into play. In my introductory remarks, I mentioned shellfish

companies in my constituency. Lochfyne Langoustines has graphically demonstrated the issue in a Twitter post showing the paperwork that will be required after 31 December for shipments that presently require only a single sheet of A4. It is extraordinary how that requirement will grow.

Yesterday, I saw coverage about an issue that is related not to the seafood sector but to another area. Presently, a sandwich coming from Northern Ireland—sandwiches are made in Northern Ireland and elsewhere and sold here—can come seamlessly into the rest of these islands. Now, five separate pieces of paper will be required for virtually every sandwich and certainly for every consignment. That will add not just bureaucracy but substantial cost. It will also take time.

I was talking to somebody—this is about the rural sector and not about fisheries—who is involved in exporting seeds from a company in England. He told me graphically about their present experience of exporting to a non-EU country. They put the goods, which require inspection, in a corner of the warehouse and have to do a lot of additional paperwork. They do that, but it is the exception, because, presently, the majority of their exports are to the EU, which requires none of that—it requires a single sheet of paper. Sending the goods to Bruges is the same as sending them to Banff. However, that will not be the case anymore, because all that trade will—*[Inaudible.]*—require—*[Inaudible.]*—outside the EU. That will add substantially to cost and time in the operation of a business, at a time when businesses are facing the challenge of the pandemic.

Stewart Stevenson: I have a tiny supplementary question that relates more to the east coast—

The Convener: Mr Stevenson, you have actually jumped the queue—you know that.

Stewart Stevenson: Well, all right—

The Convener: If you want to ask your other question, that is fine. If you have any supplementary questions, I will bring you in again at the end.

Stewart Stevenson: This is my key issue, convener, so I am quite happy if you put me to the end of the queue once I have dealt with it.

My little supplementary question is about the export of frozen fish, in particular. Often, the fish are exported many months after they go into store. That is particularly the case with pelagic fish—herring, mackerel, blue ling and so on—which are exported frozen. My understanding is that, despite the issue being raised, I believe, at least 18 months ago, we do not know today what the label that needs to be stuck on the outside of a batch of

frozen fish should say. Should it say that the source is GB or UK?

Of course, the reality is that there is no adhesive that allows you to stick labels on the outside of frozen batches of fish, so we have fish that could be marooned in stores across Scotland. That is a practical illustration of how it is impossible to get answers on some quite small things. Is that typical of what we are experiencing across other sectors? I have asked almost everybody else, and I know that the industry has asked for that insight. I will be astonished if you can tell me whether the label should say GB or UK; nonetheless, it would be useful to put that on the table as an illustration of the practical difficulties.

10:00

Michael Russell: I had better give David Barnes the chance to show that he knows absolutely everything about what is happening with labelling and things of that nature. Before I do so, in order to give him a moment or two to think about whether he has an answer to the question, I note that the issue of small consequences is an important one. An enormous number of issues—virtually all issues—are unresolved, although they are vital aspects for each sector. The more that they do not know—and they hardly know anything—the harder it becomes for them.

It is particularly tragic because Scotland did not vote for it and all the evidence now shows that the majority of people across the UK are not in favour of Brexit. Nonetheless, it is going ahead. It is a huge waste of time and money, and there is no doubt that it will result in our being poorer. That is simply stating a fact.

Now that I have given David Barnes some breathing space, I wonder whether he can tell us about sticking labels on frozen fish. I think that his microphone is still muted.

The Convener: Could we have David Barnes's microphone on? We want him to be unmuted.

Stewart Stevenson: Could David do it manually?

David Barnes (Scottish Government): Yes, I can. Is that working now?

The Convener: We can hear you, Mr Barnes.

David Barnes: Super. I was obeying the instructions of the technical people not to touch anything unless they told me to. I am glad that I am on now.

As Mr Stevenson suggested, I am not in a position to give him an answer to that precise question. However, the question is an excellent illustration of a huge issue that our Northern Ireland colleagues have been raising repeatedly in

our interactions with the UK Government in relation to the negotiations on the future relationship and on the domestic readiness issues. As the cabinet secretary mentioned, the interaction between the Northern Ireland protocol—which is part of the withdrawal agreement and already an international treaty in international law—and the trade arrangements that will apply in the future relationship between the UK and the EU from 1 January is still, of course, under negotiation.

Mr Stevenson quite rightly mentioned an impact on businesses in Scotland, and the impact on businesses in Northern Ireland is even more acute. Therefore, throughout the summer and the autumn, all the devolved Administrations, led by our colleagues from Northern Ireland, have been trying to press the UK Government for clarity on that interaction between the protocol and the future relationship.

Although I very much wish that we were, we are not in a position to give an answer. Nonetheless, I hope that that reassures the committee that we are very much aware of many such issues and that we are working hard—in conjunction with Wales and Northern Ireland—to get clarity as soon as we can.

Annabelle Ewing (Cowdenbeath) (SNP): I will return to the issue of the food and drink sector, which is important for my constituency. Mowi Scotland has a site in Rosyth. That involves more than 600 jobs, plus the families of the workers. It is therefore an important industry for my constituency and, indeed, across Scotland. The same is true of the whole food and drink sector—I think that it is worth some £15 billion a year, with 70 per cent of its produce being exported to the EU.

There was quite a worrying reference in the letter that was sent to the Prime Minister, to which the convener has already referred. The letter was sent on 5 November, and the committee advised that it had written to the UK Secretary of State at the Department for Environment, Food and Rural Affairs some seven weeks prior but was yet to receive a substantive response at that stage.

Perhaps, in hindsight, that might have a little to do with the odd comments—“odd” being one word to describe them—that George Eustice made on the “Andrew Marr Show” last Sunday. He suggested that, in the event of no deal and the problem of the crippling tariffs that some sectors—particularly our farming sector—would face, mixed farmers could just diversify into beef. That was met with incredulity and anger on the part of many farmers, including the chair of the National Sheep Association Scotland, Jen Craig, who commented:

“For a Government minister to suggest on national television that our mixed farmers could diversify into beef in the event of the lamb price crashing is, quite frankly, a laughable response.”

Will the cabinet secretary indicate whether he shares the view of NSA Scotland? Will he provide some more detail as to the hugely negative implications of no deal or a low deal?

Michael Russell: I saw the interview, and I have to say that I was pretty incredulous myself. The suggestion that those in the sheep sector—of course, there are a substantial number in my constituency of Argyll and Bute—could miraculously go into the beef sector with no detriment is such a nonsensical point of view that I find it difficult to believe that George Eustice could have understood the question.

There is a lot of worry about the food and drink sector. I make it absolutely clear that we now know that the only outcomes that can happen are no deal or a low deal; nothing better is on offer because the UK Government does not want anything better. Those are the only options. In either a no-deal or a low-deal situation, there will undoubtedly be an inhibiting effect on exporting, because it will become a lot more complicated and more difficult, and the reliability of export schedules, for example, will be put at risk. Therefore, for a period, it will be much more difficult and those companies that are reliant on exporting will find it harder.

During the, I think, first and second periods of preparation for no deal, there was some focus on whether some of that produce could be diverted into the domestic market. We need to address—and we are addressing—whether that can take place. It is not possible to divert all that produce into the domestic market, but that might be helpful in some way.

Another issue that we have not touched on yet, which will also need to be thought of, is that, in some parts of the food and drink sector, the end of freedom of movement is particularly problematic. The issue of fruit and vegetable growing, for example, has been well ventilated, but the same issues apply to meat processing. If you visit a meat processing factory, you will see that a substantial number of staff are from eastern Europe or other parts of Europe. In the circumstances in which freedom of movement ends, it will become harder for people to work here. That is quite clear from the approach to migration—[*Inaudible*.]—hostile. In those circumstances, we will see a shortage of labour.

In a variety of ways, there are problems. Not all of those problems can be mitigated successfully, and not all of them can be mitigated in the short term, in any case. There are problems, and if you add in the problem of Covid, they become severe.

Annabelle Ewing: Maybe Mr Eustice should go to see what a hill sheep farmer actually does.

I will move on to another current issue that has, as far as I understand it, huge implications for the possibility of any deal being concluded: the United Kingdom Internal Market Bill, which breaches international law, is causing a huge problem in concluding negotiations and, indeed, has implications for future trade deals. Some weeks ago, the United States President-elect indicated that that would be a big problem for him if there were implications for the Good Friday agreement. The cabinet secretary will be aware that, last night, a significant number of members of the House of Lords rejected the bill. Where does he think that matters will go from here in reaching a deal with the EU in the first instance, given that the bill, as currently drafted, breaches international law?

Michael Russell: Two aspects of the United Kingdom Internal Market Bill need to be commented on. One is that it breaches international law. Quite clearly, there cannot be a deal with the EU while those clauses are still in the bill. Members do not have to take my word for that. At the weekend, Simon Coveney, the Irish foreign minister, made it clear that that is a *sine qua non*—those clauses will have to come out of the bill if the European Parliament is to ratify an agreement.

There are connections between that position and the one that the incoming American Administration will take. It has very much backed the Irish argument that, if the bill threatens the Good Friday agreement—as it does at present—there could not be a free trade agreement. That is one aspect.

The second aspect concerns devolution. I am grateful to those peers who have been firm in their view that the bill is an unacceptable and unwarranted attack on devolution and needs to be changed. In particular, I pay tribute to Lord Hope, who yesterday tabled a significant amendment on the issue of frameworks.

I would much rather that the bill did not exist—the best outcome would be for it to be gone. However, the Welsh Government has also prepared a number of amendments, particularly on the nature of common frameworks, which could and should be used instead of the draconian imposition of rules. The frameworks have been well developed and continue to be developed, so they could and should be used as a basis for the Administrations to work together voluntarily.

I understand that the House of Lords has agreed to Lord Hope's significant amendment, which would mitigate some—though not all—of the damage that the bill would do. It is quite clear that its approach also had strong majority support in

the House of Commons—indeed, a number of Tory spokespeople spoke on it.

Last week, I gave evidence to the House of Lords Common Frameworks Scrutiny Committee, which has been considering such frameworks and has been supportive of the work that is being done on them. Yesterday, I gave evidence to the House of Commons Scottish Affairs Select Committee. That was perhaps not quite as civilised an experience as I the one that I had with the House of Lords committee. However, again, there was an understanding that the United Kingdom Internal Market Bill is an unacceptable piece of legislation.

Across the board, virtually the only people who now support the bill are the existing UK Tory Government and its apologists in the Scottish Parliament. Virtually no one else has any time for it. Many entirely accept—as I do—the thesis that there should be no barriers to trade within these islands, and they believe that the common frameworks are the way to move forward. I again appeal to the UK Government to see sense on the matter, come to the table and let us get it sorted out on the basis of the common frameworks.

Annabelle Ewing: I thank the cabinet secretary for his comprehensive response. Let us hope that the UK Government is listening and is prepared to be sensible and reasonable. However, given its form, I have to say that I do not hold out much hope of that.

Dean Lockhart (Mid Scotland and Fife) (Con): Good morning, cabinet secretary. My first question relates to Scotland's exports beyond the European Union which, as you will know, account for an increasing percentage of our trade. A related issue is the rolling over of free trade agreements between the EU and third countries, which the UK Government is in the process of doing. The majority of such deals have already been rolled over, including the Japan free trade agreement, which goes beyond the scope of the existing EU trade deal.

Given that, in the past, the cabinet secretary's MP and MEP colleagues have not supported new free trade deals with a number of countries—including the EU free trade agreements with Japan, Singapore, Canada and Korea—does he agree that such agreements should be rolled over to support Scotland's exports to countries beyond the EU in the future?

10:15

Michael Russell: To be accurate, you would have to draw attention to specific objections to specific parts of previous trade deals. There are wider issues, because a trade deal might be objected to for reasons relating to human rights and other such issues.

Broadly, Dean Lockhart and I agree that we are in favour of trade deals. We are in favour of good trade deals as opposed to bad trade deals. Of course, that is one of the issues, because the United Kingdom Internal Market Bill is based on the assumption that there will be bad trade deals, and the UK wants to force those through. I am in favour of trade deals. I am also in favour of involving the devolved Administrations when trade deals involve areas in which they have competence, so that they are at the table and take part fully and willingly.

The UK could get buy-in to this situation by learning the right lesson from the comprehensive economic and trade agreement. Two lessons can be drawn from when the CETA treaty was negotiated between Canada and the EU. The first lesson is the one that we should take. The Canadian Government put the Canadian provinces in a room with the federal negotiators who were negotiating with the EU. That meant that, when provincial responsibilities were involved, an agreement could be delivered because the provinces were involved and could agree to it. If the UK Government wishes to have buy-in, it should involve the devolved Administrations in the details of negotiations that involve devolved competences.

Unfortunately, the lesson that the UK Government appears to have taken from the CETA treaty is one from the very end of the process. One of the Belgian Parliaments—the Walloon Parliament—objected to something in the treaty, and the process ran through a very difficult patch. The UK Government's view at the moment is that the devolved Administrations should be kept as far away from trade deals as possible because they might disrupt them. If we could make common cause through the UK Government engaging the devolved Administrations in the trade deals, so that we could agree what is good—for example, the Japan deal does not contain anything on microresistance, which is important in relation to pharmaceuticals—we could reach an agreement and move forward.

Dean Lockhart: On your point about the Japan free trade agreement, you will know that the equivalent EU free trade agreement did not contain anything on microresistance either, so, in that sense, it was not a deviation from the EU trade agreement. In fact, the Japan free trade agreement—

Michael Russell: [*Inaudible.*] You yourself made the point—[*Inaudible.*—so I agree.

Dean Lockhart: I just wanted to correct that.

My next question relates to the status of the UK Withdrawal from the European Union (Continuity) (Scotland) Bill, which intends to allow Scotland to

keep pace with EU laws after the transition period. Commenting on the bill, EU officials have said:

“This legislation could create a difficult position for Scotland and wouldn't be effective. Many regulations which are passed by the EU will be difficult to implement and will not apply to Scotland.”

Given those comments, has the cabinet secretary had official talks with EU officials about the effectiveness of the bill? If so, what was the outcome of those talks?

Michael Russell: You would have to show me the detail of that response, because I think that there is more to it. I do not have that response in front of me.

The reality of the situation is that we are ready to ensure that we keep pace with key areas for two reasons. The first is that that will maintain high standards. Indeed, the EU representatives to whom I have spoken—particularly members of the European Parliament who are sympathetic to the issue—have warmly welcomed that. The second reason is to ensure that we do not diverge too far from what are high standards, particularly as we are considering how we will re-enter the EU.

If Dean Lockhart would like to come back to me with further details of the comments that he has made, I will respond formally to them.

Dean Lockhart: I am happy to do that. Have you had official talks with the EU about the effectiveness of the bill?

Michael Russell: There is no need to have official talks with the EU because, as your colleague keeps pointing out, these things will have been passed by the EU and will be on the shelf. We will endeavour to keep pace with them, so there is no need to have such talks. However, as new rules develop, I hope that we will be able to make our views known about them. Of course, those views will only be views. How much better would it be if we were at the table to help to shape the rules? That would be the real success.

Ross Greer (West Scotland) (Green): I will combine the two biggest challenges that we are facing and ask you about Government preparedness for a Covid vaccine and how the arrangements that we find ourselves in January might or might not affect the supply chains that are involved in that. My understanding is that, in the event that we went for, say, the Pfizer vaccine, which is being manufactured in Belgium, arrangements could be made to get the vaccine here. A workaround could be found to get it here in the event that wider trading arrangements are challenged. However, the Pfizer vaccine, for example, requires to be stored at a temperature of -80°C, which is not something that most storage and transportation units can currently do. Therefore, a whole new supply chain is required to

get transportation and fixed storage units that can keep the vaccine cool. What work is the Scottish Government doing on preparedness for a vaccine supply chain in the event that our wider trading arrangements with the EU are challenged?

Michael Russell: To be fair to Mr Greer, I would want Jeane Freeman to answer that in detail, and I will ask her to do that, if necessary, in writing.

On the issue of the vaccine, the work that is being done by the four countries and the necessary co-ordination that is taking place are matters that the health secretary is deeply engaged in, and I do not want to skim over them, if we can get some real detail from her. I have, tangentially, been involved in some of the discussions about the potential difficulties, and the UK Government has assured the Scottish Government—of course, I am always happy to believe assurances—that it believes that it can protect this particular item from any disruption. I hope that that is the case.

Ross Greer: Convener, my questions have been covered by other members already, and I am happy to get an answer to that one in writing from the relevant minister.

The Convener: Do you have any other questions, Ross?

Ross Greer: I do not have any at the moment. They were covered by Dean Lockhart, actually.

Beatrice Wishart (Shetland Islands) (LD): Cabinet secretary, last week we heard from the Institute of Directors about the uncertainty and potential costs that might mean that it is easier for Scottish businesses to cut out Northern Ireland altogether from the supply chain. I understand that the regulatory infrastructure is not in place and that around 300,000 lorries go through Cairnryan each year. Can you comment on how the Northern Ireland protocol will affect goods traffic between Cairnryan and Northern Ireland?

Michael Russell: That is a difficult and complex area. There is not nearly as much clarity on it as we require. This week, I wrote to Michael Gove seeking more information about the issue of Cairnryan. I will broadly and basically outline the situation. Goods often go through in mixed shipments. There will be qualifying Northern Irish goods that are meant to be outwith consideration with regard to any of the tariffs or additional problems. However, there will be goods that are bound for the EU and goods coming from the EU, and those do not necessarily all sit in separate lorries. Sometimes, because of the integration of the systems, there are very complex arrangements. I was speaking to a logistics expert some weeks ago who told me that a client of his is a company that delivers goods as its vehicles drive through Northern Ireland to the Republic,

dropping off goods at people's premises. It is facing having to have a separate set of declarations for every single drop-off. That is simply impractical; it simply could not happen.

Therefore, in Cairnryan, we need to ensure that the infrastructure is in place to do a number of things. One is phytosanitary and sanitary inspections, which have to take place—they are a legal obligation on the Scottish Government—of plants and of fish, livestock and meat.

There is also the question of what will happen after the initial period. The UK Government has said that it will not operate fully for the first six months. However, after that first period, what will be the qualifying goods of Northern Irish origin? How will those be treated, and how will mixed consignments be treated? We might have to put in place separate arrangements for traffic because, as we know, the space that is available at Cairnryan is limited. All those arrangements will have to be resolved, as will the question of who will pay for them.

I have again written to Michael Gove on those issues, seeking specific responses and also commitments on financing. However, of course, it is late in the day. Nothing will be in place for 1 January, and it will be very difficult to have everything in place for 1 July. However, we are entirely aware of the difficulties that exist in that area, which also exist for individual carriers.

Beatrice Wishart's earlier point is particularly important. If the process is too difficult or expensive or if people just think that the game is not worth the candle, they will not do it. That will certainly diminish the flow of goods from one side to another.

Beatrice Wishart: It is certainly a complex and concerning situation.

On the negotiations on the Northern Ireland border issue, can you say how much influence the Government of the Republic of Ireland has, given that decisions on EU borders are generally taken by the whole EU? Are you aware of any interventions by the Irish Government that are being adopted by the other 26 EU members?

Michael Russell: One of the distinguishing marks of the whole process has been the solidarity of the EU with every member state through the concern that it has shown. Ireland has clearly had the support to which it was entitled as a member—that has not been lacking in any way. Frankly, I wish that we had the equivalent support, but we are in a different position. The people who voted most strongly against Brexit—the people of Scotland—are those who have had no special consideration whatsoever.

The Irish Government could express its real concern. We should all be concerned, because of the special nature and the fragility of the peace process, the fact that there are always threats to it, and the importance of the Good Friday agreement. Those are things that we should bear very strongly in mind—[*Inaudible.*]

The border in Ireland is a very different one. Not only is it complex; it has immense cultural, social and political significance, and nothing should be done to imperil or endanger it. We should all be committed to that—as I think we are—but we must ensure that that commitment bears fruit and that we do not have any problems with it. The Scottish Government's position is that we will do everything that we can to support that. We want to ensure that we work closely with everyone—including the Government of Ireland, with which we keep in close touch. I have regular discussions with Simon Coveney to ensure that we are having a dialogue.

Kenneth Gibson (Cunninghame North) (SNP): Good morning, cabinet secretary. Over the past 40 years, structural funds have been key to Scotland's economic development and have injected some £5.6 billion into a range of projects. As we know, back in 2018 the UK Government said that it would develop a shared prosperity fund to replace the structural funds. However, so far, it does not appear to have engaged meaningfully with the devolved nations, and it has provided no detail on how such a fund might work, how much funding would be available and what it would fund in the future. In view of that, what does the Scottish Government propose to do to develop its own structural funds mechanism?

Michael Russell: My colleague Ivan McKee has been dealing with that issue, and I expect that he will have things to say about it in the coming period. We would expect to know a bit more about the shared prosperity fund through the comprehensive spending review and the spending announcements that are due shortly from the UK Government. Today there has been much trumpeting about its defence spending. I hope that by next week there will be some announcement about the spending review and the shared prosperity fund, but at present we do not know anything about those.

What we do know from the United Kingdom Internal Market Bill is that the UK Government wishes to take powers to spend in Scotland. That was not even in the very brief and awkward consultation that was held on that bill, which of course took place in the middle of a parliamentary recess and lasted only for a month. The information appeared in the bill when it was published. The shared prosperity fund appears to be the likely mechanism for that money.

10:30

I have no objection to people spending money in Scotland. What I object to is policy incoherence and waste of resources. An example that was used yesterday with me at the Scottish Affairs Committee by Andrew Bowie was that Aberdeenshire Council should get money direct from the UK Government to build roads. I have absolutely no objection if the UK Government wants to put more money into Scotland but, given that transport and road building are a devolved matter, it would surely be incoherent for the UK Government to intervene in that without involving the Scottish Government in a key way. If the UK Government wants to put some more money into Scotland, let us have a discussion about priorities—including the priorities of the elected Government—rather than being subject to—[*Inaudible.*]

Kenneth Gibson: Thank you very much for that. I agree with you. We do not want duplication and delay because of too many fingers being in that particular pie.

I understand that Scotland would need £1,283 million to replace what we would have received over the next seven years from the European Union structural funds—plus, of course, £183 million from LEADER programmes and European territorial co-operation. Is there any indication that the UK Government is considering providing those resources, and, if so, what are its proposals for rolling out those funds and delivering them to the Scottish Government directly?

Michael Russell: We have no idea what those proposals are. We should probably also note that it is not just about the structural funds and the funds coming through LEADER. A number of other funding streams were very useful.

The European Investment Bank moneys were very useful. Very often, they were the first moneys that turned the key on major infrastructure projects. I could point to my own constituency for things such as the desire of the community to have a fixed link to the island of Luing. That would have been the type of project—in essence, not an enormous project, but an infrastructure project involving a road and a bridge—for which the European Investment Bank would have been an obvious place to go in order to start the ball rolling for raising funding for it to take place. Regional and structural funds, and, in particular, mutual funds would have been useful too. Those sources of funding have just stopped. They are not there. That means that such projects are just not happening at the present moment.

If the UK intends to bring moneys to the table, it should do so in collaboration with the other

partners that are involved, rather than doing what looks a bit iffy at the moment.

Kenneth Gibson: Basically, we are in the middle of a pandemic, a no-deal Brexit is possibly coming, and the UK Government has in effect been posted missing on ensuring that Scotland gets the structural funds that Europe currently delivers to Scotland. Is that a fair assessment and, if so, what kind of economic implications is that likely to have for Scotland in the very near future—that is, in the next year or two?

Michael Russell: We have published a number of projections and estimates of what we thought the damage of Brexit would be. Those are all on the record, and I refer you to them. The point that I made in my opening remark is germane. It will be damaging economically and socially. There is no doubt about that.

Kenneth Gibson: Lastly, I take on board your comments about the excellent work that has been done by Scottish Enterprise, by the Scottish Government and by you and other Scottish ministers in trying to prepare for what seems to be almost unpreparable for over the next few months. You also commented on the fragility of small and medium-sized enterprises. Is that the area of greatest concern for the Scottish Government at this point? Obviously, a lot of small and medium-sized enterprises do not have the resources to look into the issue in the detail that is perhaps necessary. There are tens of thousands of those businesses, and the Scottish Government cannot itself always reach out to them all. Is that your area of greatest concern, or is it about exporters, or where do you feel the blow will fall hardest over the next few months?

Michael Russell: There is a lot of discussion about who will be most exposed. Those who are already marginalised will be further marginalised. There are real worries about people at the end of supply chains and those in rural Scotland. People who suffer from disadvantage in any case will suffer more greatly from disadvantage. In the business sectors, the fragility of those who have become fragile as a result of the pandemic will be increased. Many companies do not depend on exporting, but many do, particularly suppliers in the food and drink sector.

There is also the great unknown. We are still very unsure about what the situation will look like. We know that it will not be good, but we do not know how bad it will be. We will do our best to mitigate the effects, but the situation is very concerning.

Oliver Mundell (Dumfriesshire) (Con): Good morning, cabinet secretary. I just want to check that I heard you correctly earlier in the evidence session. I think that you said that you will support

any and every action that diminishes the impact on business. Is that the Scottish Government's position?

Michael Russell: It is. Obviously, we judge whether actions would be effective. We have an open door to try to assist business.

Oliver Mundell: Does that mean that, in the event of there being a deal—which I still think is the most likely option—you will support it, even if it does not offer absolutely everything that the Scottish Government has asked for? If the deal is an improvement on no deal, will it have your full support?

Michael Russell: A deal will be better than no deal, but the question of full support is a rather curious one. These are really bad things. I am not going to get enthusiastic about bad things that will do an awful lot of damage to my constituents and to—

Oliver Mundell: You will—

Michael Russell: I am not going to welcome a bad deal, but we will work very hard to mitigate the effects of things that should not be happening. That is our obligation, and that is what we will do, but do not ask me to be a cheerleader for people who have created disaster, because I will not do that.

Oliver Mundell: I am not asking you to be a cheerleader for Brexit; I know that you have sought to block and disrupt it at every turn. However, if you want to minimise the impact on business and you are concerned about uncertainty, surely, if there is a deal that is acceptable to the UK as a whole and that the EU thinks is in its interests, too, we should unite behind that deal.

Michael Russell: I do not understand the “unite behind” issue. We will have to get on and implement something that is really bad. I do not want to do that, but, at present, I will have to do that.

I am obliged to do two other things. The first is to tell the truth. I am sure that you would not want me not to tell the truth as I see it, because you and I clearly have different versions of the truth. The second is to suggest solutions to get us out of the situation as quickly as possible. I am being entirely honest about that.

Please do not put me in the position of having to say that I have an obligation to support or cheer something that is thoroughly bad news. I will get on and do my job, as I have been trying to do for the past four and a half years in which I have, regrettably, been engaged in this awful experience for which the people of Scotland did not vote and to which, as every opinion poll now shows, the majority of people across these islands are

opposed. Do not ask me to cheer for such an antidemocratic and destructive thing, but do ask me and expect me to work hard to help the people and businesses of Scotland. That is what I will do. It is regrettable that the Conservatives have done the opposite.

Oliver Mundell: I ask you to work constructively and to keep an open mind, because, if we were to achieve a comprehensive deal, that would surely be a positive thing for everyone, given that we have already left the EU and Brexit is going to happen. I say that as a comment rather than a question.

Michael Russell: The UK cannot achieve a comprehensive deal. The UK has put itself in the position, for whatever reason, of accepting no deal or a low deal—a very bad deal. A comprehensive deal was on offer, and I would still like to leave the EU with such a deal, but that option disappeared a long time ago because the UK Government threw it out and would not accept it. The zealots—

Oliver Mundell: In fairness—

Michael Russell: [*Inaudible.*]

Oliver Mundell: In fairness, cabinet secretary, I do not think that anyone is going to describe what is reported to be a 1,800-page document as not being a comprehensive agreement. Let us wait and see what is published and not talk down or diminish the possibility of reaching a negotiation when both sides have intensified their engagement and are still round the table. That—[*Inaudible.*]

Michael Russell: Nobody is doing that.

Oliver Mundell: [*Inaudible.*—by someone who does not want to see a deal at all.

Michael Russell: I am sorry, Mr Mundell. Nobody believes that anything other than the lowest common denominator will come out of that process. That is absolutely clear from where things are, because, no matter how much spin is put on it or how much effort goes into saving Boris Johnson's face, the EU would like just to be done with us. The reality of that is a disaster and it does not help anybody if you go whistling in the dark about it. Let us tell the truth.

Oliver Mundell: I will continue to tell what I see as the truth, and I am sure that people will look at and judge the very constructive comments that you continue to make.

The Convener: Thank you. That brings us to the end of our allocated questions, which means that we have time for supplementary questions.

Cabinet secretary, my opening question referred to Michael Gove's letter, in which he claimed that there had been "intensified engagement" with the Scottish Government. You comprehensively

illustrated that there had not been intensified engagement. I also asked about an aspect of that letter whereby he claimed that officials in the Scottish Government had

"received the Central Case and Reasonable Worst Case planning assumptions for the end of the transition period".

Are you able to tell us more about those planning assumptions? In your view, are they accurate? Do you know anything about their content?

Michael Russell: Yes. Those assumptions are a standard approach to any scenario planning. Alan Johnston can confirm this, but I am pretty sure that the reasonable worst-case planning assumptions were leaked to the press very shortly before we saw them. They are on the record and your clerks can look them up on Google. It is important to have those worst-case planning assumptions, although they often change as time goes on. It is important that various parts of the preparation matrix, including the devolved Administrations, are working off the same sheet. We will also have our own assumptions, which will relate to how we deal with issues of resilience, and we will factor them in. There is nothing mysterious about the planning assumptions, but it is important that we are all doing the same thing. That is all that I can say about them.

The Convener: Thank you. I will drill down into the evidence that we took in the past few weeks from the Road Haulage Association. Its representative said that, when we are out of the EU, drivers will require licences for trade outwith the EU, and there are nowhere enough licences to cover the millions of journeys that lorry drivers make. He said that his association still has no more clarity on that, which I found extraordinary. Have you been having discussions about that?

Michael Russell: We are certainly aware of the problem with road hauliers. We have supported the arguments that they have made and we generally support any arguments for more information and clarity about the situation.

There might be a lot of words in the agreement, but we often do not get much clarity out of those words. Alan Johnston made an important point about the consequential nature of a lot of those things. We cannot get that information sorted until we know what the deal will say about how hauliers and borders will operate. People say that we need the answer to question X, but the problem is that, in order to get to question X, we first need answers to questions A, B, C, D and the rest.

10:45

Nobody has ever gone into a set of trade negotiations trying, in essence, to diminish what they are getting and to make their condition worse. As I said to Oliver Mundell, I think that Brexit is a

thoroughly bad idea, but we also have to distinguish between the idea of Brexit and the appallingly incompetent execution of that idea over a period of time. It was a half-baked notion from a group of zealots who managed to get a referendum and, by surprise, won that referendum with no preparation for what would happen next. We have seen incompetence after incompetence since then. Bad decisions have been made and they have had implications.

Oliver Mundell talks about seeing what comes from the treaty, but what comes from that agreement will arise from what happened four years ago, when the negotiating mandate was being set and when the article 50 letter set out what the UK wanted. Once the article 50 process was over, the withdrawal agreement was signed and the protocol was in place, that all led us down a road, and much of what happens at the end of that road, and the nature of the final withdrawal, is dictated by what has already taken place.

Very early on, the task force produced a slide that I have reproduced and given to people many times. I am sure that you are familiar with it; if you are not, I will make sure that my officials give it to the committee. It was a stepped slide that showed what the outcomes would be if the red lines went in certain directions. It showed exactly where we are. It was prescient, because it said what would happen.

What we have ended up with is a choice between no deal and a very poor, basic deal. It is not Canada or Canada plus. Davis Barnes used to talk about Canada plus plus; this is Canada several minuses. That is what we will end up with if there is a deal, because that is all that you can end up with if your red lines have been as ours have. That is the fact of how the negotiations have gone—there is no escaping that.

The Convener: The other issue that we discussed with previous witnesses was that of geographical indicators. The UK and Scottish Governments both accept that those indicators are reserved. The food and drink witnesses who spoke to the committee last week were disparaging about the proposed geographical indicator logo that the UK Government has come up with and that will appear on food and drink packaging. I do not know whether you have seen it—it looks like an old thrupenny bit. The witnesses were not impressed.

Scottish produce has been successfully branded in the past 10 years, and that has been good for our exports. Our quality produce has been marketed around the world. What do you think of the proposed branding? Do you think that we should do something separate for Scotland?

Michael Russell: We should promote Scottish produce according to the reasons why it sells. It is high-quality produce that is made to high and rigorous standards. Those standards include a ban on genetic modification, which is important for quality and presentation. I am not convinced that the solution for the geographical indicators is the right one. More work should be done on that. An independent Scotland would promote its brand vigorously, just as independent Ireland promotes its brand vigorously and successfully. We should not be ashamed of that; we should be talking about how to do it.

Stewart Stevenson: Reference has been made to an 1,800-page document. How many of those pages has the cabinet secretary seen? If he has seen them, on how many of those pages is there recognition of any suggestions that the Scottish Government has made during the negotiation?

Michael Russell: I have not seen any of those pages, because I am not negotiating—and I do not claim to be negotiating—with the EU. That negotiation is being undertaken by the task force—by David Frost's team—so I have not seen the pages.

David Frost has been at JMC meetings from time to time, and his deputy has been at them, too. At one stage—it might have been during the Chequers process or a later process—the Welsh and Scottish Governments asked for an analysis of what we had proposed and a final document, to work out what input we had had. That request was rejected by the UK Government as not being something that it wished to do.

I would not argue that we have had absolutely no influence, because we have been able to articulate things that the UK Government has then recognised as essential. However, in relation to what the UK Government has ended up with, I would not have gone in that direction and would not have started on that route. When we were forced on to that route originally, we published in December 2016 a set of comprehensive proposals in "Scotland's Place in Europe", which have been built on since then. Those proposals would have provided a compromise.

One of the real tragedies is that, if Theresa May—whom we have all forgotten about, by and large—had brought together at the start of the process the leader of the Labour Party, the leader of the Liberal Democrats and the First Ministers of Scotland, Wales and Northern Ireland, sat everybody down in a room and said that we had to get an agreement that we all felt we could take forward, there would have been the opportunity for something to happen. Quite the reverse happened. We all trooped into Downing Street in October 2016 to be told by the Prime Minister that she was listening, the JMC structure was set up,

but there was no listening at all. She simply became more and more extreme until she gave way to somebody who was even more extreme, and so it has gone on.

Dean Lockhart: You said that the Scottish Government has not been involved in the formal negotiation process on the EU deal. Has the Scottish Government held any informal talks with EU officials on the terms of the EU withdrawal agreement?

Michael Russell: No. We have been very clear. I have met people in the task force, and the First Minister has met Michel Barnier. Michel Barnier has also met the First Ministers of Wales and Northern Ireland, the mayor of London and others to hear their concerns, but at no time have we been involved in the negotiations.

Indeed, we have been quite scrupulous. Clearly, we want to give our point of view—it is clear and I will give it to anybody who listens. Equally, the task force has been clear that neither the Scottish Government nor anyone else that it has met in such circumstances is among the negotiating parties. The negotiating parties are the UK Government and the EU. That has been the case from day 1, and it will be the case until a deal is done—albeit a poor and inadequate deal. That is how it is, and that is how it has been.

The Convener: No members have indicated that they wish to ask any more questions, so I will wrap up the session a little bit earlier than planned, which is great. I thank the cabinet secretary and his officials for speaking to the committee.

10:53

Meeting continued in private until 11:15.

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