



OFFICIAL REPORT
AITHISG OIFIGEIL

Culture, Tourism, Europe and External Relations Committee

Thursday 29 June 2017

Session 5



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CONTENTS

	Col.
INTERESTS.....	1
DECISION ON TAKING BUSINESS IN PRIVATE	2
PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION	3
CULTURE, TOURISM AND EXTERNAL AFFAIRS	15
INTERNATIONAL DEVELOPMENT	36
SCOTTISH GOVERNMENT REPORTS	43

CULTURE, TOURISM, EUROPE AND EXTERNAL RELATIONS COMMITTEE
18th Meeting 2017, Session 5

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Lewis Macdonald (North East Scotland) (Lab)

COMMITTEE MEMBERS

Jackson Carlaw (Eastwood) (Con)

*Mairi Evans (Angus North and Mearns) (SNP)

*Ross Greer (West Scotland) (Green)

*Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con)

*Richard Lochhead (Moray) (SNP)

*Stuart McMillan (Greenock and Inverclyde) (SNP)

*Tavish Scott (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Dr Alasdair Allan (Minister for International Development and Europe)

His Excellency Norman Hamilton (High Commission of Malta in the United Kingdom)

Fiona Hyslop (Cabinet Secretary for Culture, Tourism and External Affairs)

Joanna Keating (Scottish Government)

CLERK TO THE COMMITTEE

Katy Orr

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament
**Culture, Tourism, Europe and
External Relations Committee**

Thursday 29 June 2017

[The Convener opened the meeting at 09:06]

Interests

The Convener (Joan McAlpine): Good morning, and welcome to the 18th meeting in 2017 of the Culture, Tourism, Europe and External Relations Committee. I remind members and the public to turn off mobile phones. Any members who are using electronic devices to access committee papers should please ensure that they are turned to silent. Apologies have been received from Jackson Carlaw MSP.

Our first item of business is to welcome Rachael Hamilton MSP back to the committee and invite her to declare any relevant interests.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): Thank you, convener. I draw members' attention to my entry in the register of interests, which shows that I own a hospitality business in the Borders.

**Decision on Taking Business in
Private**

09:07

The Convener: Our second item of business is a decision on whether to take items 7 and 8 in private. Are members content to take those items in private?

Members *indicated agreement.*

Presidency of the Council of the European Union

09:07

The Convener: Our next item of business is an evidence session on the presidency of the Council of the European Union. I welcome, from the High Commission of Malta in the United Kingdom, His Excellency Norman Hamilton, the High Commissioner; Karl Xuereb, EU policy officer; and Nerissa Sultana, political and communications officer. I invite the High Commissioner to make a short opening statement.

His Excellency Norman Hamilton (High Commission of Malta in the United Kingdom): Good morning, members of the Scottish Parliament, and thank you for inviting me here today as High Commissioner of Malta in the United Kingdom. As you will know, Malta currently holds the rotating presidency of the Council of the European Union, albeit for just one more day. It is my pleasure to share with you my country's experience over the past six months.

For the past six months, the smallest EU member state, with a population of just 455,000—the size of Edinburgh—took the reins of the Council of the European Union and steered a union of 28 member states with over 510 million citizens. Subjectively, I believe that Malta did not do a bad job of it at all, and completed the tenure with flying colours. European Council President Donald Tusk used words such as “efficient”, “impressive” and “excellent” to describe our presidency, and European Commission President Juncker used the same tone.

The past six months have served as tangible evidence of Malta's resilience and of its people's diligence and tenacity in the face of a challenge that I have to admit, at times, seemed rather daunting. We always knew that the presidency of the Council of Ministers of the European Union—one of the leading institutions in the EU—was never going to be an easy task.

The fact that this was Malta's first experience was compounded by the additional task of preparing for the start of the negotiations with the United Kingdom over its decision to leave the EU, which made it even more challenging.

The Maltese presidency, which is near its conclusion—one more day—marked the midway point in the current institutional cycle of the Commission and the European Parliament. It was therefore a time when many new ideas, programmes and projects that had matured over the past two and a half years were expected to start bearing fruit.

The presidency's work over the past six months was also conducted in the context of an intensified debate relating to the future of Europe. That is partly in response to the developments regarding Brexit and partly in connection with the commemoration of the 60th anniversary of the signing of the Rome treaty on 25 March.

From the outset, we identified six priorities for our work: migration; security; Europe's neighbourhood; maritime; social inclusion; and the single market. As we are meeting on the penultimate day of our presidency, instead of going into detail about those priorities, I will use them as references when I highlight some of our achievements over the past six months.

The presidency for Malta started slowly but surely, tackling head-on the issues of migration. Early in February, we brought together EU leaders in Malta to build on the progress previously achieved in Valletta two years earlier, to conclude the landmark agreement that will help to prevent further loss of lives in the Mediterranean, and to further secure the EU's external border. That was also complemented by work on the internal dimension of migration.

As the presidency unfolded, we managed to move forward on dossiers in relation to the union's comprehensive approach to migration, including the reform of the common European asylum system and effective management of external borders. There is now a common understanding that the revised EU asylum system needs to strike the right balance between responsibility and solidarity, and that it needs to ensure resilience to avoid future crises.

On the basis of the work done in the previous presidency, a regulation amending the Schengen borders code to reinforce checks against relevant databases at external borders was adopted. The Council also adopted conclusions on the protection of children in migration. Furthermore, efforts were pursued to enhance the EU's security and to stabilise its immediate neighbourhood.

On the former, work progressed on the legislative front through the adoption of legislation to respond to the evolving threat of terrorism and the start of negotiations on behalf of the Council with the European Parliament on a directive for an entry and exit system and additional funding by the European Investment Bank to address migration issues.

On the latter, the Maltese supported High Representative/Vice-President Mogherini's work and complemented it with efforts to conclude negotiations with the Parliament on the external investment plan proposed by President Juncker.

The Council also adopted conclusions setting out the way forward to improve information

exchange and ensure the interoperability of EU information system following the work of the high-level expert group on interoperability. The Council also adopted general conclusions on security and defence in the context of the EU global strategy.

As I mentioned earlier, neighbourhood policy was one of the areas of special priority for the Maltese presidency. Under that priority, we devoted special attention and effort in connection with the accession process for Serbia and Montenegro. Here we have achieved encouraging results with four new chapters opened for Serbia and two for Montenegro. We are also particularly pleased at the successful launching of the partnership for research and innovation in the Mediterranean known as PRIMA. It is aimed at developing innovative solutions for sustainable water provision and management, as well as food production in the Mediterranean region.

09:15

Regarding maritime issues, agreement was reached on a number of dossiers relating to port services and to passenger ship safety rules and standards, on the registration of persons sailing on board passenger ships operating to and from member states' ports as well as on the system of inspections for the safe operation of roll-on, roll-off ferries and high-speed passenger craft in regular service.

Success was also achieved on a number of fisheries dossiers, including the signing of the MaltaMedFish4ever declaration. That international declaration, agreed to by both EU and non-EU Mediterranean ministers, established a 10-year plan to bring Mediterranean fish stocks to sustainable levels. The Council adopted conclusions on international ocean governance and on the priorities for the EU's maritime transport policy until 2020.

Moreover, the Maltese presidency ensured that social inclusion would be given prominence on a European level. The Commission's efforts were mirrored by the presidency, which worked thoroughly to ensure discussions for a more social Europe. We worked hard to finalise agreement at EU level relating to two international agreements—the Marrakesh treaty and the Istanbul convention.

The Council adopted important conclusions on a number of issues including the European Solidarity Corps, high quality education for all, enhancing the skills of women and men in the labour market and guidelines for the promotion and protection of the rights of the child. During the second half of our presidency we started consideration of the Commission's proposal for the European pillar of social rights, which will form part

of the preparation for the social summit to be held in Sweden in November.

Several regulations, directives and decisions were agreed that enhance the scope and function of the single market and have a direct positive impact on the lives of EU citizens. Those covered the areas of digital economy, energy and climate change, consumer protection, capital markets and financial services, among others.

Overall, good progress has been made and agreements have been reached on many important digital single market proposals, including the allocation of the 700MHz band, the portability of online content, and wholesale roaming charges. The presidency managed successfully to conclude negotiations on a number of files that bring the EU up to speed in today's digital age. Tangibly, that will mean that there will be no more roaming charges as from 2018, improved cross-border portability of online content and better protection for consumers of financial services.

Progress was also registered in areas such as energy and the environment. However, I am aware that I am speaking for much longer than I was asked to and therefore that I should conclude. I will say one last thing—on Brexit. Following the UK's notification of its intention to withdraw from the EU on 29 March 2017 and the subsequent adoption of guidelines by the European Council, the presidency worked towards the adoption of the negotiating directives and authorised the opening of negotiations on the UK's withdrawal from the European Union. The presidency also facilitated discussions with regard to the adoption of the procedure for relocation of EU agencies currently located in the UK, namely the European Banking Authority and the European Medicines Agency.

Thank you for your attention.

The Convener: Thank you very much. I welcome you and your officials to the committee; we appreciate you coming to give evidence.

As you rightly acknowledged, we tend see European matters through the prism of Brexit these days. Your opening statement made clear the wide-ranging achievements of your presidency and the number of challenges that face the European Union quite aside from Brexit but, as you can understand, Brexit is the focus of much of our committee's work.

I want to ask about the theme of your presidency, which was rEUnion and bringing the Union closer together. Do you feel that that has been achieved, and how has it affected the EU27 as they go about negotiating Brexit?

Norman Hamilton: The concept of rEUnion was reconnecting the citizens of the EU—individual, corporate and state—so that they could

connect with Government, the EU and the world. That was the philosophy and the motto that Malta adopted, and it was decided on in November before we started our presidency.

At the start of our presidency, we believed that the EU was getting a little bit fragmented and that there was not that understanding between the 28 countries in the EU. Believe it or not, Brexit brought the Union together and made the rEUion of the European Union possible. Where before the members of the Union were not all in exact harmony, the calling of Brexit resulted in the remaining 27 EU countries coming together. That was the rEUion that we were hoping for.

The Convener: Of course, Malta historically has had very close links with the United Kingdom, and many UK citizens live there. You will be aware of the UK Prime Minister's statement this week on residency rights of EU citizens living in the UK and of the fact that the issue is a priority in the negotiations. What work has been done in Malta to address the issue of the British citizens who live there?

Norman Hamilton: If memory serves, the remain or Brexit referendum was held here in the UK on 23 June 2016. At 8 am on 24 June, my Prime Minister went on nationwide television and addressed the audience in English instead of Maltese. There was a reason for that: he said that he wanted to address the citizens of the United Kingdom who were living in Malta—all those expatriates who had decided to settle in Malta and Gozo and all those UK workers who were currently working there—and tell them that they had nothing to fear once Brexit was concluded. The position was clear—they would be allowed to remain and retain their property and their jobs in Malta—and he hoped that the UK would act in the same way towards the Maltese migrants in the United Kingdom. Our Prime Minister made that statement of reciprocity to all UK citizens who currently live in Malta, and it still goes—I have his word on that—up to the conclusion of Brexit. Let us hope that there is reciprocity at this end, too, for the diaspora of 31,000 Maltese who currently live in the United Kingdom.

The Convener: Are you still concerned about the 31,000 Maltese citizens in the United Kingdom?

Norman Hamilton: They are continually phoning or writing in to find out about their future. What we are telling them is that, at the moment, all we can guarantee is that while the Brexit negotiations are going on their future in the UK is safe. We just hope that their rights will be respected in a reciprocity agreement as the rights of the British in Malta will be respected.

The Convener: Thank you. There are many more questions that I would like to ask you, but I am aware of your time, so I will pass on to Lewis Macdonald, the deputy convener of the committee.

Lewis Macdonald (North East Scotland) (Lab): We have heard different voices from within the European institutions in response to what Theresa May said the other day about EU citizens' rights. Does the presidency regard her statement as something that offers a basis for a reciprocal agreement, or merely as the opening stage in a negotiation?

Norman Hamilton: Your Prime Minister Theresa May's proposal was below expectations, but that is going to be left to the negotiations.

Lewis Macdonald: So it will be the next presidency that has that responsibility.

Norman Hamilton: Estonia has the responsibility of being the president of the Union. It should have been the UK, but it is Estonia that will have that responsibility for the next six months. Let us not forget that the presidency does not have that much of a say; it is between the negotiators—Michel Barnier and whoever is negotiating on the part of the British Government.

Lewis Macdonald: Yes indeed. Clearly, as a member state, Malta will maintain an active interest in the process.

Norman Hamilton: Definitely.

Lewis Macdonald: Under your presidency, work has been done, for example through the meeting of the general affairs council, to look at what the European Union will look like post-Brexit. You mentioned the rEUion theme of the Maltese presidency. The financial impact of Brexit on the European Union will be significant. Have any conclusions been drawn on what European Union budgets will look like in future years and how they will respond to the change in circumstances?

Norman Hamilton: The financial question was brought up in the meeting in Rome. Unfortunately, there was no conclusion.

Lewis Macdonald: It is still work in progress.

Norman Hamilton: Yes.

Tavish Scott (Shetland Islands) (LD): You said that Europe's neighbourhood is one of your priorities. Two nights ago, on television here in the UK, we saw considerable numbers of refugees crossing the Mediterranean in craft of various sizes. What has happened under your presidency to avert a humanitarian crisis as soon as the weather improves?

Norman Hamilton: That issue was close to our hearts even before we took the six-month presidency of the European Union. Our country

was the most lumbered with migrants who were crossing over in search of a better life—some were refugees, some wanted refugee status and some just wanted to get away from the country that they lived in. Unfortunately, they came over in all sorts of craft that could float. We had as many as 1,000 at a time coming in, but they never wanted to come to Malta. Whenever they reached Malta, they would say, “Where are we? Is this Italy?” We would say, “No, this is Malta.” They would say, “No, no, we don’t want to be in Malta; we want to go to the continent.”

However, Malta could not send them to the continent; we had to accept them. As I said, we have a population of 445,000, and having something like 0.2 per cent of that population come into our country in one go—having to accept those people and let them stay there—was a great burden on Malta. In one year, we finished up with about 10,000 to 12,000 more people, which was difficult for the Maltese population to cope with.

You might find this strange, but the most co-operation came, unexpectedly, from the United States, which took 500 of the migrants every year. The US would send a team to Malta to assess the viability of the people and choose 500, who would relocate to the US. Unfortunately, we had little or no help from Europe then.

09:30

One of our ideas was that Europe should share the—I hate to say it—burden, if you like, but not everyone has complied with or accepted that. I am glad to see that Scotland has taken in quite a few Syrian refugees and relocated them in homes over here. We very much wanted to see that approach being implemented in all European countries but, so far, it has not been accepted by all. Let us hope that, during the next six-month presidency, that dream of Malta will become a reality.

We helped to stabilise the situation in Libya. Malta is the closest member state to Libya, which is to its south, with Italy in the north. We were worried about the problems in Libya, and we recognised the United Nations-appointed Government there. We trained the Libyan troops to recognise the smuggling boats and to destroy them before they left the shore. Unfortunately, because of the Syrian crisis, the Mediterranean Sea has been renamed the Mediterranean cemetery. I feel that personally. We want to see that situation eradicated.

We hope that all of Europe can help with the situation, but it is not an easy task. I know that every European country is already burdened with overpopulation and that taking in refugees would add to their population levels, but we hope that a solution can be found.

Tavish Scott: Have the other member states supported your presidency’s objectives of trying to sort out the issues in the north of Africa rather than waiting for the problem to arrive on their coastlines?

Norman Hamilton: As my Prime Minister once said, although there were problems between Ukraine and Russia—in fact, there still are problems, because sanctions remain in place between them—at least in Russia there is someone to negotiate with. Good or bad, Mr Putin is there and you could negotiate. You would not know what the outcome would be, but there is someone whom you could negotiate with and speak to. With Libya, the UN and two other Governments involved, there was no one to negotiate with in Libya—that was the big drawback. Eventually, the UN-backed Government came into Libya and we were able to start to negotiate with it.

As I have said, the coastguards in Libya have been trained by Maltese expert coastguards in how to stop people from leaving on boats and risking their lives, having paid a lot of good money to find better grounds and new lands. We have even located places in Libya where those people could be kept until they had the legal status to leave Libya and relocate to different countries. That was Malta’s contribution to its nearest neighbour, from where we were getting the biggest influx of refugees or migrants—call them what you will—to the country.

Ross Greer (West Scotland) (Green): My question relates to Brexit. First, however, I will comment on your point about refugees. It is positive to hear what you say about that issue. I recently spent time in Lampedusa, seeing what is now the first point of arrival for refugees coming into Europe. You are right to bring up Libya as a priority. Regardless of the circumstances that brought someone to the north of Africa—whether they were what you would call an economic migrant or had another status—the situation in Libya makes every person crossing the Mediterranean Sea a refugee. I did not meet a single person who had made that journey who had not been kidnapped at least once in Libya or who had not been held hostage and been forced to work in various types of slavery there. The situation that has been created in Libya is making a huge contribution to what is a refugee crisis and not just a large-scale unofficial movement of people.

That aside, the theme of rEUnion was decided in November as a priority for your presidency. I think it is fair to say that, at that point, in the aftermath of the Brexit vote, the European Union was feeling relatively insecure. There were also upcoming national elections in Austria, the

Netherlands and France, with a strong chance of Eurosceptics being elected, although none of that came to pass. Is it fair to say that the European Union is now in a much more confident, secure position? What effect might that have on the Brexit negotiations?

Norman Hamilton: That is a good question. I will have to take it back to the capital and get back to you with an answer in an email.

Ross Greer: Fair enough.

Norman Hamilton: If I can have your details, I will email you about that when I get back to the capital.

Ross Greer: Thank you very much.

The Convener: Let us return to the theme of Brexit. You will be aware of how the negotiations have progressed. There was some surprise in this country that the UK Government was insisting that it would negotiate both an exit deal and a free-trade deal at the same time when the EU had always said that that was not possible. Indeed, every expert who spoke to the committee told us that it was not possible. On the first day of the negotiations, the UK Government conceded that the two processes would have to be negotiated in sequence. From your knowledge through the presidency of the EU, how long will it take to make progress on the exit deal before we move on to discuss future trading arrangements?

Norman Hamilton: Malta is not involved in the negotiations. I would look at a timeframe of about 24 months for the negotiations, although, if I were being pessimistic, I might extend that to 29 months before everything is finalised. Nothing is agreed until everything is agreed. I cannot speculate—I am not allowed to speculate—on that, but I have a paper, which you probably have a copy of, that says that the EU27 have agreed that

“any agreement with the United Kingdom”

should

“be based on a balance of rights and obligations, and ensure a level playing field. Preserving the integrity of the Single Market excludes participation based on a sector-by-sector approach. A non-member of the Union, that does not live up to the same obligations as a member, cannot have the same rights and enjoy the same benefits as”

an EU member state. It states that negotiations with the United Kingdom

“will be conducted ... as a single package. In accordance with the principle that nothing is agreed until everything is agreed”.

That is the line that we spoke about yesterday. It confounded me then and it still confounds me, but that is the stance that the European Union is taking. Nothing is agreed unless and until everything is agreed, and

“individual items cannot be settled separately.

The Convener: Okay. Thank you.

Mairi Evans (Angus North and Mearns) (SNP): I have a couple of questions about some of the other priorities that were put forward during your presidency. I want to tease out your comments on the single market being one of the EU’s greatest assets and find out exactly what the single market has meant for Malta. We have had a lot of discussion about that here and have identified continued access to the single market as being particularly important for Scotland, but I would be interested in hearing your perspective on it.

Norman Hamilton: The single market is one of our top priorities and a lot has been done in that area. Again, I will email you the full details of that.

Mairi Evans: Okay. Social inclusion is another of your priorities. I will understand if you do not have information on that topic either. How did the presidency aim to improve the participation of women in the labour market, and what other key measures were taken, including work to combat gender-based violence and to address lesbian, gay, bisexual, transgender and intersex issues? Are you able to say how that work has progressed?

Norman Hamilton: Malta has undergone many changes over the past few years with the Government that we have had. It used to be considered a conservative state—a true Catholic state—but we had a referendum that introduced divorce and we had a new Government that, immediately it was elected to power in 2013, said that it would fight for lesbian, gay, bisexual, transgender, intersex and questioning rights. It gave complete rights to LGBTIQ people in about six months, including partnership rights—same-sex civil unions. We just had an election on 3 June, and the Prime Minister said that LGBTI rights, which I hope the whole of Europe will take up, will continue to be improved. The first thing that we will do is change the civil union to same-sex marriage. We will also introduce same-sex adoption of children. We will even legislate to introduce medicinal marijuana.

That is how ultra-Catholic Malta has progressed into very liberal Malta and will keep progressing in that way. Although we are little, we are trying to pass on what we are doing to big Europe in order to make all those social changes, especially gender equality.

Mairi Evans: Has having the presidency allowed Malta to focus more on such issues and allowed the issues to progress more quickly? I am interested in the impact that the presidency has had on Malta.

Norman Hamilton: We have tried to get the EU countries to adopt our LGBTIQ rights. We give up the EU presidency after tomorrow, but we will remain chair in office—president—of the Commonwealth, which has 53 members. Unfortunately, 41 of them outlaw LGBTIQ people. As the chair, we are trying to bring in gender equality and recognise women’s rights, and we are asking the Commonwealth members to start accepting LGBTIQ rights even softly and slowly. We will keep pushing on that. Even if we do not still have the presidency of the EU, we will continue to lead by example.

Stuart McMillan (Greenock and Inverclyde) (SNP): I am keen to hear your reflections on the successes and some of the challenges or failings of the EU at 60.

Norman Hamilton: As I said, the EU was rather fragmented when we started our presidency. We are happy that the rEUnion slogan has worked and that the 27 remaining EU member states have become more unified since the vote on Brexit. The EU now has peace and prosperity as the way forward. In our little way, we have managed to instil that. It probably came about because of the vote on Brexit and the fact that the EU considered Theresa May’s proposals to be far below expectations.

Stuart McMillan: For many years, it seemed that the UK was a reluctant partner in the EU. As the EU goes forward without the UK as a member, are there any lessons that the EU27 can learn from the period when the UK was a member to help to solidify the union?

09:45

Norman Hamilton: Let me go back to the start of Malta’s membership of the EU, in 2004. Not many people know this, but our Prime Minister, who is at the forefront of supporting the EU and would never even consider leaving the EU—he is a great believer in the EU and says that it is the way forward—was completely against joining the EU when he started his political career. He was in favour of partnership. With the passing of the years and the introduction of Malta into the EU, he put himself up for election as a member of the European Parliament. He got elected straight away and went into Europe. He was still the leader of the Opposition then. He was so convinced of the benefits of the EU and the future of the EU that he came back and said that Malta’s place was definitely in the EU and we would never consider leaving the EU. That is the stance that was taken in Malta.

In response to your question, I suggest that the UK is always important. We have great ties with the UK, which we hope will continue. I am sure

that the UK will engage with everyone in the EU and try to get the best deal possible. I do not know how the UK is going to continue to negotiate. At the start, it was going to be a hard Brexit and now I think that the UK is looking at a softer Brexit, which will possibly make it easier to negotiate. However, as I said, we will not be at the negotiating table.

We have always had good relations with the UK. Some things will not change. During the reception yesterday, somebody asked me, “Will any agreements that you have with the UK now stop?” I said that we will have to look into what agreements there are and whether they were signed when both countries were in the EU.

However, one agreement—the most important one for me, because I believe in it—is the reciprocal medical and health agreement between the UK and Malta. That agreement was signed prior to the EU accessions of the UK and Malta, so that agreement, luckily, will stay. That means that specialist treatment that cannot be found in Malta can be given to Maltese people who need it free of charge in the UK. Reciprocally, people from the UK who live in Malta or come to Malta on holiday will always be offered free national health service treatment in our hospitals, because that agreement between the two countries was signed before your or our accession to the EU. That is an important agreement.

Now, the Government has to study what other reciprocal agreements were signed before the EU built on them.

The Convener: Thank you very much. We are under a little time pressure, and I know that the High Commissioner has other engagements. I thank the High Commissioner and his officials for coming to give evidence.

Norman Hamilton: It has been my honour and privilege. Thank you for inviting me to come here. Let us say that our lesson has been learned. The EU will engage with all the member states that remain, even the reluctant ones. [*Laughter.*] I wish Scotland and the UK the best of luck. May you continue to prosper.

The Convener: Thank you.

09:49

Meeting suspended.

09:56

On resuming—

Culture, Tourism and External Affairs

The Convener: Agenda item 4 is an evidence-taking session on culture, tourism and external affairs. I welcome the Cabinet Secretary for Culture, Tourism and External Affairs, Fiona Hyslop, and her Scottish Government officials: Dr Jonathan Pryce, director for culture, tourism and major events; and Mark Boyce, head of international relations.

I invite the cabinet secretary to make a short opening statement.

The Cabinet Secretary for Culture, Tourism and External Affairs (Fiona Hyslop): Thank you very much for inviting me to the meeting, convener.

I want to update the committee on some of the key areas in my portfolio: culture; European engagement and Brexit; international engagement; and tourism. I thank the committee for its work to date on scrutinising those areas and compliment it on the well-researched and analysed committee reports that it has produced on various aspects of Brexit.

First, I will update the committee on the development of a culture strategy for Scotland. The programme for government committed to the creation of a culture strategy for Scotland on the principles of access, equity and excellence. Culture has intrinsic value and contributes directly and indirectly to the health, wealth and success of our nation. It defines Scotland as a diverse and distinct society with creativity and innovation at its heart.

The development of the culture strategy will involve engagement with artists, practitioners and organisations. We will have a series of public engagements; indeed, we kicked off that engagement at Glasgow Women's Library on Monday with 90 people from across the culture sector debating and discussing the future of culture in Scotland. That was the first in a series of Scotland-wide engagement events and discussion opportunities with the sector and the wider public; more will follow in the coming months. A national conversation about culture will help to shape a shared vision that articulates the powerful and transformative effect that culture and creativity can have.

With regard to Europe, the committee is well aware that the Brexit negotiations began last week. Our "Scotland's Place in Europe" paper, which was put forward in the spirit of compromise,

argued that the UK as a whole should retain single market membership and that, failing that, Scotland should retain that membership if the rest of the UK chose not to. In light of the general election, in which the Prime Minister failed to secure a mandate for a hard Brexit, we are encouraging her to reach out to the devolved Administrations and across parties and reach a consensus position that can carry legitimacy in negotiations with the EU. We feel that the Scottish Government's thinking in "Scotland's Place in Europe" could now be revisited in that light.

10:00

In that context, we are working hard, first, to ensure that there are effective mechanisms for devolved Governments to engage with the UK Government. The terms of reference for the joint ministerial committee on EU negotiations are good but, so far, the working arrangements have failed to live up to the challenges that Brexit has created. Secondly, we want to ensure that the devolved Administrations have a seat at the negotiating table, because it is crucial that Scottish, Welsh and Northern Irish voices are properly heard. The exclusion of the Scottish Government from any meaningful influence over the UK negotiating position during Brexit negotiations would undermine devolution in a very concerning way. I know that the committee has had engagement with Mike Russell, the relevant minister, in relation to those matters.

On European engagement, it is also important to highlight that our efforts to protect Scotland's relationship with the EU since the EU referendum have not been focused solely on the UK Government. Since the EU referendum, Scottish Government ministers have been engaging extensively with our counterparts across Europe, covering all EU member states, European Free Trade Association states and EU institutions. We have engaged in over 130 meetings and, as we do regularly, I will write to the committee, detailing the engagements that we have had.

The main focus of the engagements has been to ensure, first, that our European counterparts understand the outcome of the vote in Scotland and, secondly, that they understand Scotland's position, interests and priorities, including our wish to be a member of the EU. Just as important, we want to ensure that our European colleagues understand that, as a Government, we remain strongly committed to deepening European co-operation. It is essential that all of our relations are clearly focused on ensuring that our views on Brexit are known, but we also want to ensure that they are not seen solely through the prism of Brexit. We will continue to work with our European partners in terms of policy, knowledge and co-

operation. In fact, next week, I will visit Dublin as part of our on-going work to further deepen our important diplomatic, economic and cultural relationships with Ireland, building on the work of our innovation and investment hub that is located there.

Throughout our engagements with member states, there has been a great deal of interest in and sympathy with what is described as the predicament that Scotland finds itself in. Our stance on the urgent need to clarify the rights of EU nationals has been welcomed. However, it is fair to say that, although the UK-wide decision to leave the EU has been met with a mixture of sadness, disbelief and concern for the future, there is a resolve in the EU to carry on and not just deal with Brexit efficiently but focus on developing the EU for the future. That agenda is being pursued at all levels, not just through the European Commission's white paper but in individual countries.

When I was in Paris last month, I met the head of the French foreign ministry, and I was struck by the keenness on the part of the French Government to work with Scotland, irrespective of what the future holds. An early priority for us, therefore, will be to renew with the French Government our statements of intent with it on culture and education. We will also look for opportunities for further early engagement with the new French Government.

Earlier this month, I visited Austria and spoke at the Europa forum. The forum, which is now in its 22nd year and which was established on Austrian accession to the EU, is regularly attended by senior Government figures in central and eastern Europe, and the focus of the discussion was the future of the EU. I had the opportunity to meet, among others, the Austrian vice-chancellor and the Bulgarian foreign minister. Both of those countries have EU presidencies next year, at a critical point in the Brexit negotiation.

Although the issue of Brexit was ever present at that conference, it certainly did not dominate it. There was regret at the UK's decision, but we should be in no doubt that the countries are already moving on and positioning themselves as the future of Europe debate gets under way, with Council decisions on the issue due around spring 2019, when the UK is scheduled to leave.

Whatever the outcome of Brexit negotiations, the relations and trade agreements that are entered into with countries and organisations outside the European Union will continue to be vital. It is very important that we strengthen the global outlook of Scottish society and international relationships and partnerships in areas such as science and culture.

With regard to recent international engagement, I visited Japan in February to support trade and investment connections and discuss ways in which cultural engagement can strengthen our relationship. In April, the First Minister was in the US for a series of meetings with leading companies to promote Scotland's economic interests and to set out our views on Scotland's place in the world. In the year ahead, we will continue to build on those relations with our priority countries, through ministers travelling overseas and by welcoming delegations here and to our new hub in London. We will use those opportunities to explain that Scotland is open for business and to highlight the reasons why Scotland continues to be the top UK region outside London for attracting foreign direct investment. It has been a strong year and a tremendous achievement for Scotland, and we are keen to build on that.

Finally, I turn to tourism, which plays a leading role in Scotland's economy by helping to market Scotland across the globe and promoting inclusive growth through its support for economic activity and employment in some of our most fragile areas. The Scottish Government and its agencies work closely with the tourism sector; we share ambitions through the industry-led tourism Scotland 2020 strategy; and we are seeing long-term growth in both jobs and visitor numbers.

As at March 2016, more than 14,000 tourism-related enterprises were operating in Scotland, which is the highest figure since the start of this decade. Since the start of this decade, employment in the tourism-related industries sector has grown by around 33,000, from 183,000 in 2010 to 217,000 in 2015. Tourism now accounts for 8.5 per cent of employment in Scotland, and we are seeing good results, with visitor numbers for 2016 up by 6 per cent compared with 4 per cent in the rest of the UK. Moreover, expenditure in Scotland has risen by 9 per cent compared with 2 per cent in the rest of the UK. Looking over the longer term, there was a 16.5 per cent increase in overseas tourism visits to Scotland in 2016 compared with the figure in 2010, and overseas tourist expenditure rose by 15.8 per cent between 2010 and 2016.

We know that Scottish tourism is competing in a global setting, and the global tourism market continues to expand. According to the January 2017 United Nations World Tourism Organization publication, "UNWTO World Tourism Barometer", international tourist arrivals grew by 3.9 per cent last year. We know that there is more that we can do, and we will continue to do what we can to have a greater share of that expanding world market. I have established a high-level tourism working group that brings together senior leaders from the tourism industry, enterprise bodies and

VisitScotland to provide the necessary strategic direction for Government and agencies to work together to maximise our potential.

These are challenging times, but the tourism industry is resilient. We will help it grow sustainably and prosper. We do not underestimate the challenges that Brexit poses to the sector, but that is why we are working hard, particularly against a hard Brexit, to preserve the benefits that sectors such as tourism gain from our relationship with the EU.

Finally, the committee will be well aware that this year is the 70th anniversary of Edinburgh's founding festivals; in fact, we debated the issue in Parliament earlier this month. It is a great inspiration that those festivals, which were founded in 1947, resonate not just across the city but the country and the world, making Edinburgh the world's leading festival city. We have seen 11 festivals growing around the original three, and I look forward to joining members at festival events over the summer as we celebrate that 70th anniversary.

I am happy to take the committee's questions.

The Convener: Thank you, cabinet secretary. That was a very wide-ranging statement and I am sure that members will have questions across all those areas of your portfolio.

I will start with a question on Brexit. We have just taken evidence from the His Excellency Norman Hamilton, the High Commissioner of Malta in the United Kingdom, on the presidency of the Council of the European Union. His Excellency made the point that, the day after the EU referendum result was announced, the Prime Minister of Malta made a broadcast in English to British citizens living in Malta, giving them a cast-iron assurance that their status would not change. He said that Malta was still waiting for reciprocation on that and that there was a feeling in Europe that the British Prime Minister's statement this week fell far short of expectations. What is your response to that, and what can the Scottish Government do to reassure EU citizens who are living in Scotland at this uncertain time?

Fiona Hyslop: The First Minister of Scotland's statement on the day after the EU referendum, reassuring and welcoming EU nationals living and working here, penetrated and resounded not only through Scotland but internationally. We had put together a plan of action that, regrettably, we had to initiate because of the leave vote. If you remember, the UK Government was in some disarray at the time—there were resignations and no clear messages from anybody—so we should not underestimate the impact that that swift statement from our First Minister had at that time.

Addressing the views of EU nationals was clearly a vital part of it.

What has happened is, in my view, a complete miscalculation. It is wrong in so many ways, as has been debated; indeed, the committee has taken extensive evidence on the value, status and importance of EU nationals, which are recognised by the Government, by parties across Scotland and by the general public here. The initial attempt to use EU nationals as a bargaining chip; the Prime Minister's coming late to the European Council, and her trying some months ago to make a major statement on taking the initiative; and then her trying to explain after the event—indeed, only last week—the UK Government's view on EU nationals are all elements of a series of miscalculations. They are wrong if they are meant to influence and set the right tone for EU discussions.

Of course we must ensure that UK nationals living in the EU are protected, and I have recently spoken to Finnish Scots about our engagement not just with EU nationals here but with Scots nationals elsewhere. However, it is a miscalculation to start a negotiation without building up mutual respect and trust. What the Prime Minister did on that very first day in Malta set the tone for what could be expected in terms of that mutual respect and trust. The failure of the UK Government to do that is a political miscalculation as well as being insulting to EU nationals.

The other important aspect in relation to where we are now with EU nationals is that the EU itself published papers on its position on EU nationals and the financial implications well in advance of the start of the Brexit negotiations. The UK published its position only after the event, in a statement at Westminster. There are two things to note here: first, we should do the right thing, politically and morally, which the UK has failed to do to date; and secondly, the UK Government should be transparent and realistic about where we are in the negotiations. However, the Prime Minister's statement fell far short of the required assurances, and the Government will need to redouble its efforts in relation to EU nationals.

The principled perspective of Malta, the smallest of the EU member states, in guiding the Brexit discussions and preparations is an exemplar of what a small country can do with independence, and it shows the authority that it commands in doing the right thing in relation to its counterparts. I commend the Maltese Government. I had the pleasure of being in Malta as it was preparing for the Maltese presidency, and I met a number of ministers, including the foreign minister and the culture minister. Malta has also managed to hold an election during its presidency, which is also a

major achievement, but it has certainly been an exemplar in this regard.

The Convener: Thank you. We are under pressure of time and a lot of members want to ask questions, so I want questions and answers to be as succinct as possible.

Fiona Hyslop: I will keep my answers short.

Lewis Macdonald: Cabinet secretary, I would like to take you back to the cultural matters that you mentioned at the outset, and in particular to your letter to the committee last week in relation to a screen unit. You will know that, when John McCormick, chair of the screen sector leadership group, appeared before the committee on 30 March, he said on the record:

“The lack of visible progress on the screen unit since it was first mooted in May last year only reinforces the cynicism that is widely felt across the sector ... and the belief that real progress will not be made until a realistic co-operative partnership is established between Creative Scotland and Scottish Enterprise for working towards shared objectives.”—[*Official Report, Culture, Tourism, Europe and External Relations Committee*, 30 March 2017; c 2.]

You will also recall that the Economy, Energy and Tourism Committee in the previous session of Parliament, of which the convener and I were members, made clear recommendations about the need to develop that partnership. Your letter of 20 June states that, despite the clear delay, you intend to create a screen unit this year. The letter also says, almost in the same breath, that you expect Creative Scotland to make a presentation to ministers in late autumn.

I guess that those of us with experience of civil service advice to ministers know that “in late autumn” means by Christmas if you are lucky.

Tavish Scott: Exactly.

Lewis Macdonald: If you are expecting advice to ministers in late autumn, how on earth is it possible to meet the commitment in your letter to establish the screen unit this year?

10:15

Fiona Hyslop: The cynicism of Lewis Macdonald, which is echoed by Tavish Scott, perhaps arises from their experience as ministers in the previous Administration. I do not want to tread on what might be delicate ground relating to your experience with your officials, but it might be helpful if I bring you up to speed on what we are doing. I read the evidence to the committee from the screen sector leadership group, and I have engaged with John McCormick personally on the issues in the group’s report, which is a very good report.

As I indicated in my letter to you, on behalf of the relevant cabinet secretaries—this work comes under a number of portfolios—and the Government, I have secured agreement from Creative Scotland, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and the Scottish funding council to work together, with the Scottish Government, on a project to develop the proposal to achieve and deliver the screen unit, an ambition that is in the manifesto and the programme for Government.

The project has been designed to address the screen leadership group’s concerns in full. The deliverables are due in the autumn, as Lewis Macdonald said. They cover five areas. The first is “an agreed inter-agency proposal ... for the sector vision and long-term strategy”.

That was a big emphasis of the screen leadership group’s report. The second is on the

“agencies’ agreed roles and accountabilities”.

That has been a consistent concern of the Government and the relevant committees. There will also be a

“common agreed economic baseline assessment report”.

That will help to leverage the future investments that we need. The issue is not about just setting up the unit; we must have the resources to support it. The other deliverables are on the

“Screen Unit purpose, functions, configurations and governance”

and—this is critical to what we all want as part of the unit’s development—

“a single Screen Unit Action Plan with ... targets and streamlined collaborative partner contributions over the period”

from when the unit is established until 2022-23.

Responsibilities for some elements of the screen sector already sit with Creative Scotland, so I hope that the movement to the screen unit will happen as quickly as possible after the blueprint is provided. As Lewis Macdonald said, I expect that to be delivered by the autumn. I hope that my experience of when things happen is not the same as yours when you were a minister. That is what I am intent on.

We have made quite a lot of progress over the past few months. I wrote to the committee on the issue, because I know that you have a keen interest in the area.

Lewis Macdonald: My scepticism about timing is not simply a result of experience of the previous Administration. A number of similar commitments have been made under your Administration that have stretched the definitions of seasonal language.

Tavish Scott: Exactly.

Fiona Hyslop: Thank you for your generosity and understanding.

Lewis Macdonald: I still do not quite understand—no matter how quick and efficient you personally might aspire to be—how you can take blueprint recommendations, which you will have to make judgments on, in the late autumn and achieve the commitment in your letter that the screen unit will be up and running before the end of the year.

Fiona Hyslop: The blueprint will tell us how to get on and do it. I expect from the blueprint something that can be moved swiftly to implementation. I will not get the blueprint and then have to wait and consider which bits of it I like or do not like. The blueprint should have a route map for how we implement the screen unit so that we can move swiftly to do it. We know what we have to do, as a lot of that was set out in the screen leadership group's report. The issue is making sure that it can be implemented. What I expect from the blueprint is an implementation plan.

I will not tie myself down by saying that it will absolutely be set up by 25 December. I would like it to be done by then—or I could give an extension until 31 December, if we are talking about the year end—but I expect the process to move more swiftly than it has to date. I share your frustration that historically, in the last few years, we have not done it. I am far more certain now that it will happen, because of the combination of the actions that we have taken as a Government collectively, by all the ministers, and the commitment to come to the table that I have received in the last few weeks from the most senior level of all those organisations.

Lewis Macdonald: I take that as an optimistic aspiration, and I welcome it.

Of course, the fundamental underlying issue, which was highlighted by John McCormick, is the difficulty of getting Creative Scotland and Scottish Enterprise on to the same page, as in the Northern Ireland model, for example. I know that you have wrestled with that issue, as others have over the last number of years. Are you really in a position in which that can be delivered simply by endorsing whatever blueprint is put in front of you?

Fiona Hyslop: The answer is yes, and one reason for that is that, to date, the issue has been a lack of common understanding of the economic assessment of what the investment can deliver and which elements of that can be brought to the table from the different parts of government. Having a common agreed economic baseline assessment report will be helpful in the leveraging that we require for investments.

We have already progressed the production growth fund that we introduced, which has given additional funding in the past few years. The results of the assessment of that show that, to date, we have invested £1.75 million and have achieved an economic return of £17 million. That ratio is very strong, but the challenge is in what could be brought to the table to realise new potential.

We are at a critical point. With the help of the committee, we now have the new channel from the BBC and the commitment for additional spend—it is not as much as we want, but we need to maximise that—as well as growth in demand and the temporary benefit from a devalued pound as a consequence of Brexit. The critical mass of production spend in Scotland offers a great opportunity, but we need the screen unit to realise that, not just in film but, increasingly, in television. The reason for the urgency is so that we can capitalise on television opportunities quickly, which is more imperative than ever.

The Convener: I have a quick supplementary question on that very topic. As Lewis Macdonald said, I, too, was on the Economy, Energy and Tourism Committee in the previous session of Parliament and have been examining the issue for a long time. Every evidence session that we have had, including the recent one with the screen sector, has suggested that, although Creative Scotland has made a lot of progress, Scottish Enterprise has not. Scottish Enterprise recently wrote to the committee on the issue, in response to our asking it for an update. In that letter, Adrian Gillespie, the acting chief executive officer, said:

“We have a positive and productive relationship with Creative Scotland and other public sector partners”.

From the evidence that we have taken, we know that that is not true. I know that Scottish Enterprise falls outwith the remit of your portfolio, but what can you do to reassure us that it will be properly on board? Screen sector stakeholders have told us that it holds the purse strings and that, if it is not on board, the approach will not work.

Fiona Hyslop: There has been a time lag from when the screen sector leadership group's report was published and even the evidence session, which I know was fairly recent. However, as regards establishing the project that will deliver the blueprint for the autumn, I have, on behalf of all ministers—including the Cabinet Secretary for Economy, Jobs and Fair Work, who has responsibility for Scottish Enterprise—and on behalf of the Government as a whole, secured that agreement from Scottish Enterprise and HIE. It is a question of the leadership that is there, but you are right as regards the funding, which is why having a common assessment of the funding that is required from across the agencies is important.

There is a skills element as well, which relates to Skills Development Scotland and some aspects of what the Scottish funding council can bring to the table. That collective approach is stronger now than it has ever been. At the committee's recent evidence session with John McCormick, no one would have been aware of the movements that we have had to date.

The Convener: Thank you. We will certainly continue to scrutinise, to make sure that that is the case.

Fiona Hyslop: I am sure that you will.

Richard Lochhead (Moray) (SNP): I have two questions. To kick off on a positive note, I congratulate the Scottish Government on its contribution to making tourism in Scotland such a huge success at the moment. That is certainly the case in my constituency, where figures have improved dramatically, and in the rest of the country. That shows that Scotland is an attractive destination because of the amazing environment and unique features that we have, which takes me on to the screen and film sector. The evidence that the committee has received is that Scotland has lost out on tens of millions of pounds, and potentially hundreds, if not thousands, of jobs, because of the lack of film studio facilities and other investments in screen sectors. That is certainly the evidence that we have heard in recent weeks. We have lost major productions to other countries because of a lack of facilities. Why do we not have a film studio in Scotland in 2017?

I also want to pick up on the convener's point about Scottish Enterprise. If a company wants to relocate to Scotland and create 100 or 200 jobs, we are able to find several million pounds to invest in a factory. However, Scottish Enterprise does not seem to recognise the economic value of the screen and film sectors, in which, for similar investments of several million pounds, we could create much more economic activity. I am therefore not quite sure about Scottish Enterprise's priorities with regard to economic returns for Scotland. Can you comment on that?

Fiona Hyslop: On your last point, I think that the common economic assessment will help to deliver exactly what you are asking for.

With regard to the studio issue, we have a number of studio facilities that are either in existence and are being developed or have the prospect of being developed. Pentland studios is one such development but, because that is still subject to planning issues, I cannot go into any detail about it. However, this activity is private-sector led. With regard to your point about Scottish Enterprise encouraging private sector investors to come here because of the jobs that they can provide, there is no difference between that and

the studio situation; that sort of thing has to be private-sector led because of what we are allowed to contribute under current state-aid rules. Other areas such as the south-east of England have long-standing studio facilities or, as is the case with the Welsh Government and in Northern Ireland, there are vacant public sector properties that can be invested in and used. Because of the nature of economic activity in Scotland, there is no vacant Scottish Government-owned lot or site that can be easily transformed into studio facilities, so we are dependent on private-sector-led inward investment.

We have a number of prospects, and there are some studios that have already been used. For example, the Pyramids business park in my constituency was used as studio space for "T2 Trainspotting"; the Pelamis building in Leith, which is increasingly being used as an investment opportunity, is a large facility that could undergo more permanent conversion; the Wardpark studio facilities are being developed in size; and, as I have said, there is the Pentland opportunity. However, the reason why we do not yet have the studio facility is that opportunities were missed some time ago or that there is a need for private-sector-led investment because there is no public sector space that can be converted or procured. This is a private-sector-led procurement exercise, but the common economic assessment will help us to see the opportunities for investment. I should also point out that Scottish Enterprise is providing funding to help the Wardpark development, too.

Richard Lochhead: Oh, well—who knows? Perhaps in two years we will have a state-owned film studio in Scotland, because, if things go as we suspect they will politically, we will not have to worry about state-aid rules.

Picking up on your earlier comments, cabinet secretary, I want to ask about outreach facilities. I have mentioned before in committee the huge and mostly unused facility at the former Royal Air Force base at Kinloss in Moray. Some people in the film sector have suggested that it could be used as a location for film work—not, of course, as a proper film studio, but for outreach activity. I also point out that it borders on the Highlands. The fact is that it is sometimes quite difficult to get the public sector to be proactive about such opportunities, and I wonder whether you are willing to speak to the Ministry of Defence to find out whether it would be a bit more amenable to the use of such facilities not just in Kinloss but throughout Scotland. I know that Highlands and Islands Enterprise in Moray is looking at the potential of Kinloss, but I wonder whether the Government would be able to intervene and get the big public sector organisations, particularly the MOD, to be more co-operative.

Fiona Hyslop: There is a constant search for what I suppose are called pop-up studios that are located in different places. That sort of thing happens already; indeed, one example is the Pyramids business park that I have just referred to. Given the contact that I have had with local members from different areas on this issue—I believe that John Scott has made similar comments about Ayrshire—I know that it is on people’s radar. Indeed, the location service in Creative Scotland is constantly being contacted, which is why we are getting so much outreach activity or filming in different parts of the country. That activity is very strong, and we want a permanent studio facility to complement it.

Creative Scotland is actively pursuing such work—indeed, the committee might well have asked the organisation what it is doing in that respect—but, as far as Government-to-Government contact is concerned, I am happy to speak to the MOD about the issue in strategic terms and find out whether it is aware of any such places. Unfortunately, some of the feedback that we have had from those who represent more geographically remote parts of Scotland is that the crews and cast quite often want to be in the central belt near to Glasgow and Edinburgh for transport or other reasons.

However, that is not an excuse, and there is an opportunity for extensive filming elsewhere, as we have seen. I was in Wester Ross when the Guy Ritchie and Charlie Hunnam film, “King Arthur: Legend of the Sword”, which has just come out, was being filmed. The location was in one of the most remote parts of Scotland. It is possible, and the fantastic crew that we have in Scotland are a great asset and work all over Scotland.

I will undertake to speak to the MOD about Kinloss, in particular, and other potential locations around Scotland.

10:30

The Convener: The cabinet secretary is with us only until 10.50 and I am anxious that all members who want to ask questions get the opportunity to do so. Again, I ask people to keep questions and answers as succinct as possible.

Rachael Hamilton: The committee heard from the British Hospitality Association, which said that hospitality businesses are

“extremely concerned about their ability to stay open, to meet their obligations to the banks and to continue to employ people.”—[*Official Report, Culture, Tourism, Europe and External Relations Committee*, 18 May 2017; c 8.]

Derek Mackay announced a 14.75 per cent cap on increases in business rates. How will the Scottish Government continue to support tourism

businesses, in light of the fact that many local authorities have announced recently that they are having software issues in implementing the cap policy?

Fiona Hyslop: I am not aware of the software issues. I will take the point back; it is probably the responsibility of Derek Mackay and people who deal with local government. I will get more information on the issue.

The cap is welcome, and I think that it was welcomed when it was announced. I engaged on the issue, in that I encouraged the finance minister to take it forward. Almost 50 per cent of hotels are completely outwith the business rates system, and those that pay business rates have welcomed the cap.

There is a systemic issue, in that the methodology for business rates calculations for hospitality is to do with turnover rather than profit, as you know. I understand that the Barclay review has taken evidence on the issue and I encouraged the tourism sector to contribute to the review in that regard, as part of my responsibilities as tourism secretary.

Rachael Hamilton: The Barclay review of business rates will report at the end of July. If its recommendations are not delivered by April 2018, is there a contingency plan to support people in the tourism and hospitality industry?

Fiona Hyslop: The support that we have provided by taking people out of the system completely has been welcomed. I mentioned the strategic work that we are doing through the high-level tourism group—the Scottish Tourism Alliance and the BHA are part of the group, as are the tourism leads from HIE, Scottish Enterprise and VisitScotland.

You are probably aware that, as we speak, the tourism industry is conducting an assessment of the financial pressures. Some of those pressures come not from the Scottish Government but from the UK Government—I am thinking about pensions, national insurance contributions and so on, which have a big impact on small businesses, in particular. The work will provide an evidence base, which I think will be very helpful to us.

I understand your concern about what happens if the Barclay review does not deliver on the issue. You will accept that my job as a Government minister is to accept the report of the review as it is presented to us. It has not been presented to us yet, but I will look at it closely from a tourism perspective, and I hope that the committee will do so, too.

Rachael Hamilton: If you are looking into the software issues, you will find that Moray Council, in particular, has an issue with delivery.

Fiona Hyslop: As you know, I am not responsible for the software delivery of every council in Scotland, but I take your point about the seriousness of the issue.

The Convener: The Local Government and Communities Committee is going to have an inquiry into the topic. I have written to the convener of that committee, on behalf of this committee, to highlight the evidence that we received during our round-table session with stakeholders in the tourism industry. It is important to put that on the record.

Tavish Scott: When will the detailed timetable for the roll-out of the R100 digital connections programme be available to the tourism industry?

Fiona Hyslop: The roll-out of digital connectivity, which relates to all industries, is the responsibility of Fergus Ewing and Humza Yousaf, as you know. I will be happy to get the detail from them and forward it to you.

Tavish Scott: Has the matter been discussed in the strategic group that you mentioned?

Fiona Hyslop: If you look at the tourism 2020 strategy, you will see that digital is a key part of it. There are two aspects to that. One is the connectivity, but there is also usage, and they are interconnected. People will want to become more connected for digital transactions once they have had the roll-out. The roll-out of superfast broadband will have been completed for 95 per cent of premises by the end of 2017. However, we then have the additional aspect of coverage to close that gap for the last 5 per cent.

It is worth highlighting that lead responsibility for digital connectivity clearly lies with the UK Government. Had the Scottish Government not intervened, only 66 per cent of premises would have been reached and coverage in the Highlands and Islands would have been as low as 21 per cent. Obviously, everybody wants to make sure that they are connected as soon as possible. There has been progress and the Scottish Government's commitment and substantial expenditure have been very important, particularly for the tourism industry.

My concern is that only 60 per cent of those that were advertising on the VisitScotland website for hospitality opportunities were transacting digitally. I think that that figure will have improved and I will be checking that with the high-level tourism group. We need that figure to shift to make sure that we are improving productivity opportunities and promoting economic transactions. I acknowledge that it is also dependent on connectivity but, in relation to those figures that I have relayed to you about what is expected in terms of access, I already know anecdotally from people who were

not previously connected, but are now, that it is starting to make a big difference.

Tavish Scott: Sure. I do not know whether the high-level tourism group has met yet—

Fiona Hyslop: It has met on a number of occasions.

Tavish Scott: And has it discussed this issue?

Fiona Hyslop: Yes. I have raised the issue of penetration and the feedback that I got from the STA at the last meeting is that it was starting to see a step change. Normally, as you know, when people do not have something, they complain about it—quite rightly and understandably. Now we seem to have a change in the situation; there are more reports about the positivity of having the connections and the opportunities.

We have also put together a digital tourism fund for skills, and there has been more of an uptake of that because more people can now transact digitally. There has been a series of workshops across Scotland and there has been a significant step change in the uptake on those workshops, with more people coming to them and wanting to take part. It was discussed and I have just relayed the tenor of the discussion to you. It was very useful to have the feedback from the STA and its views and perspective on that.

Tavish Scott: But you accept that the micro tourism businesses in the most far-flung parts of Scotland are the very ones that do not have any digital connectivity at all at the moment.

Fiona Hyslop: That is why the final 5 per cent will be of particular importance. I think that the committee could also be helpful in this regard in relation to the wider economic agenda. I referred in my opening remarks to the fact that, for tourism in particular, penetration to all parts of the geography of Scotland is integral to the inclusive growth agenda as part of the economic strategy. That is part of my responsibility, but I hope that all of us who are interested in the tourism sector and in seeing digital connectivity reach fragile communities that are dependent on tourism will think about the impact that we can have in relation to the inclusive growth agenda, which is very strong indeed.

Tavish Scott: Thank you.

Mairi Evans: Thank you for that answer, cabinet secretary. It touched on some of the points that I wanted to raise. We have taken quite a bit of evidence over the past couple of months and there are quite a few interesting areas so, if you do not mind, I will just fire everything at you—feel free to answer as you can.

One of the most interesting sessions that we have had so far has been on the differentiated

system for immigration. I do not know whether you have seen the report from Dr Eve Hepburn about that. I would like to get your thoughts on that and on how you think some of it might be progressed. I do not know whether that is being looked at in your portfolio.

On tourism, some massive projects are going on. Just outside my constituency, in Dundee, the V&A is being constructed. I was listening to the comments that you made about the reach of tourism into other areas. I think that the V&A will be a massive boost for the local area, but we also need to look at how the other areas surrounding it—Angus, Aberdeenshire, Fife, and Perth and Kinross—can benefit and how everyone can benefit from it across the whole region.

Some of the evidence that we have heard over the past wee while has been about events. We have the national events and the local events. For some of the bigger national events, there has been quite a large contribution from the Scottish Government. What support is available for those local events that are on the verge of becoming large national events? What support is available for those events that are looking to grow?

Fiona Hyslop: How long do we have?

The Convener: Dr Allan is giving evidence after you, cabinet secretary, and immigration policy is part of his portfolio. It is up to you, but you might wish him to address that question.

Fiona Hyslop: Dr Allan is taking a lead on some of the areas that Mairi Evans asked about. On the wider portfolio, I had a conversation this week with the newly reappointed Secretary of State for Culture, Media and Sport, Karen Bradley. On the exchange of people and ideas in culture, I emphasised to her that any migration system that is predicated on the high-net-worth salaries of bankers might not be appropriate for culture. We have a common understanding that the quality, skills and attributes of the individuals are the life-blood of a strong creative sector. However, for a substantive response, Ms Evans might want to address the question to Dr Allan.

Ms Evans makes points on the physical location of facilities such as the V&A and major events. We have the European championships next year and I hope that the committee will take a keen interest in the event aspects of that. We had a big delegation in from Berlin. I am not sure whether the committee got a chance to meet members of that delegation and discuss the connections that we have with them.

There is a lot in the question about how we grow smaller events into bigger ones. One of the reasons that we have our themed years is to try to do that by upscaling existing events. For example, on Saturday, I will be in Paisley for the year of

history, heritage and archaeology promoting a lot of the events there that promote the heritage of textiles. Those events take place regularly, but we can use the opportunity of themed years to upscale them, realise our ambitions and make them sustainable. They get a kick-start from EventScotland, but the themed year enables them to take the leap to be more sustainable and bigger in future.

Ms Evans can write to me if she has any other issues, but that is a cursory reflection on the big, wide comments that she made.

Stuart McMillan: Cabinet secretary, you just mentioned the themed years and you spoke earlier about events. You know of my interest in, and support for, marine tourism, which has become very important to the Scottish economy. At a cross-party group meeting on Tuesday evening, the issue of what will happen with European funding when we come out of the European Union was raised. The challenges of leaving the European Union include the uncertainty of the situation as a whole but, in particular, European funding can be an important element of projects such as the MalinWaters project and the cool route project. With your role in highlighting to the UK Government how important tourism is for the negotiations, have you stressed the importance of European funding to such projects and the positive effect that it can have on marine tourism in Scotland?

Fiona Hyslop: On trying to influence the UK Government's priorities for the negotiations, you have had plenty of evidence from Mr Russell on some of the frustrations that we have had with getting basic engagement for priorities.

There are a number of priorities for the different areas on tourism. Freedom of movement is clearly up front for everybody. I will continue to stress that.

The second priority is funding, whether on the culture side—the creative Europe programme—or some of the European pots that have been strategically influential in helping leverage. We have had pressures on public finance and reductions in capital funding, but the ability to align Scottish Government priorities with the Heritage Lottery Fund, other environmental lottery funding and, indeed, structural funds and other European funding has created a critical mass to do things that would otherwise never have been done. We also have pressures because the lottery funds are reducing in the coming years. If one of the legs is taken away—European funding—it compromises some of the other projects, as you rightly say.

10:45

We have pulled together what we think the European funding contributions have been worth in my portfolio. We think that, over the last period, there has been £23 million for creative industries, £36 million for the historic environment and £5 million for museum and galleries. On the tourism side, some of the funds are not necessarily directly related to our Government responsibilities, but they have leverage elsewhere.

As 2020 will be the year of Scotland's coast and waters, I again congratulate you and the cross-party group on recreational boating and marine tourism for helping to persuade me that that would be a good thing to do. Scotland has a third of the land mass of Great Britain and extensive coasts, so there are strong opportunities for marine tourism. If the UK Government is intent on exiting the EU, it is important still to get the funding that we would otherwise have secured—whether for agriculture, fisheries or marine tourism—as it makes a big difference.

With reference to Tavish Scott's point, some of the most remote parts of Scotland are on the coast and those are the areas that will benefit most from that funding. For example, the economic opportunity that having a pontoon at Fort William has given to that community shows us what can be done. We have big ambitions and I do not want them to be curtailed because of a lack of EU funding.

Stuart McMillan: Certainly cabinet secretary, your points—

The Convener: Can we be as brief as possible?

Stuart McMillan: Absolutely.

Cabinet secretary, your points are absolutely accurate. There is genuine concern in the wider marine tourism sector because of the hard work that has taken place to get us to this point. Do you think that the UK Government fully appreciates and understands the situation that Scotland faces in terms of tourism and, specifically, marine tourism?

Fiona Hyslop: No.

The Convener: That was brief. Thank you, cabinet secretary.

Ross Greer: Cabinet secretary, I return to culture and to the youth experience fund that the Government announced. I recognise that the fund is a manifesto commitment for the Scottish National Party. Can you explain the thinking behind targeting it at primary-school-age children?

Fiona Hyslop: Inspiration is the first word that comes to mind. We have seen young people's involvement in activities in lots of areas being very successful. The youth music initiative, which was

evaluated recently, is a good example of such involvement. A number of our national companies already do extensive outreach work. For example, I have seen Scottish Opera working with the community in Bo'ness. A lot of outreach work is happening all over. I am very keen to have such work happening around the theatre experience, in particular, and to look at how we can improve the situation.

We are not quite ready to implement the youth experience fund. Part of what I have to do is to identify the funding that would allow us to implement it. Involvement is important, particularly at primary school. We know that, regardless of parental income, if young people are involved in arts and culture at an early stage—it is not just about seeing it but about participating in it, which is why it is called “experience”; a lot of the things that happen are proactive workshop activities, so it is not just about seeing a show for example—they are more likely to be the audiences of the future. When poverty is a key aspect of what we are trying to address in society, the experience that I have described can make a big difference.

The plans are in progress, but the fund is not yet deliverable. We are trying to identify what all the different companies and collections already do as we do not want to displace what they are already doing. We want to make sure that we reach parts of the country and communities that do not currently have the opportunity to get that experience.

Ross Greer: I absolutely recognise that and you outline very agreeable aspirations. I asked the question because, when we had a round-table session with representatives from the museums and galleries, I asked about the experience fund and the feedback seemed to be that primary school engagement is not necessarily the problem. They said that they struggled with engagement with pupils aged 11 and up at secondary school. The feedback suggested that what is holding a lot of those institutions back from engagement with primary schools is their own capacity. A witness said that they could do

“four or five times as much”,—[*Official Report, Culture, Tourism, Europe and External Relations Committee, 25 May 2017; c 28.*]

but that it is a matter of their own capacity. Essentially, they struggle to engage with teenagers, particularly in the senior phase of secondary school. That is why I wonder about the age range at which the experience fund can engage with young people.

Fiona Hyslop: We set out that the fund should be targeted at primary schools because of our experience with other art forms. I read the discussion to which you refer with interest and we are engaging with the collections and the

companies to establish what they are doing already. I am prepared to be flexible, so we are open to dialogue if, for example, they say, "Actually, for theatre, galleries and so on, it would be better if this was aimed at secondary schools rather than primary schools." However, we have to get the evidence base from the collections and companies, and that is what we are currently in the process of doing.

Ross Greer: Brilliant. Thank you.

The Convener: We have finished the session at dead on 10.50. I thank the cabinet secretary. We will have a brief suspension before we move on to our next witness.

10:50

Meeting suspended.

10:54

On resuming—

International Development

The Convener: Our next item of business is an evidence session on international development with Dr Alasdair Allan, whom I welcome. I understand that you would like to make a short opening statement, Dr Allan.

The Minister for International Development and Europe (Dr Alasdair Allan): Yes, if I may. Thank you, convener.

Following a wide participative public consultation last year, we published our new international development strategy on 21 December. In consulting, we were keen to arrive at a refreshed policy that embraces the UN global goals, and we were clear that we wanted to ensure that the policy built on the best elements of our existing work and our partnership approach. "Global Citizenship: Scotland's International Development Strategy" delivers on that, and I have been delighted by the positive reception that it has received.

Our strategy is about being a good global citizen. That is why the Scottish Government has maintained and, indeed, increased its international development fund, created a new humanitarian emergency fund, and established—and recently increased—a climate justice fund.

We will focus our international development fund on partnerships with four countries with which Scotland shares extensive historic and contemporary links: Malawi, Zambia, Rwanda and Pakistan. The three sub-Saharan countries form our project base for development assistance programmes and Pakistan is the base for programmes that have a strong emphasis on education through scholarships. In addition to those programmes, we will have two new funding streams for capacity strengthening and investment.

Our commitment to the beyond-aid agenda requires behavioural change by all of us—those in Government in terms of our policy coherence and those outwith Government. Global citizenship is about who we are as a nation and how open, welcoming, diverse, compassionate and fair we will be in the future. Our international development work—the Government's commitment to working in partnership with others and its work in Scotland to foster, support and maintain good global citizenship—is a key part of that.

I am happy to seek to answer any questions that the committee has.

The Convener: Thank you very much, Dr Allan.

I should also welcome Joanna Keating, who is head of international development at the Scottish Government and is supporting the minister.

As you will be aware, minister, we recently had an evidence session with international development stakeholders. One of the key things that they wanted the committee to raise was the importance of the UN development goals. They wanted us to ask the Government how those goals are being implemented, not just by your department but across the Government.

Dr Allan: We seek to align our policy with the global goals. I seek to do that in my area of Government and, more generally, the Scottish Government seeks at home and abroad to live up to those goals in our policies. I will ask Joanna Keating to say more about this, but that is reflected in our priorities and the projects and programmes that we fund. Non-governmental organisations that apply to our funding programmes have to demonstrate that they seek to live up to those goals. We have sought to put a special emphasis on some of the global goals in our work, particularly those to do with the rights of women, for instance.

The Convener: What cross-departmental structures are in place to ensure that those goals are delivered across Government?

Dr Allan: The bulk of the work that I am talking about is done through the international development side of Government, but there is also a climate justice fund, which the Cabinet Secretary for Environment, Climate Change and Land Reform is involved with, and there is regular co-operation to ensure that the aims match up. There are also the global goals that seek to maintain and develop the dignity of individuals and freedom from poverty. I hope that that characterises all of our work across Government, whether in Scotland or around the world.

11:00

There are crossovers between the work that we do in the developing world and things that happen here. I should say that the work that we do in the countries where we are working is for the benefit of those countries; we do not seek that work to be in Scotland's national interest. However, there are things that we can learn from that experience. For example, there is the Blantyre to Blantyre project, which was primarily aimed at addressing health problems in Malawi but had the beneficial consequence of our being able to compare health problems in Scotland and Malawi in different ways—both countries, of course, have a town called Blantyre.

Those are a few of the areas in which we try to draw together our activity. Joanna Keating can talk

about some of the specific funding streams that are relevant to that.

Joanna Keating (Scottish Government): What we really like about the concept of the sustainable development goals is the fact that they apply to all countries—they apply equally to Scotland as well—which is a big change from the millennium development goals. A lot of work has been going on in the Scottish Government on the domestic side of things and, in our portfolio, in relation to Scotland's contribution internationally on the global goals.

Two years ago—just before the goals came into force worldwide—the First Minister made an announcement about her commitment and the commitment of the Scottish Government to the domestic and international contributions. On the domestic side, we took the view that the global goals mapped neatly with Scotland's existing national performance framework, so our work has been very much to do with flowing the global goals through the national performance framework. Two summers ago, we started a programme in collaboration with the United Nations Institute for Training and Research that involved ministers and officials attending training sessions, and we have focused on flowing that through the Scottish Government, taking a stepwise approach and raising awareness of the global goals and what they mean for all domestic policy areas.

For example, global goal 3 concerns quality health and goal 4 concerns quality education. We have worked on aligning those goals and mapping them right across the national performance framework, and the reporting on that will come back through the NPF. Scotland is in the fortunate position of having a national performance framework in place already, and there has been quite a lot of interest in Scotland's approach to the issue because of the fact that it can use the NPF as one of the monitoring mechanisms. There has also been an on-going consultation on the change to the national performance outcomes, which has been a collaborative process as well.

On the international side, which is our side of the portfolio, we have considered how to embed the goals in our new strategy. One of the main purposes of the refresh of our international development policy was to take into account the fact that the global goals were coming into being and the fact that December 2015 was the 10th anniversary of our programme, which meant that the timing was good, in many ways. Last year, we went out to public consultation and asked questions such as whether we should focus on only one or two global goals or whether we should maintain a wide programme but narrow the geographic focus. The results from the public consultation suggested that we should narrow the

geographic focus but keep the approach wide thematically. That reflects the fact that the 17 global goals are interlocking—they are indivisible and they all work together. Because of that, if we target goals 1, 2 and 3 in various countries, taking into account their national priorities, we will also be helping the overall picture with regard to the global goals.

Discussions continue at official, director and ministerial level between my team, the national performance team and the open government partnership team with regard to our international interests.

The Convener: Thank you. We do not have a great deal of time for this evidence session, so I ask that questions and answers be as brief as possible. We might not get all members in, so I will try to get in those who were squeezed for time during the previous evidence session.

Lewis Macdonald: As the minister said, many positive things have been said about the international strategy, but we have also heard concerns about the practicalities and I know that the minister will have read in detail the *Official Report* of the recent evidence session in the committee.

The administration of the small grants scheme by the Lloyds TSB Foundation has been praised and there are some major projects going on with Scottish Government funding. However, in between, there is an issue about whether the support that the Scottish Government provides is available to organisations as they or their ambitions grow but before they reach the stage of being major programme operators. Will the minister reflect on those concerns?

Dr Allan: That is a fair issue for the committee to raise and the Government has sought to address it. We are trying to get as diverse a group of organisations as possible involved in what we do in international development. For instance, the small grants programme, as the name suggests, is designed to be available to smaller organisations, but to be available on a wider basis with regard to the number of countries that are involved, so as not to exclude organisations that are based in Scotland.

We are conscious of the gap that has existed and we seek to close it with regard to the maximums and minimums that apply. For instance, the maximum turnover of organisations that are eligible for the small grants programme is £150,000 at the moment. We are willing to look at the issues to ensure that there is no gap and that as wide a variety of organisations as possible can be involved in our funding rounds.

Lewis Macdonald: I presume that that is being done in consultation with organisations across the board.

Dr Allan: It is being done in consultation with NGOs and with our core-funded organisations in Scotland.

Ross Greer: I should say, minister, that international development is one of the areas in the Government's agenda that I am most enthusiastic about; it is really impressive. However, I am concerned about whether positive words match up with actions. You are right to highlight the whole-Government approach to being a good global citizen and to the sustainable development goals. Are we achieving that whole-Government approach when, over the past 10 years, the Scottish Government's economic development agencies have given £18.5 million to companies that are involved in the arms industry? Is that an example of a good global citizen?

Dr Allan: You will have heard the Scottish Government and many members in the Scottish Parliament express their concern that whatever we do, whether in Scotland or the UK, we make sure that we are not involved in the proliferation of arms. We have to be very careful about that.

We have sought to ensure that the global goals are reflected in our policy, and we are always open to challenge on that and to new ways of improving it. We have sought to make sure that the end use of anything that is produced in the UK is carefully scrutinised and I hope that, as a Government, we have also done our bit in doing some of that scrutiny.

Ross Greer: I understand that, but global goal 16 is peace and justice. Contributing to an industry that depends on there being no peace and justice is not good global citizenship, is it?

Dr Allan: I do not take the view that anyone who is involved in any of the defence industries in Scotland should be boycotted. We do not take that view and I am sure that the committee does not take that view. However, as a Government, we take the idea very seriously that the end use of arms or of anything that is produced in the defence industry should be subject to the highest level of scrutiny. You will have heard the Scottish Government and others offer commentary recently on where in the world some armaments from the UK have ended up.

We are always open to looking at doing things in a better way, but I hope that, with others, the Scottish Government makes its position clear on the scrutiny that we think should apply to those industries.

Mairi Evans: I want to get your thoughts on the report from Dr Eve Hepburn about a differentiated

system for immigration. I do not know whether you have had a chance to go through that paper and to see the options that were put forward, but it would be interesting to know whether the Government is preparing a response to that.

Dr Allan: Throughout the Brexit process, the Scottish Government has been making the case that different needs apply in Scotland when it comes to migration and immigration. Our problem is to ensure that our working-age population continues to grow, and it is growing only because we are open to migration from other countries. That has been a key message of what we have set out. We are interested in what the committee and others have to say about that, and we have certainly made the case vigorously to the UK Government that a differentiated immigration system would be helpful to Scotland's economic needs.

Mairi Evans: What sort of response have you been getting to that message? One thing that was clear from the options that we saw was that some of them are possible in Scotland at the moment, but making that happen depends on political will on both sides. Do you think that it is feasible and that it could happen?

Dr Allan: I am not opening up the question of independence, but there are certainly things that are feasible in a UK context. You need only look at Canada to see an example of a country where different parts of the country are perfectly able to have different policies on immigration. In many of the conversations between the Scottish Government and the UK Government about the situation post-Brexit, we have made that very point. You will not be too surprised to hear that the UK Government is not tremendously enthusiastic about Scotland having differentiated policies on immigration, but we will continue to raise those issues. We will also continue to raise the issue of the post-study work visa, which has unanimous backing, as far as I can see, across the education sector and industry, to make the point that Scotland is open for business and open to students.

The Convener: Has the Scottish Government undertaken any work to establish Scotland's future immigration needs, and do you intend to publish any papers on that?

Dr Allan: In the course of the Brexit conversations that we have been having, we published "Scotland's Place in Europe", which went into some of that. I recently attended a conference on migration and I hope that the Scottish Government will be able to comment on and make use of some of the findings from that conference. We have sought to provide information to the UK Government, much of which is in the public domain, about Scotland's particular

demographic needs. We are open to all those things and to pushing all those arguments. I have to be honest and say that the response so far from the UK Government has not been tremendously enthusiastic, but we will continue to make those arguments.

The Convener: Was the Scottish Government consulted by the UK Government before the Prime Minister's statement on EU citizens' rights this week?

Dr Allan: There may have been a few hours' notice, but I would not say that we were intimately involved in the decision. We certainly welcome some of what is in it. We welcome the fact that, a year on, there is at least now some vague shape of what the rights of EU citizens might be in the future, but the point that we would make about that is that citizens of other EU countries who did us the honour of coming to live here did so because they had a right to do so, and we should not take rights away from them. Our country cannot afford that economically or socially.

The Convener: Have you had any specific contact with the UK Government with regard to the immigration bill?

Dr Allan: That is still to come, but issues around the issue of immigration in general have been raised repeatedly at the joint ministerial committee and we keep in contact on that.

The Convener: Thank you, Dr Allan. I am sorry that your appearance at the committee was so brief today, but we are grateful for your evidence.

11:14

Meeting suspended.

11:16

On resuming—

Scottish Government Reports

The Convener: Our next item of business is consideration of a number of biannual reports produced by the Scottish Government on EU issues. Members have copies among their papers. Are there any comments on the reports?

Lewis Macdonald: I remain concerned about the European structural funds programmes. I have looked at Keith Brown's letter to you of 13 June addressing that issue, and I think that it would be helpful, given that a substantial part of the funds allocated for the current funding programme has still not been committed, to invite Mr Brown to give evidence in the autumn. That might encourage early progress between now and then.

The Convener: He mentions in his letter

"evidence of lower levels of absorption, particularly in the Highlands and Islands".

Lewis Macdonald: We need to find out more about that if we can.

The Convener: Yes, we do. If no other members have comments, the proposal is to invite Keith Brown to the committee to speak to that report. Is that agreed?

Members *indicated agreement.*

11:17

Meeting continued in private until 11:26.

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