

Deputy First Minister
and Cabinet Secretary for Finance, Constitution and Economy
John Swinney MSP



T: 0300 244 4000
E: dfm@gov.scot

Mr Bruce Crawford MSP
Convener: Devolution (Further Powers) Committee
c/o Clerk to the Committee
Room T3.40
The Scottish Parliament
Edinburgh
EH99 1SP

8 February 2016

Dear Bruce,

Thank you for your letter of 21 January 2016, in which you express the Committee's collective concerns on the level of engagement with the Parliament on non-legislative work being carried out to deliver Smith. I must reiterate that I do take these concerns seriously and, as I have said previously, I want to ensure that we are doing everything that we can to keep Parliament apprised of on-going developments.

You had specifically requested updates, from the Scottish Government perspective, under three specific policy headings and I would like to begin by providing those:

- **Agreement of a Memorandum of Understanding on the Maritime and Coastguard Agency**

On 29 October 2015, the MCA and DfT met with Transport Scotland officials to discuss the Memorandum of Understanding (MoU) being developed between MCA and the Scottish Government. The MoU sets out the principles of consultation on the setting of strategic priorities and how both bodies would work together to implement the Smith Commission recommendations in practice.

In addition, on 2 December, the MoU was discussed at the MCA Advisory Board, attended by officials from Transport Scotland (TS). TS officials reviewed the draft from DfT and have made additional suggestions as to what we wish included in the MoU.

The draft is still under review at official level and Ministerial clearance has not yet been pursued by officials in either the Scottish Government or at the Department for Transport. Officials at the Scotland Office have requested that

the MoU only be formally signed once the Scotland Bill has been enacted to allow for Parliamentary scrutiny of the related provisions. It was agreed that day-to-day business should be dealt with at the Advisory Board and only high level strategic matters raised to Ministerial level.

- **Medicines and Medical Supplies**

The Scottish Government wants to ensure that views from stakeholders around greater involvement of Scotland in medicines pricing are taken forward. On the regulation of medicines, the Scottish Government aims to enhance the Medicine and Healthcare Products Regulatory Agency's delivery for Scotland.

In both areas, discussions are on-going between the Scottish Government, UK Government and (on regulation) MHRA on how these aims can be achieved.

- **Levy Raising (Red Meat and Seafood)**

Scottish Ministers' preferred approach in relation to a **seafood levy** has been to secure a devolution of further powers, via the Scotland Bill, to enable Scotland to raise its own seafood levy and decide for itself how such a levy should be spent. Scottish Ministers sought to secure these powers through the passage of the Scotland Bill last year, during which time discussions with the other UK Fisheries Administrations on administrative reforms to the Seafish Industry Authority were suspended. The UK Government has recently refused to agree to devolve these powers. As a consequence official-level discussions on administrative reform to Seafish have just recommenced. As indicated by the Secretary of State for Scotland, it is intended that joint proposals for reform of Seafish, on which officials in the four administrations had worked constructively earlier last year, will soon be finalised and consulted on.

Preliminary discussions have taken place with officials from Defra and the Welsh Government on the way forward following submission of the **Red Meat Industry** Working Group's proposals to Ministers. Issues discussed included the need for a consultation on the proposals and associated business and regulatory impact assessment, legislative changes that would be needed should Ministers agree to alter the current levy-distribution arrangements and the timetable for bringing this about. Further meetings are planned and the Cabinet Secretary for Rural Affairs, Food and the Environment will shortly receive advice on these matters and would be pleased to update the Committee when decisions on the way ahead have been agreed.

I hope the Committee finds this update on these issues helpful. I should point out that the Scottish Government was not party to the Secretary of State's statement to the UK Parliament and, as you will be aware, disputes some of the conclusions stated in it.

I recognise that the Committee expects to be kept in touch with substantive developments associated with the implementation of Smith, as well as in relation to inter-governmental relations more generally, and I can assure you of my continued commitment to that. I understand that my officials and the Committee Clerk are making good progress on the development of an agreement to support this, in line with our aim of doing so before dissolution. As I hope is clear from the commentary above, whilst there have been on-going discussions amongst officials in these specific areas, there has been limited Ministerial involvement to date.

I am copying this letter to the Secretary of State for Scotland.

A handwritten signature in black ink, appearing to read 'John Swinney', with a stylized flourish at the end.

JOHN SWINNEY

