

BRIEFING NOTE: CALL WITH THE PRIME MINISTER

This is an introductory call, and we expect that the Prime Minister will focus on the importance of **establishing good working relationships** between the UK and devolved governments rather than get into points of detail at this early stage.

[Redacted]

Re-setting relationships

You have been clear that you see the election of a new government as an opportunity to reset the tone, and approach, of intergovernmental relations (a point also reflected in the Labour manifesto). **You may want to note your willingness to work together, in a mutually respectful and co-operative manner using the powers and resources of each government in a coordinated way.**

The Prime Minister is likely to echo that sentiment and may suggest an early meeting of the Prime Minister and Heads of Devolved Government Council (the 'top tier' of IGR); and say that work will be taken forward quickly to implement the Labour manifesto commitment to create the new Council of the Nations and Regions.

You may want to welcome that and restate the SG's commitment to engaging constructively in established IGR structures.

It is likely that the PM will visit Scotland over the coming days. No timings are known at this stage. However, the PM's time is constrained because he is scheduled to attend the NATO summit in Washington on 10 July, with activity the following week including the Kings Speech on 17 July and hosting a meeting of the European Political Community on 18 July.

[Redacted]

Rural Visa Pilot offer (background in Annex A)

[Redacted]

A Rural Visa Pilot would help spread the benefits of immigration to smaller communities, enabling migration – based upon genuine employment opportunity – which would meet the economic and societal needs of those communities, including addressing population decline. The Scottish Government's proposal, which has been endorsed by the Migration Advisory Committee and welcomed by both Scottish Labour and the Welsh Government, would be a positive step towards a wider Scottish Visa that is more reflective of Scotland's economic needs, and which would also help inform future approaches across the UK.

Child Poverty

The Labour manifesto does not include specific proposals for tackling child poverty but includes a commitment to *'develop an ambitious strategy to reduce child poverty'*

and to *'review Universal Credit so that it makes work pay and tackles poverty'*. It also notes ambition to *'end mass dependence on emergency food parcels'*. Additionally, it notes key commitments to legislate on a new deal for working people within the first 100 days, and to deliver a national jobs and careers service and work with Scotland to ensure support works effectively with devolved services.

You may want to **note the priority you attach to eradicating child poverty** using the powers available to the SG and that bold action is needed from both governments; and **highlight your willingness to work collaboratively with the UKG** as it develops its strategy and to share learning from the Scottish approach.

Public Sector Pay

You might wish to highlight the particular shared interest in reaching a set of equitable and affordable 2024-25 public sector pay settlements and thereby mitigating the risk of industrial action. You may wish to note that Ms Robison plans to write to the Chancellor and Chief Secretary to the Treasury with proposals to improve joint working and collaboration between governments, including via the Finance: Interministerial Standing Committee (F:ISC)

Information about the Kings Speech on 17 July is attached at Annex B.

ANNEX A– ADDITIONAL BACKGROUND

Background on Just Transition to Net Zero

[Redacted]

Background on Rural Visa Pilot

- The Migration Advisory Committee (MAC) recommended in 2019 that the UK Government pilot a scheme to attract and retain migrants in rural areas, stating that the current immigration system was ‘not very effective’ in doing so.
- We worked closely with more than 10 affected local authorities and key industry stakeholders in the development of our Rural Visa Pilot proposal to ensure it reflects the needs of our communities and industries. The proposal was endorsed publicly by a range of rural and island stakeholders following its publication, as well as a cross-party majority in the Scottish Parliament including Scottish Labour, and the Welsh Government.
- The MAC described the pilot proposal as **[QUOTE]**: “*sensible and clear in both scale and deliverability*”, and stated it was in the UKG’s interest to trial the scheme.
- Our offer is to work together deliver a solution, in the form of this pilot, to address the urgent need for targeted migration solutions to attract migrants in line with communities’ distinct needs. This solution would simultaneously meet labour market demands and support longer term settlement in these areas as a means to address population decline.

Background on child poverty

- The last UK Labour administration introduced the Child Poverty Act 2010, setting in statute targets to significantly reduce child poverty levels across the UK.
- After the Conservative / Lib Dem coalition abolished those targets, Scottish Ministers introduced the Child Poverty (Scotland) Act 2017 – passed unanimously by the Scottish Parliament. This reinstates income-based targets for Scotland to be met by 2030-31, with interim targets to be met in 2023-24.
- It is estimated that Scottish Government policies, including the Scottish Child Payment, will keep 100,000 children out of relative poverty in 2024-25.
- UK Labour have indicated that they will form a child poverty unit, and that tackling child poverty will be a priority across all Ministerial portfolios.
- UK Labour have also indicated intention to route £150 million of levelling up funding for investment in Scotland, through the Scotland Office.
- Our offer is to work collaboratively with the UK Government to inform development of their child poverty strategy, and their approach to reducing the need for food banks. SG could also support in delivery of Levelling Up funding, both in setting criteria for funding, informing decisions on awards and sharing data, evidence and existing practice.

ANNEX B – KINGS SPEECH

King's Speech

UK Government officials are planning on the basis of a Kings Speech on 17 July. **You may want to stress the importance of early and meaningful engagement on UK Bills, and reciprocate your commitment to such engagement on Scottish Bills.** The expectation is that the Speech will follow precedent and be relatively high level, simply announcing a list of Bills and key policies. Comments made by Sir Keir Starmer suggest that Labour will delay the UK Parliament's summer recess. UKG officials expect that the priority will be to pass, before recess, legislation to revoke the Safety of Rwanda (Asylum and Immigration) Act 2024.

The original Rwanda Bill did not require legislative consent from the Scottish Parliament – and it is unlikely that a Bill to revoke the Act would require legislative consent (at a time when the SP is in recess).

The Labour manifesto committed to “strengthen **the Sewel Convention** by setting out a new memorandum of understanding outlining how the nations will work together for the common good”. It is currently unclear what such an MOU is intended to cover: **you might want to agree that the Sewel Convention needs to be substantially strengthened and SG is ready to work with the UK Government to achieve this.**

BRIEFING NOTE: MEETING WITH THE PRIME MINISTER – SUNDAY 7 JULY

This meeting follows a short, positive introductory call on Friday evening.

The Prime Minister will be accompanied by his Chief of Staff, Sue Gray, a PS from Number 10 and 2 Comms officials. The Secretary of State for Scotland is also attending as is the Deputy First Minister.

[Redacted]

Agenda item 1: Shared priorities

You may want to **highlight the opportunities for collaboration** presented by synergies between the Scottish Government and Labour's 5 missions: kickstart economic growth; make Britain a clean energy superpower; take back our streets; breakdown barriers to opportunity; and build an NHS fit for the future.

SG has a strong interest in the first 2 missions and 3-5 are in devolved areas.

There is also significant overlap between SG priorities and UK Labour's 6 first steps:

deliver economic stability; cut NHS waiting times; launch a new Border Security Command; set up Great British Energy; crack down on antisocial behaviour; and recruit 6500 new teachers.

A comparison of Labour missions/6 first steps and SG priorities is at Annex A.

You may want to touch briefly on priority areas of collaboration - strengthening the public finances; eradicating child poverty and the rural visa pilot.

[Redacted]

Eradicating child poverty

The Labour manifesto does not include specific proposals for tackling child poverty but includes a commitment to '*develop an ambitious strategy to reduce child poverty*' and to '*review Universal Credit so that it makes work pay and tackles poverty*'.

Scottish Labour manifesto: Labour will develop an ambitious strategy to reduce child poverty. We will work with the voluntary sector, faith organisations, trade unions, business, devolved and local government, and communities to bring about change.

It also notes ambition to '*end mass dependence on emergency food parcels*'. Additionally, it notes key commitments to legislate on a new deal for working people within the first 100 days, and to deliver a national jobs and careers service and work with Scotland to ensure support works effectively with devolved services.

You may want to **note the priority you attach to eradicating child poverty** using the powers available to the SG and that bold action is needed from both

governments including on better access and targeted UK wide employability support; and **highlight your willingness to work collaboratively with the UKG.**

[Redacted]

Scottish Labour manifesto on migration and visas (nothing specific on Rural Visas but tone is on upskilling UK citizens in areas of shortage rather than allowing migration; also, in UK Labour manifesto).

In an interview with the Herald on 30 June, Jackie Baillie said that her party would look at ways to 'incentivise' migrants to the UK to settle in Scotland.

[Redacted]

Scottish Labour manifesto (not in UK manifesto)

"UK Labour's National Wealth Fund will directly invest in ports, hydrogen and industrial clusters in every corner of the country. This will support port investment in Scotland and create a decarbonisation hub at Grangemouth. UK Labour will also secure the future of the UK's automotive and steel industries."

- During the STV Leaders' Debate, Anas Sarwar said that Labour would step in to save the jobs of workers at the Grangemouth Refinery and invest in its transition by establishing an Energy Transition Hub at Grangemouth, with **"hundreds of millions of pounds"** put behind it.
- Brian Leishman, Alloa and Grangemouth MP:

"I have supported the Keep Grangemouth working campaign...and I will continue to do so.

I recognise the importance of the refinery to Grangemouth and all of Scotland, the refinery's life needs to be extended. I believe that infrastructure and workforce need to be invested in and that means making Grangemouth home for the greener industries of the future, having Grangemouth become the site for a clean Industrial Cluster that sees Low Carbon Technologies like Hydrogen, Bioenergy and Clean electricity as well as Carbon Capture Storage. ...We must keep Grangemouth Working".

Agenda item 3: International Co-operation (Annex F)

The Labour party manifesto included a commitment to taking a more collaborative approach to international engagement. It committed a Labour government to championing 'Brand Scotland' across the world through the Scotland Office, and our diplomatic and trade networks.

[Redacted]

Agenda item 4: Resetting relationship and the operation of the devolution settlement

UK Labour manifesto

“We will reset the relationship with devolved governments.....Labour will ensure the structures and institutions of intergovernmental working improve relationships and collaboration on policy. Labour will strengthen the Sewel Convention by setting out a new memorandum of understanding outlining how the nations will work together for the common good.”

[Redacted]

Kings Speech/Sewel and legislative consent

The Kings speech takes place on 17 July.

[Redacted]

The Labour manifesto committed to “strengthen **the Sewel Convention** by setting out a new memorandum of understanding outlining how the nations will work together for the common good”.

ANNEX A - Comparison of Labour Manifesto and SG Priorities

SG has a strong interest in the first 2 Labour missions and 3-5 are devolved

UK Labour Missions	SG priorities
1) Kickstart economic growth to secure the highest sustained growth in the G7 – with good jobs and productivity growth in every part of the country making everyone, not just a few, better off.	Growing the economy; Eradicating child poverty,
2) Make Britain a clean energy superpower to cut bills, create jobs and deliver security with cheaper, zero-carbon electricity by 2030, accelerating to net zero.	Tackling the climate emergency
3) Take back our streets by halving serious violent crime, such as violence against women and girls, and raising confidence in the police and criminal justice system.	Improving Scotland’s public services
4) Break down barriers to opportunity to make sure there is no class ceiling on the ambitions of young people in Britain.	Improving Scotland’s public services; Eradicating child poverty
5) Build an NHS fit for the future that is there when people need it; with fewer lives lost to the biggest killers; in a fairer Britain, where everyone lives well for longer.	Improving Scotland’s public services

Six first steps from UK and Scottish Labour manifestos: devolved areas in bold but SG has strong areas of interest in each

UK Labour	Scottish Labour
Deliver economic stability with tough spending rules, so we can grow our economy and keep taxes, inflation and mortgages as low as possible.	Deliver economic stability with tough spending rules, so we can grow our economy and keep taxes, inflation and mortgages as low as possible.
Cut NHS waiting times with 40,000 more appointments each week, during evenings and weekends, paid for by cracking down on tax avoidance and non-dom loopholes.	Cut NHS waiting times by investing in our NHS and funding 160,000 additional appointments every year in Scotland, paid for by cracking down on tax avoidance and non-dom loopholes.
Launch a new Border Security Command with hundreds of new specialist investigators and use counter-terror powers to smash criminal boat gangs	Set up Great British Energy, a publicly-owned clean power company, headquartered in Scotland, to cut bills for good and boost energy security, paid for by a windfall tax on oil and gas giants.
Set up Great British Energy, a publicly-owned clean power company, to cut bills for good and boost energy security, paid for by a windfall tax on oil and gas giants.	Make work pay with a New Deal for Working People that will ban exploitative zero-hour contracts, end fire and rehire, and deliver a genuine living wage.
Crack down on antisocial behaviour, with more neighbourhood police paid for by ending wasteful contracts, tough new penalties for offenders, and a new network of youth hubs	Create jobs and opportunities for young people by improving access to apprenticeships, supporting first-time buyers and creating 69,000 Scottish jobs in the clean energy industries of the future.
Recruit 6,500 new teachers in key subjects to set children up for life, work and the future, paid for by ending tax breaks for private schools	Maximise Scotland's influence using the UK's global trade networks to promote Scottish businesses, boost exports and attract investment to create jobs.

ANNEX C – GRANGEMOUTH

[Redacted]

Scottish Labour Party Commitment on Grangemouth

- During the STV Leaders' Debate, Anas Sarwar said that Labour would step in to save the jobs of workers at the Grangemouth Refinery and invest in its transition by establishing an Energy Transition Hub at Grangemouth, with **“hundreds of millions of pounds”** put behind it.
- Brian Leishman, Alloa and Grangemouth MP:

“I have supported the Keep Grangemouth working campaign...and I will continue to do so.

I recognise the importance of the refinery to Grangemouth and all of Scotland, the refinery's life needs to be extended. I believe that infrastructure and workforce need to be invested in and that means making Grangemouth home for the greener industries of the future, having Grangemouth become the site for a clean Industrial Cluster that sees Low Carbon Technologies like Hydrogen, Bioenergy and Clean electricity as well as Carbon Capture Storage”.

...We must keep Grangemouth Working”.

[Redacted]

ANNEX E

UK Internal Market Act Quotes

Ed Miliband as Shadow Business Secretary led on the Bill for Labour.

Keir Starmer's contributions focused on Labour's opposition to provisions that would breach international law in relation to the Withdrawal Agreement Act and the Northern Ireland Protocol. Once those provisions had been dropped and arrangements to allow UK Government Ministers to grant exclusions from Act's market access principles added – Labour decided not to oppose the Bill (the Bill did not go to a final vote).

Keir Starmer - *“Get on with Brexit and defeat the virus. That should be the government's mantra. Labour is prepared to play its part in making that happen. If the government fixes the substantial cross-party concerns that have been raised about the internal market bill, then we are prepared to back it.”*

Ed Miliband, 10 December 2020, during passage of the Bill:

'We want a functioning UK internal market, but we believe that can be achieved in a way that upholds high standards and allows devolved Governments both to have a voice in setting those standards and to make choices in devolved areas appropriate for each nation. The principle is clear: we have a system of governance based not any more on power hoarded at Westminster but on power shared. That should be respected.'

'I think there is a big picture here, which is that, as I said on Monday, all of us who believe in the United Kingdom must, I believe, go the extra mile to protect devolution. I think it is incredibly important. It is the key to keeping our United Kingdom together, in my view'.

'I say to the Minister that we want the United Kingdom Internal Market Bill to reach the statute book. It must happen, however, in a way that does not ride roughshod over the way we are governed. I hope very much, for the sake of the United Kingdom and for the sake of respecting the devolution settlements, that the Government will reflect on this over the coming days'.

Lucy Powell, 16 December 2020 – *'We accept the improvements to date, but we note that they start from a very bad starting point. Some might describe them, as we say up north, as trying to polish a turd'.*

'We have fought long and hard to ensure that the Bill does not undermine devolution, because we believe in devolution. These are important safeguards that really do strengthen the Bill'.

'Common frameworks will allow different nations in the UK to set their own standards in key areas and to agree minimum standards for all. That is why it was so important to us from the start that there was recognition of common frameworks on the face of the Bill. However, it is still far from ideal, and the Government have been dragged kicking and screaming to these issues only because of the pressure we have applied.'

[redacted]

From: Joe Griffin
Sent: 07 July 2024 21:04
To: Executive Team
Cc: First Minister; Deputy First Minister and Cabinet Secretary for Economy & Gaelic; Communications First Minister; Colin McAllister; Ross Ingebrigtsen; Alison Cumming; Shona Riach; Lucy O'carroll; Dominic Munro; Donald Cameron; Luke Mcbratney; DG Strategy and External Affairs **[Redacted]**
FM/PM meeting, 7 July 2024

Subject:

Colleagues,

This is a short note to confirm what I'm sure you already know: the First Minister welcomed the Prime Minister to Bute House this afternoon for their first formal, in person, meeting since the Prime Minister came into office on Friday. The DFM and Secretary of State for Scotland were also present. FMPO will be sending round the formal note tomorrow. In the meantime, in case it is useful, I can confirm that the meeting touched on:

- The importance of this early meeting to a reset of the intergovernmental relationship
- The scope for enhanced collaboration, given the greater complementarity between the two administrations' philosophies, e.g. on child poverty or net zero/energy
- The need to have effective and serious intergovernmental mechanisms, and look at aspects like the Internal Market Act and the Sewel Convention
- The position of the Public Finances
- The need for this dialogue to be systematised and the immediate issues followed up.

If anyone has any genuinely urgent queries on points of detail, this evening or in the morning, pending the circulation of the formal note from FMPO, I'd be happy to help.

I'd be grateful if FMPO could circulate to Cabinet Secretary/Ministerial Private Offices pis.

Thank you for all the support and briefing around this meeting, which is very much appreciated.

Thanks

Joe

Joe Griffin
Director General, Strategy and External Affairs

Scottish Government
[Redacted]

