



House of Commons  
Scottish Affairs Committee

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**Demography of  
Scotland and  
the implications  
for devolution:  
Government Response  
to the Committee's  
Second Report of  
Session 2016–17**

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**Fourth Special Report of Session 2016–17**

*Ordered by the House of Commons  
to be printed 16 January 2017*

## The Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the offices of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)).

### Current membership

[Pete Wishart](#) (*Scottish National Party, Perth and North Perthshire*) (Chair)

[Deidre Brock](#) (*Scottish National Party, Edinburgh North and Leith*)

[Mr Christopher Chope](#) (*Conservative, Christchurch*)

[Mr Jim Cunningham](#) (*Labour, Coventry South*)

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[Mr Stephen Hepburn](#) (*Labour, Jarrow*)

[Chris Law](#) (*Scottish National Party, Dundee West*)

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[Dr Dan Poulter](#) (*Conservative, Central Suffolk and North Ipswich*)

[Anna Soubry](#) (*Conservative, Broxtowe*)

[John Stevenson](#) (*Conservative, Carlisle*)

The following Members were also members of the Committee during the Parliament:

Mr David Anderson (*Labour, Blaydon*), Kirsty Blackman (*Scottish National Party, Aberdeen North*) and Maggie Throup (*Conservative, Erewash*)

### Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the [Committee's website](#) and in print by Order of the House. Evidence relating to this report is published on the [inquiry page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Jyoti Chandola (Clerk), Peter Stam (Second Clerk), Edward Faulkner (Committee Specialist), Pansy Barrett (Senior Committee Assistant), and George Perry (Media Officer).

### Contacts

All correspondence should be addressed to the Clerk of the Scottish Affairs Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 8204; the Committee's email address is [scotaffcom@parliament.uk](mailto:scotaffcom@parliament.uk).

## Fourth Special Report

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The Scottish Affairs Committee published its Second Report of Session 2016–17, *Demography of Scotland and the implications for devolution*, HC 82, on 30 November 2016. The Government response to the Report was received on 22 December 2016, and is published as an appendix to this Report.

## Appendix: Government Response

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The Government welcomes the opportunity to respond to the Scottish Affairs Committee's inquiry into the demography of Scotland and the implications for devolution.

I want Scotland to continue to prosper, and I accept that inward migration is necessary for that. I recognise the contribution that generations of migrants have made, and continue to make, to Scotland today. In light of the kind of demographic challenges highlighted by the inquiry, it is also clear that inward migration will need to continue to make an important contribution to Scotland.

People will only come to Scotland if the socio-economic conditions are right and good employment opportunities are available in the first instance.

The Scottish Government has significant policy levers at its disposal to encourage more individuals and families to move to Scotland for work and ultimately to settle, such as: economic development and support for enterprise; education and workforce training; health and social care; digital connectivity and transport.

In addition the Scottish Parliament has recently taken on new tax-raising powers, which have the potential to be used to shape the working age population in Scotland in line with local needs.

As the Committee members will know from their visit earlier this year to the Isle of Skye, in addition to all of the above, one of Scotland's best marketing assets is its natural beauty, heritage and culture, and the quality of life it offers.

As discussed in my oral evidence, there is a question for the Scottish Government about why, with these significant powers at their disposal and with the high levels of migration we have at the moment in the UK, Scotland is not attracting more migrants to Scotland over other parts of the UK if they deem the current levels of migration in Scotland to be too low.

For our part, the UK Government remains committed to working with the Scottish Government on specific issues and areas of common concern, to harness the resources and talent available to encourage and support people to remain, visit or settle in Scotland, and contribute to the future vitality of our nation.

As the Government forms its negotiating strategy for leaving the EU, we will also work closely with the Scottish Government to get the best possible deal for all parts of our United Kingdom. I welcome the recent publication of the Scottish Government's paper *Scotland's Place in Europe*, which will be discussed at the next meeting of the Joint Ministerial Committee (EU Negotiations).

The Government's responses to the Scottish Affairs Committee's recommendations are provided overleaf in the Annex.

Rt Hon David Mundell MP  
Secretary of State for Scotland

## **Annex—Government Response to Report Recommendations**

**There is a case for sub-national migration powers for Scotland to be further considered based on the evidence we have received, but this Committee makes no recommendations about the shape of that policy. We call for closer co-operation between the UK and Scottish Government on this issue.**

*Taken with*

**We restate our call for the UK Government to work constructively with the Scottish Government to explore the possibility of introducing a formal scheme to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a defined period of time, as set out in the Smith Commission Report.**

1. Our immigration system is designed for the whole of the UK, taking account of Scotland's needs.
2. The Government's position in respect of post-study work schemes has been set out clearly, both in evidence to the Scottish Affairs Committee and in Parliament, most recently in a debate on the topic in Westminster Hall on 8 December 2016 (cols 157WH–183WH).
3. For the reasons set out in that debate by the Minister for Immigration, the Government does not intend to re-introduce a general post-study work scheme for Scotland. As the Minister noted, the United Kingdom has an excellent, and competitive, offer to international students and there is no limit to the number of international graduates of UK universities who can move into skilled work.
4. As the Minister noted, the four universities chosen for the Tier 4 pilot were selected objectively because they have the lowest visa refusal rate. There was no agenda to limit those involved to universities in any part of the United Kingdom. If the pilot is successful, it will be rolled out more widely, which in all likelihood could include universities in Scotland.
5. The UK Government continues to work constructively with the Scottish Government. The Immigration Minister recently met the Scottish Government's Minister for International Development and Europe to discuss these specific issues.

**The Government should ensure that, as part of preparations for the UK to leave the EU, they take the opportunity to work with the Scottish Government to ensure that any new immigration policies meet the needs of Scotland as well as the UK as a whole.**

6. We will work closely with the Scottish Government—and get the best possible deal for all parts of our United Kingdom as we leave the EU. We will give the Scottish Government every opportunity to have their say as we form our negotiating strategy, and I welcome the publication of the Scottish Government's paper *Scotland's Place in Europe*, which will be discussed at the next meeting of the Joint Ministerial Committee (EU Negotiations).

**Scotland has a lower life expectancy compared with the rest of the UK and this trend is predicted to continue in the future. The UK and Scottish Governments must work together in areas of shared policy, and where they have specific UK-wide or devolved responsibilities, in areas to help improve life expectancy in Scotland.**

7. The United Kingdom's constitutional arrangements provide the different nations of the United Kingdom with the space to pursue different policies in devolved areas should they choose to, while protecting and preserving the benefits of being part of the bigger UK family of nations. The Government is already committed to facilitating joint policy-making and coordination across the devolved administrations, as well as from the UK Government, through formal structures such as the Joint Ministerial Committee and the British-Irish Council.

8. The Government notes that there are also a number of joint coordination initiatives outside the formal JMC structure in which departments and the devolved administrations coordinate policymaking and delivery, including for example the Joint Ministerial Working Group on Welfare, which is overseeing the transfer of welfare powers under the Scotland Act 2016. Separately, the UK chief medical officers meet regularly, and these meetings provide a forum for discussion of future joint activity.

**We recommend that the Government considers how it can take into account Scotland's higher relative mortality rates and ageing profile of its population within existing funding arrangements, given that these factors lead to significant cost pressures for the Scottish Government.**

9. The UK Government believes that population and demographic change should be treated consistently within block grant funding arrangements. However, for a transitional period until 2021/22, the Scottish Government will benefit from slower population growth in relation to spending and will be compensated for slower population growth in relation to tax.

**We note that the Secretary of State suggested that the Scottish Government should look at “innovative” ways of using the welfare powers that have been devolved to them. We recommend that the UK Government and the Scottish Government work constructively together should the UK Government decide to vary or change the existing devolved benefits.**

10. The UK Government will continue to work with the Scottish Government to achieve a safe and secure transfer of powers under the Scotland Act 2016, with those people affected by the changes at the heart of all considerations. A number of welfare provisions in the Act, including the power to create new benefits in devolved areas and the power to top up reserved benefits, have already come into force. The Joint Ministerial Working Group on Welfare meets again early in the new year and will continue to oversee this process. I look forward to hearing further detail of Scottish Government's plans for these substantial new powers.