

T: 0300 244 4000
E: scottish.ministers@gov.scot

Joan McAlpine MSP
Convener
Culture, Tourism, Europe and External Affairs
Committee
The Scottish Parliament
Edinburgh EH99 1SP

email: europa@parliament.scot

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Dear Joan,

Thank you to you and the rest of the Committee for your letter of 16 September. I welcomed the opportunity to appear in front of the Committee and I am pleased to provide further details below, following that appearance.

Rural Migration Pilot Scheme

In my evidence to you, I highlighted the commission to the Expert Advisory Group on Migration and Population to develop proposals for rural migration pilot projects. The Migration Advisory Committee recommended in May 2019 that the UK Government should pilot a scheme to attract and retain migrants in rural areas. The previous Home Secretary, Sajid Javid MP, accepted that recommendation in July 2019. However, while there has been no official statement, we understand that the present UK Government do not intend to pursue the policy. The Scottish Government is ready to work with the UK Government to design and develop solutions tailored to Scotland's needs, and has therefore commissioned the Expert Advisory Group to consider how a distinct approach to migration for rural areas could impact and benefit Scotland's remote and rural communities. The Group are working to a timetable of November and I will keep the Culture, Tourism, Europe and External Affairs Committee updated as the proposals develop.

Encouraging migration

There are a range of levers that the Scottish Government and partners can use to encourage migration. These competencies include, strengthening the local economy and jobs market, and increasing access to housing opportunities and other public services, such as healthcare, childcare and education.

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The Ministerial Population Task Force has been established to bring together the range of policy interventions to identify gaps, overlaps and areas for new activity. Due to the complexity of how these policy areas interact, it is rare for such interventions to be solely targeted at modifying the trajectory of population and demographic change. Most, if not all, of the types of intervention discussed above have multiple objectives, relating to fiscal sustainability, equality, rural development, and so on. They are commonly elements of social welfare, family or labour market policies. It is thus important to keep in mind that most of the policy “levers” relevant to demographic and population change often arise in concert with other policy goals. Our forthcoming Population Strategy will detail more fully how we will use the powers at our disposal to address depopulation and related issues.

While the focus will be on maximising the impact of those policy interventions it is also right that we identify gaps in policy responsibility and identify how tailored solutions in migration policy could meet Scotland’s distinct needs.

Addressing the rural housing challenge

One of the issues considered by the Ministerial Population Task Force is access to housing in our rural communities.

The Scottish Government recognises that good quality, affordable housing is essential to help attract and retain people in Scotland’s remote rural and island communities. That is why we have committed record levels of investment in the Affordable Housing Supply Programme which has seen in the first four years of this Parliament, over 4,800 affordable homes delivered in rural and islands areas.

In recognition of the specific challenges associated with delivering affordable housing in remote and island communities, we introduced in 2016 the Rural and Island Housing Funds to provide support to organisations that would not be able to access existing funding streams to bring forward affordable housing projects in their communities. The funds have been received positively and have been referred to as a “game changer” in a recent study commissioned by the Scottish Land Commission.

Housing supply, particularly in the private sector, can be impacted in some areas by pressure for holiday homes. This is why since 2013 councils have had discretion to reduce or remove the Council tax discount on second homes, either within their entire area or areas where they identify a particular issue. In addition, Kevin Stewart, the Minister for Local Government, Housing and planning announced a package of measures in January this year that will enable local authorities to put in place additional controls on short-term lets. We are aiming to lay these regulations in December, so that they can be in force by spring 2021.

Self-build is a traditional form of housing in many parts of rural Scotland and the Islands, and in many areas the only form of housing. We understand the difficulties that some people can face in securing self-build funding, which is why the Scottish Government extended its pilot self-build loan fund on national basis. This ran in the Highland Council area. The £4 million fund will run for three years offering loans of up to £175,000 to eligible applicants for development costs to support build completion. The loan is repaid with either a traditional mortgage or from equity from their current home with applicants required to demonstrate that standard bank lending is not available to support the project.

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The Scottish Government Housing to 2040 vision and route map will set out our long-term objectives for the housing sector for the next Parliament and beyond. We have consulted widely with communities across rural, urban and island locations so that we can put a route map in place that will stand the test of time. We aim to publish the Housing to 2040 Route Map later this year.

Furthermore, I am working with the Minister for Local Government, Housing and Planning, and through the Ministerial Population Task Force, to consider the scope for further measures to help attract and retain people in Scotland's rural and island communities.

Visa Fees

The Committee highlighted questions about the ability of the Scottish Government to meet the visa fees and costs incurred by individuals seeking to migrate to Scotland. As the Committee recognises, the powers of the Scottish Government to fund the cost of visa fees are restricted due to the current constitutional arrangements in the UK whereby immigration remains a reserved matter.

The Scottish Government is committed to exploring how we encourage and support individuals to make Scotland their home whilst ensuring that we are maximising the impact of any funding.

The UK Government intends that income generation through fees and charges will underpin their future border and immigration system, and therefore will levy excessive fees related to applications for visas, settlement and citizenship. These fees are a significant barrier for people who could make such a positive contribution to our communities, economy and public services.

In January 2020, the Scottish Government policy paper *Migration – helping Scotland prosper* proposed that the Home Office review their excessive fees. In addition to fees related to applications for visas, settlement and citizenship, the Home Office should also review the Immigration Skills Charge and the Immigration Health Surcharge.

We were disappointed that the proposals set out in this paper were dismissed so quickly, without the courtesy of due or appropriate consideration, particularly when our attempts to have meaningful Ministerial engagement have been undertaken in such good faith. The Scottish Government remains deeply concerned that the burden of the UK Government's proposed charges will make Scotland a less attractive destination for skilled workers, families and international students. We will continue to press the UK Government for a fairer, more accessible, tailored immigration system that meets Scotland's needs.

We will continue to explore options to support individuals who have chosen to make Scotland their home. Moving to a new country can be challenging, particularly without a primary resource for accessing support and information.

Our planned *Welcome to Scotland/Move to Scotland* resource will provide a practical, easy-to-use, web based resource. The resource will seek to address many of the barriers individuals may face when moving or considering moving, by ensuring that they are fully informed about the various civic requirements, such as registering for National Insurance and knowing where to access further support.

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Scottish Government approach to reskilling

The Committee raised the important issue of reskilling. The Scottish Government recognises that demographic change, Brexit, the global climate emergency and the rapid pace of technological change will all, to various degrees, affect our economy and change both the jobs we do and the way we do them.

The Scottish Government is committed to ensuring that no one is left behind by the pace of change, but rather that people across Scotland can embrace new opportunities and enjoy fulfilling and productive careers.

Last year the Scottish Government published the first phase of [Scotland's Future Skills Action Plan](#), which crystallised the diversity of challenges and opportunities Scotland's economy and labour market will face in the years ahead, and our ongoing response to them. The Action Plan highlights the importance of Scotland's workforce being ready to adapt at pace to changing conditions both now and in the future. These challenges will not be answered solely by new workers coming through the education system.

The Scottish Government will also work to develop a culture of lifelong learning to ensure that those already in work are able to access upskilling and retraining opportunities throughout their careers. Interventions such as all age apprenticeships, Individual Training Accounts and the Flexible Workforce Development Fund support this commitment to retraining, upskilling and lifelong learning.

It is clear that the COVID-19 pandemic will have significant impacts on our labour market but the extent and impact on specific sectors may not be known for some time.

To help mitigate these impacts, the Cabinet Secretary for Economy, Fair Work and Skills announced in July that an additional £100m would be invested in employability and skills this financial year to support individuals whose employment has been affected by the pandemic. The funding is supporting youth employment including the Youth Guarantee, the expansion of PACE, and is also enabling the development and implementation of a National Transition Training Fund (NTTF). The [Programme for Government](#) committed to launching a £25m NTTF this autumn supporting up to 10,000 individuals who have been made redundant or whose jobs are at risk. The Fund will provide short, sharp training to equip individuals with the skills to transition into growth sectors, where we can be most confident of high demand, or where there are regional job opportunities. The initial strand of the fund was launched on 8 October and is being managed by Skills Development Scotland, offering career advice and funded training opportunities.

Our labour market response to the pandemic is evidence of an agile, flexible and responsive skills system, which is the vision of the Future Skills Action Plan. The Action Plan also highlights that, as the labour market continues to evolve, there will be a continued need to attract and retain talent from the rest of the UK and internationally, to continue to provide employers with specific skills and experience that we need, and to ensure the sustainability of our working age population.

Investment in skills is not an alternative to migration, nor vice-versa – rather, we need to prioritise both to support our economy and the provision of public services.

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Attracting international students

Scotland values its international students and we welcome the significant contribution they make to our culture and society. The Scottish Government's overarching priorities are set out in *Scotland's International Framework*, including our ambitions that 'Our people are better able to engage in a global world; are engaged in international exchanges and learning opportunities and; are aware of the international environment and Scotland's place in the world.' The positive influence of international students is critical to these ongoing national objectives.

Over spring and summer 2020, we have worked collaboratively with the sector and key stakeholders to agree a number of key actions to support international student recruitment, and promote Scotland as a study destination, in the medium and longer term. This includes co-ordinated and aligned messaging overseas by the sector and Scottish Government, primarily through our multi-sectoral *Scotland is Now* campaign.

Our Scottish Government international offices take a tailored approach to promoting Scottish universities depending on the most appropriate activity in their partner country. In addition to working closely with individual universities they also engage with Scottish University alumni groups and promote scholarship opportunities via their in-country networks.

Festival Visa Summit

The Scottish Government organised a Festival Visa Summit last spring to discuss the barriers faced by international artists and festival organisations in navigating the UK Government's visa system. The Summit brought together organisations and individuals from across the UK and also heard about international approaches to supporting festivals. Key concerns focused on the cost; timescales; bureaucracy and concerns that the visitor visa evidence requirements were too onerous.

The Scottish Government is working closely with the sector to argue for policy changes to the immigration system; to argue for process changes in the way in which those policies are implemented and to support the sector in sharing information about good practice.

During our discussion, I highlighted my concerns about the quality and level of engagement with the UK Government on these important issues. The Scottish Government is committed to working with the UK Government, where possible, to identify solutions that meet Scotland's needs. I am clear that an immigration system that works for the UK is only possible if it is an immigration system which works for Scotland. Unfortunately, the evidence from employers, local government, academic experts and representative bodies is absolutely clear - the current immigration system is not working for Scotland and, also unfortunately, as we have seen yet again with the publication of the Migration Advisory Committee's report on the Shortage Occupation List, there are real concerns that the UK Government's proposed changes risk making the situation worse.

It is important that the UK Government and the Devolved Administrations are able to have open discussions on immigration, focused on delivering evidence based, practical solutions which have the support of employers, elected representatives and communities. The unwillingness of UK Government Ministers to engage in any such discussions since July 2019 is deeply regrettable. In good faith, I continue to urge them to facilitate meaningful

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engagement, in order to discuss how UK immigration policy could be improved, in relation to devolved matters and for the wider benefit of Scotland's prosperity.

I hope this is helpful.

Yours sincerely,

BEN MACPHERSON
Minister for Public Finance and Migration

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