

restrictions and the need for fiscal flexibility. This was after correspondence from me to the UK Government on these very issues, including a letter to the Chief Secretary to the Treasury on 22 May 2020 [KF3/12 - INQ000182956] and 24 June 2020 [KF3/13 - INQ000182957], and to the Chancellor of the Exchequer on 4 July 2020 [KF3/14 - INQ000182958] as well as discussions at Finance Minister quadrilaterals, for example on 24 July 2020 where I highlighted our concerns [KF3/15 - INQ000592259].

14. As Finance secretary I was chiefly advised by officials in the Scottish Exchequer. As Finance Secretary, I do not recall having regular engagement with DG Economy. In November 2021, the DG Economy, Liz Ditchburn retired, and Elinor Mitchell took over the role on an interim basis until April 2022, when Louise Macdonald was appointed. Obviously, I had a longer standing relationship with DG Exchequer than with DG Economy.
15. My working relationship with the UK Government was through the four nations calls, bilateral meetings with the Chief Secretary to the Treasury and written correspondence. I engaged regularly with the Chief Secretary to the Treasury, which was Steve Barclay MP initially, and then Simon Clark MP. My relationship with both Chief Secretaries to the Treasury was constructive. We did not have a standing meeting but instead had ad hoc communications throughout the pandemic period. I often thought that the engagement with the Chief Secretary to the Treasury and with his officials tasked with devolved finance, was good. The one observation that I would make, which I mentioned in my oral evidence in Module 2a, was that the devolved finance officials were very seldom sighted on what the UK Government might be about to do financially. So, in meetings they would give us their best evidence, and they would speak honestly and truthfully when they said no further funding would be provided. Then, sometimes as quickly as 24 hours later, additional funding would be announced. This was largely because officials did not know, rather than because they were in any way being

deceptive. It was down to a breakdown in communication between UK Government and the Treasury Devolved officials, rather than a breakdown between Treasury Devolved Officials and the Scottish Government.

16. I did not have direct engagement with Rishi Sunak, Chancellor of the Exchequer, other than by correspondence. Sometimes, I would be in wider meetings with the Chancellor, but in terms of face-to-face engagement and discussions, that was with the Chief Secretary to the Treasury and his officials. I did not have any involvement in the UK Government's Economic and Business Response Implementation Group (EBRIG). Fiona Hyslop, as the Cabinet Secretary for Economy, Fair Work and Culture attended the EBRIG (M). I do not recall being invited, and there is no evidence that I was invited. It would have been more appropriate for Ms Hyslop to attend as the lead on all economic matters. I believe that I was copied into briefings and readouts of the meetings for information.
17. As Cabinet Secretary for Finance, I participated in four nations calls on finance. After I assumed responsibility for the Economy, I also participated in four nations calls on the Economy. The finance calls included the relevant devolved Minister and the Chief Secretary to the Treasury. This allowed us to communicate and receive more granular information about any announcements that the UK Government made which generated consequential funding. There was recognition of Devolved Government's responsibilities in terms of health, local government, and education but also that UK Government decisions about economic and financial support had a significant bearing on devolved Government's options.
18. To maximise the effectiveness of working between the UK and Scottish Governments, we agreed to share as much information as possible, sought to schedule as many meetings as possible and agreed to consider alternative mechanisms for example for drawing down emergency funding.