<u>Press release: David Mundell New Year</u> <u>Message</u>

Speaking just ahead of the turn of the year, Secretary of State for Scotland David Mundell said:

"We have experienced huge changes in Scotland this year.

"I know for many people 2017 will have sometimes felt like a challenging year.

"But as we look forward to the Bells, I'd like to reflect on the progress we have made — and address some of the tasks facing us in 2018.

"The General Election in June, the arrival of important new tax powers at Holyrood earlier this month, and our on-going preparations to leave the EU have all had an immense impact.

"I was honoured to be reappointed Secretary of State for Scotland after the election and I'm determined to ensure the UK Government continues to deliver for Scotland.

"At the beginning of the year, Scotland faced demands from the Scottish Government for a second independence referendum.

"But Scots used the General Election to reject their proposal and I hope the Scottish Government continues to heed the people's verdict.

"It has allowed Scotland's two governments to work much more collaboratively as we put in place the necessary arrangements for Brexit — and it is essential we continue to do that throughout 2018.

"We must build on the constructive relationships we have forged if we are to return powers from Brussels in a way that strengthens devolution and protects our vitally important UK single market.

"This year we reached agreement with the EU on a number of key areas, including our commitment to protect the rights of EU citizens after Brexit.

"I'm delighted that will reassure 200,000 friends, neighbours and colleagues who have made their homes in Scotland and whose contribution we value so much.

"Next year, we will begin negotiations on our future relationship with the EU and, working with the Scottish Government, we will put in place necessary arrangements for fishing, farming, trade and immigration.

"There is a lot of work to do. I'm in no doubt we'll need to work together.

"Since 2016 the UK Government and Scottish Government have been working

together to transfer wide ranging new powers to Holyrood, which were agreed following the independence referendum.

"That work will continue next year as more welfare powers are devolved but already the changes are being felt.

"Earlier this month, the Scottish Government unveiled a budget which was based, for the first time, on its own income tax proposals.

"I disagree strongly with their decision to make Scotland the most highly taxed part of the UK. That cannot be the right choice for families or our economy.

"But I'm confident, 20 years after we voted for a Scottish Parliament, that it has made Holyrood far more accountable. The on-going tax debate is proof of that.

"In 2018 we must focus on the economy and I urge the Scottish Government to use their powers effectively and to work with the UK Government.

"We need to pull together as we roll out the UK's ambitious Industrial Strategy.

"We'll need to collaborate, too, on the Borderland's Growth Deal and UK City Deals in Stirling and Tayside, and on supporting Scotland's key industries, including whisky, life sciences and energy.

"The UK Government has been doing its part — for example our £1 billion backing of UK City Deals and important measures such as freezing spirits duty to allow Scottish distillers to invest and to encourage new firms.

"So here's to 2018. There are many challenges ahead of us but I am confident it can be a great year for Scotland.

"As ever my door remains open to all those people and business who have a stake in Scotland's success. Let's work together as we look to the future."