

Briefing Note

Manifesto commitments to further Scottish devolution - what you need to know

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No one can predict who'll emerge with the most seats in the general election on 7 May – but there's no doubt that MPs from Scotland could play a pivotal role in forming the next UK Government. If there's another coalition, it's fair to assume that no party's manifesto will be delivered in its entirety. However, the policies most likely to materialise in a new coalition agreement will be the areas of overlap. Equally, a minority government needing to do deals with smaller parties in a 'confidence and supply' arrangement will find it easiest to legislate where there's already a consensus.

In the past fortnight the three main Westminster parties (currently!), as well as the SNP, have launched their manifestos. All four commit to putting in place the recommendations of the Smith Agreement in full, in line with the heads of agreement that they signed back in November. However, the parties take different approaches to the timing and additional areas that some consider are required.

We therefore take a look below at exactly what manifesto proposals have been put forward for implementing further Scottish devolution, as well as other areas that impact, to see where there's common ground.

Labour

The Labour Party's manifesto states that it will implement the Smith Agreement in full and also "go further, giving additional powers to Scotland". One of the additional areas mentioned is borrowing powers for the Scottish Parliament, something that was supported in principle under the Smith heads of agreement but not quantified.

Another area where Labour wants to go further than the Smith Agreement is in devolution to local communities in Scotland. The Smith Commission recommended that powers over the Crown Estate in Scotland be given to the Scottish Parliament and ultimately devolved to local areas. Labour cites island communities as prime candidates to benefit from these powers. They also want, immediately on taking power, full devolution to local authorities of responsibility for the Work Programme (which provides support, work experience and training for up to two years to help people find and stay in work). However, under their proposal, the Scottish Parliament would play a key role in providing strategic oversight of regional delivery of this service.

The party makes other proposals for decentralising power in Scotland from Holyrood to local authorities. One suggestion is that the City Deal for Glasgow model (£1.3 billion of funding agreed last year for the City Region, raised from the UK and Scottish Governments, along with new borrowing powers) be applied to Aberdeen, Inverness and Edinburgh.

Labour's manifesto re-affirms their commitment to table a Home Rule Bill (implementing the Smith Agreement) within their first 100 days in power.

Conservatives

The Conservative Party's manifesto focuses on the need for independent fiscal oversight to accompany the new tax raising and spending powers being devolved. As Scotland lacks an equivalent to the Office for Budgetary Responsibility, they propose that the Scottish

Fiscal Commission be strengthened – to give it broader powers to forecast devolved tax revenues and analyse Scottish Government budgets, as well as to ensure its independence.

The Conservatives also propose changes to Scottish parliamentary procedure and committees, in order to address the unicameral nature of Holyrood. This aims to strengthen the Scottish Parliament’s ability to hold the Scottish Government to account.

In terms of timing, the Tories propose including a new Scotland Bill in the first Queen’s Speech and having it introduced in the first session of the next Parliament.

The party has committed to maintaining the Barnett formula. However, it aims to agree rules with the Scottish Government for how the block grant will be adjusted to take account of new tax and welfare powers to be devolved. The manifesto states they will ensure that where responsibility for taxation has been devolved, changes to tax only affect public spending in that part of the country (echoing the ‘no detriment’ principle from the Smith Agreement).

The now infamous pledge by David Cameron – on the steps of Number 10 in the morning of the independence referendum result – to introduce ‘English votes for English laws’ (EVEL) also features in the manifesto. The implications of EVEL for Scottish MPs are not entirely clear. As a result, the knock-on effects for devolution (such as votes on the UK Budget and the impact that could have on Scotland’s funding through the Barnett formula) are not yet known. The Conservatives have since said that they would aim to introduce EVEL in the first 100 days of a new Government.

Liberal Democrats

In common with Labour, the Lib Dems propose greater decentralisation in Scotland by

devolving powers down to local authorities and also want to prioritise devolution of the Work Programme.

On the other hand the party’s call for a stage in legislative procedure for Westminster bills only affecting England (a “grand committee” formed on the basis of proportional representation), where Scottish MPs are excluded, seems to resonate in part with the Conservative plans for EVEL.

In line with their longstanding position, the Lib Dems repeat their aim for Scottish ‘Home Rule’. The party proposes that the Scottish Parliament should raise in tax more than half of what it spends in its budget and be able to change the benefits regime where there is specific Scottish need or priority, with a starting budget of around £3billion.

The Lib Dems’ manifesto also includes plans for a Constitutional Convention to be established, tasked with producing a full written constitution for the UK within 2 years.

SNP

While the SNP support implementing the Smith Agreement, they comment that the proposals do not go far enough. In their manifesto they seek ‘full fiscal responsibility’, where Scotland would be responsible for raising (whether through taxation or borrowing) all of the money it spends. In the meantime, the party’s focus will be on devolution of powers over business taxes, national insurance, employment policy (including the minimum wage), equality policy and welfare.

In line with the other three main Westminster parties, the SNP believe that the Barnett formula should be retained. The party argues that the existing model should continue to be used to determine Scotland’s resources during the transition to full fiscal responsibility and for as

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long as the Scottish Parliament's financial powers fall short of that.

No precise time scale is referred to in the SNP manifesto, but the party states that the Smith Agreement must be delivered quickly and in full.

Common ground?

The manifesto commitments of the four parties to implementing the Smith recommendations as soon as possible are clear. For some, it is only one side of the coin (the other being Conservative plans for EVEL), or a progression towards a more settled federal UK structure (under Lib Dem plans for Home Rule). For others the Smith Agreement does not go far enough, whether it needs additions made (such as Labour's plans for decentralisation to local communities) or is just a stepping stone on a longer journey (towards SNP plans for full fiscal responsibility and – ultimately – independence).

It seems certain that there will continue to be a consensus over imminent further devolution to Scotland and a continuation of the current funding arrangements under the Barnett formula for the foreseeable future, regardless of which party wins the most seats in the general election or what colours make up the next UK Government.

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Contact Us

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