## **2024 GENERAL ELECTION BRIEF**

# Manifesto analysis - Devolution and the Constitution

## FRASER OF ALLANDER INSTITUTE



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#### The background

Devolved areas of spending and to a lesser extent the constitution have featured heavily in the election campaign. In our <u>brief</u> earlier in the election campaign, we set out a guide for interpreting announcements made by the parties and whether issues were devolved or reserved. This was part of our aim in our general election coverage – to ensure that it was clear to voters when announcements would affect them and in what way.

In many cases, changes to the provision of devolved services in England will have indirect impacts on Scotland through changes in the funding available to the Scottish Government. Many of the parties have explicitly set out what these implications for funding would be if their proposals were implemented.

Moving away from the current situation, there were also a number of parties who were keen to talk about constitutional change – whether this is about strengthening devolution, or about Scottish Independence.

In this guide, we analyse what all the parties are setting out in these areas, and finish with an analysis of the extent to which the parties are discussing issues that are not strictly on the ballot.

#### **Evolution of devolution**

**Labour** have set out a number of measures which they say will "protect and respect devolution". They plan to establish a new Council of the Nations and Regions, bringing together the Prime Minister, the First Ministers of the devolved nations, and Mayors in England. They are also keen that UK wide bodies have a good level of Scottish representation. The **Lib Dems** have proposed something similar, a United Kingdom Council of Ministers to bring together the governments of Scotland, Wales and Northern Ireland with regional leaders across England – along with a written federal constitution for the nations of the UK.

**Scottish Labour** have built on UK Labour proposals this by saying there is scope for better joined-up working, and in a number of cases they have said they will build on policies introduced at the UK level by partnering up with devolved administrations to facilitate coordinated roll out of initiatives.

Many parties have called for devolution within Scotland to be improved. Again, whilst interesting for the Scottish electorate, it is likely these proposals could only be implemented by the Scottish Government. The **Scottish Conservatives** have called for power to be decentralised, with Scottish Councils getting a fixed proportion of the Scottish Budget – alongside a reduction in the size of the devolved civil service at Holyrood. **Scottish Labour** have proposed a Local Democracy Act, which would allow for the creation of regional mayors and support greater co-operation across regions.

There are also some specific proposals for strengthening the Sewel convention. For the uninitiated, the Sewel Convention is a constitutional convention in the UK that governs the legislative relationship between the UK Parliament and the devolved legislatures of Scotland, Wales, and Northern Ireland. The convention is named after Lord Sewel, who was the Parliamentary Under-Secretary of State at the Scottish Office when the convention was introduced during the passage of the Scotland Act 1998.

The Sewel Convention establishes that the UK Parliament will not normally legislate on devolved matters without the consent of the devolved legislature concerned. The flexibility inherent in the term "not normally" has caused issues in recent years, particularly in regard to Brexit-related legislation, specifically the UK Internal Market Act, which was passed without the legislative consent of the devolved parliaments, despite legislating in devolved areas. This has led many to question the point of the Sewel convention if it can be overridden any time the UK Government deems a situation "not normal".

**Labour** wants to strengthen the Sewel Convention, underpinning it by a new memorandum of understanding between the UK and devolved governments. The **Lib Dems** and the **SNP** want to go further: the former wants to remove the ability for the UK Parliament to unilaterally change the powers of the devolved governments or pass laws in devolved areas of responsibility, and the latter wants to push for the Sewel Convention to be put on a statutory footing so UK Ministers are not able to act unilaterally across policy areas within devolved competencies: two policies which sound like they have pretty much the same goals in mind. The **Lib Dems** also have proposals to improve inter-governmental relations, securing cooperation and agreement through common frameworks and a new dispute resolution process, to help resolve differences maturely between administrations and delivering better governance.

Some parties also examine the devolution deal as it currently is, with some recommending changes to the range of powers available to the Scottish Parliament. The **Conservatives** both at UK and Scottish level argue that devolved administrations have "the ideal level of powers to deliver for their citizens". Some may feel this is curious given the very different nature of the settlements between the different countries of the UK.

The **Lib Dems** emphasise that all powers which have been devolved under the Scotland Act 2016 should be allocated to the Scottish Government, given that some have been delayed at the request of the Scottish Government. With the exception of VAT assignment (which isn't really a power – feel free to read our thoughts here), the only outstanding issue is Air Passenger Duty – presumably, this is what they are referring to, but they give no more details. Aggregates levy was delayed for a while, but the legislation is now going through the committee stage in the Scottish Parliament.

As well as supporting Scottish Independence (see below), both the **SNP** and the **Greens** have proposals for more extensive powers for Scotland within the UK.

The **Greens** propose the devolution of employment law, all taxation powers, all social security, drug laws, broadcasting and refugee and asylum law. In addition, they support further borrowing powers for devolved nations. They also support a review of the fiscal framework to ensure that it meets public spending requirements to adapt to climate change, but there are not many details about what this actually means. The scrapping of section 35 of the Scotland Act is also supported by the Greens – this was the provision through which the Scottish Secretary, Alistair Jack, used to block the Gender Recognition Reform Bill from becoming an Act.

The **SNP** also support more borrowing powers to be devolved (although they specifically mention that borrowing would be used to fund a just transition). They are also calling for the devolution of all tax powers, broadcasting and employment law. Building on the calls about Sewel discussed above, they also call for the UK Internal Market Act, which was passed without the legislative consent of the Scottish Parliament, to be repealed. This was also the act that limited, and ultimately led to the delay of, the Scottish Deposit Return Scheme.

Reform had no mention of Scotland or devolution in their "contract".

#### Scottish Independence and future Independence referenda

All parties except Reform specifically mentioned the Scottish constitutional debate in their manifestos, with their views on an independence referendum falling very much into whether they support to ultimate goal of independence or not.

Starting with the unionist parties, **Labour** and the **Lib Dems** say they do not support a second Scottish Independence referendum and do not support independence. The **Conservatives** go further, with the UK party saying that the 2014 vote was "decisive", while the **Scottish Conservatives** say they will "close the lid on Independence".

All of the parties, but particularly **Labour** in this campaign, given they are one of the two main parties, have faced tough questions about how this stance is compatible with the UK being a voluntary union, and what a legal route would be to independence.

The **SNP** say that they will deliver independence and will begin negotiations for a second independence referendum if the SNP wins a majority of Scottish seats. Many have questioned how this actually differs from the SNP's previous attempts to secure a second referendum when they have held the vast majority of Scottish seats since 2015. The key number on election night is 29, which would be a majority. The First Minster has faced a number of questions about what happens to the independence cause if this number is not achieved.

**Alba** have a number of suggestions which are distinct to the SNP's views on how to achieve Scottish Independence. They say they will have "strong emphasis on independence as the primary constitutional goal" and advocate using every national election as a mandate for independence negotiations, including designating the 2026 Holyrood election the "independence election". They also suggest a referendum within devolved competence to ask Scottish voters if they want independence decisions to be made in Holyrood – although it would still be in the power of the UK Government to decide, in line with the recent Supreme Court decision. **Alba** also propose an Independence Convention to mobilise support and propose efforts to secure international support for Scottish self-determination.

The **Scottish Greens** also support independence and say they will "fight for Scotland to become an independent country within the EU and want the power to hold constitutional referendums devolved to the Scottish Parliament.

The **Green Party of England and Wales** is a fully separate party from the Scottish Greens. On independence, though, they show broad support for the peoples of Scotland (and Wales) should they wish to have a future as an independent country.

### **Devolved funding**

As indicated in the introduction, many of the areas that have been covered by the UK parties in particular (even in their Scottish manifestos) have been devolved. Of course, through the Barnett formula, it may be that spending pledges which result in changes in spending in England will mean changes in the monies allocated to Scotland.

**Labour** have a commitment that "planned investments in public services outlined in the manifesto by a UK government will also result in additional funding for Scotland". This is a little curious as a commitment, given this is how the Barnett formula operates. Specifically, they say that £320m (in

2028-29) will be generated from pledges in their manifesto, with the Green Prosperity Plan generating another £200m on average annually. **LABOUR TOTAL: c £0.5bn/year** 

The Conservatives claim that their proposals, particularly those on the Health Service, will generate approximately £1.2 billion in Barnett Consequentials for the Scottish Government over the next five years. **CONSERVATIVE PROPOSAL: c£0.2bn/year** 

The **SNP** have proposed that the UK Government boost NHS spending in England, including NHS pay, which would generate £1.6bn per year. In addition, they are demanding that the UK Government reverse the cuts to their capital budget, which they total up over several years to be £1.3bn. The Capital block grant from Westminster has fallen from £6.4bn in 2023-24 to £5.6bn in 2024-25, so if a cut of that magnitude was reversed to at least keep it flat in cash terms this could result in £0.8bn extra in spending in 2024-25. **SNP TOTAL: c£2.4bn/year** 

**Alba** have proposed increasing the Digital Services tax to 10% (from current levels of 2%) which would result in £250m annually for Scottish education and child mental health services, and called on the UK Government to implement a Scottish style Free Personal Care model, which would result in £500m more consequentials coming to the Scottish Budget. They also call for the cut in the housing budget to be reversed, but do not say whether this should be funded form elsewhere in the SG budget or from Westminster cuts being reversed. **ALBA TOTAL: c£0.75bn/year** 

The **Lib Dems** have, through all their measures proposed, including Health and Care spending, pledged additional spending of £1.48bn (in 2028-29) for Scotland. There are also a number of proposals for public investment which they say will generate £1bn per year for spending in Scotland. **LIB DEMS TOTAL c£2.5bn/year** 

The **Scottish Greens** discuss a number of areas where taxes should be raised but are not specific about the specific areas of spending that would be impacted, so the level of consequentials is unclear.

Overall, roughly half of the content of the manifestos of **Scottish Labour**, **Scottish Conservatives**, **SNP**, **Scottish Lib Dems** and **Alba** are actually talking about devolved issues. These documents may well give us an insight into proposals that will make it into their 2026 Holyrood manifestos.

**Reform**'s manifesto does not mention Scotland or devolved funding consequentials but roughly a third of their offer in in devolved areas.

The majority of the **Scottish Green Party** manifesto is on devolution or independence; every section includes a case on what Scotland could do if independent and every section also covers the areas that the party would like to devolve. So there is little direct discussion of devolved issues.

#### Our next event

#### 16:45 - 18:00 (BST) | Online

Come and join the FAI team to discuss all of the manifestos released by the parties who are standing for election in Scotland in the General Election on 4th July. We'll be focussing on what the manifestos mean for Scotland, and, in particular, how devolved responsibilities are reflected in the parties' proposals. Which tax policies are relevant For Scotland? What do the proposals mean for devolved funding? Why are many of the parties using slightly dodgy numbers? Come along to find out, and ask the team any questions you have about particular announcements.

This will bring our general election analysis to a close before polling day - so come along to get your questions answered!

This webinar is part of a project funded by the <u>Nuffield Foundation</u>. The views expressed in the webinar are those of the Fraser of Allander Institute and not necessarily the Foundation.

#### Register here

Registered attendees will be sent the join details for the webinar by email on 2 July 2024.

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