

**Online
Autumn
Conference
September 2021**

**A Framework for England
in a Federal UK**

Background Paper

Background

This is a background paper to accompany motion F21 at the Autumn Federal Conference 2021. It does not become party policy if the motion is passed. Rather it sets out to do a number of things. It explains some the general background to the concept of Federalism, it explains the motion passed at last year's conference on a Federal UK and how the FPC came to set up the working group that produced F21, it summarises the results of the consultation the working group undertook, it sets out the group's thinking on the powers of regional structures and how regions might be established. It also gives some commentary of the options embedded in the notion, and some thoughts from a Scottosh and Welsh perspective. This is all aimed to support the debate on F21.

The paper has been drawn up by a working group appointed by the Federal Policy Committee and chaired by Lord Shipley.

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1 Federalism and the English Question

1.0.1 To understand why many Liberal Democrats and other reformists in the United Kingdom of Great Britain and Northern Ireland espouse federalism, we need to understand the limitations of our current constitutional settlement and how federalism is seen as one means of resolving them.

1.0.2 We further need to understand why the Liberal Democrats are debating the constitutional arrangements of England in particular within a proposed federal United Kingdom. We need to look at the peculiar circumstances of the make-up of the United Kingdom and why a new constitutional settlement may not be a straightforward matter. Following the passing of The Creation of a Federal United Kingdom at Autumn Conference 2020, Liberal Democrats are addressing the English Question.

1.1 The Unitary State

1.1.1 The United Kingdom is a **unitary state**. Any power that is exercised by a tier of government below the national government is a result of **devolution**. This form of decentralisation is a temporary, fragile one, for all power lies with the Parliament of the United Kingdom in the Palace of Westminster. Parliament may, on a whim, abolish the Scottish Parliament or any other body such as South Lakeland District Council or the Office of the Mayor of Greater Manchester (of course there may be constraints of sherr political reality). In a unitary state there is no **sovereignty** other than that of the country as a whole. No sub-national body has inalienable rights to exercise certain powers, or even to exist at all.

1.2 What is Federalism?

1.2.1 Federalism describes a compound form of government in which there is a partnership between a central government and a multitude of sub-national bodies which we generally refer to as federal states. The federal states can be regions, provinces, nations or any other geographic or political unit within the union; the principles of partnership and sovereignty remain the same.

1.2.2 The states of a federal union have substantial **sovereignty**. They do not have powers we would associate with sovereignty on the world stage, but their existence and powers are inalienable *within* the federal union and cannot be impinged upon by the national government.

1.2.3 Federalism implies equality. Regardless of size, population or wealth, the constituent states of the union are all equal.

1.3 Federal Parliaments

1.3.1 Democratic federal unions tend to have bicameral parliaments: two chambers whose functions complement each other. Most have a lower house of parliament directly representing the people. In the US Congress this is the House of Representatives whose members are elected singly to districts - somewhat like our House of Commons and likewise by the First Past The Post electoral system. In Germany the lower house is the Bundestag, elected by a form of proportional representation.

1.3.2 The upper house of a federal parliament represents the states of the union as entities and is often called a Senate.

1.3.3 One role of a federal Senate is to scrutinise legislation particularly with respect to the rights of the states. In

Germany, not all legislation passed by the Bundestag, the lower house, requires the consent of the Bundesrat because not all legislation has a direct bearing on the constitution, the relationship between the states, their powers or their finances. The Bundesrat, because of that, convenes only one day every few weeks.

1.3.4 There can be a considerable difference in the balance of power and the relative work-loads of the two houses of parliament but the general principle remains the same: one house of a federal parliament represents the interests of the constituent states, the other represents the people.

1.3.5 It is expected that each federal state has its own democratic government. In the USA, all but one of the 50 states has a bicameral legislature of its own (Nebraska has a unicameral parliament) and an executive headed by an elected Governor. In Germany the 16 federal states have unicameral legislatures and a cabinet model of executive power.

1.4 What is the English Question?

1.4.1 Having examined the basic principles of federalism we need to ask one overarching structural question: what sub-units of the United Kingdom will be the federal states?

1.4.2 The reader may view it as obvious that Wales, Scotland and Northern Ireland as distinct nations would be federal states, and view it as the only realistic outcome for a federal UK in which three smaller nations perceive a need to protect their identities, cultures and languages in the face of a large and dominant England. There is no significant call for subdivisions of Wales, Scotland and Northern Ireland to be defined as federal states.

1.4.3 Logic dictates that there are only two possible arrangements structurally for England within a federal union.

1.4.4 Either England exists as a single federal state in a union of four nations, or England exists as a set of regional federal states, however many in number.

1.4.5 A situation in which parts of England are not federal states whilst others are is not a valid federal union. All corners of the United Kingdom must belong within a constituent state of the union unless by some exception such as being a federal government territory (e.g. a highly sensitive military base).

1.4.6 The two alternatives for England may each facilitate various means of balancing the relationship between the home nations and implementing government within England, its regions and localities, but the fundamental structural choice at the federal level is a binary one.

1.4.7 The policy motion **A Framework for England in a Federal UK** asks the party membership to decide upon that binary question. However, it is important to understand the principles behind the question and the many issues it raises.

1.5 Decentralising England

1.5.1 England is a centralised nation whose diverse corners are governed remotely from Whitehall and Westminster. Even within Scotland as a relatively small nation there are calls for a less centralised form of government to better represent the interest of remote regions such as the Highlands. England, with a population ten times greater, has citizens whose level of empowerment is substantially less. Devolution within England is haphazard and asymmetric, often favouring metropolitan areas, and none of it approaches the extent of power currently given to the Scottish Parliament.

1.5.2 Liberal Democrats are committed to decentralising power and to increasing localism and the empowerment of citizens. Liberal Democrats (and the antecedent Liberal Party) have a history of promoting federalism for the United Kingdom and regionalism for England as a means of decentralising.

1.5.3 In 2014, the Liberal Democrats endorsed Policy Paper 117 which called for a roadmap towards a federal UK. The paper addressed the English question with calls for devolution-on-demand as a means of beginning a process of regionalisation within England. What Policy Paper 117 did not do was explicitly endorse an end result in which a tier of regional government would encompass all of England. Neither was it clear on transferring a significant extent of legislative powers to all regions or indeed any of them.

1.5.4 The intent behind the policy motion **A Framework for England in a Federal UK** is to promote a tier of regional government across England and for that tier to assume significant tranches of legislative power, moved downwards from central government. The policy motion, if passed, will call for this extent of regionalism irrespective of the decision Conference takes on England's arrangement within a federal United Kingdom.

1.5.5 The policy motion views the issue of England's position within a federal UK and that of decentralising power within England as being concurrent issues. The nature of the binary choice between a single English state or a set of regional states involves the question of the number of tiers of government that would exist in the UK as a whole and within England. It involves the question of whether those tiers of government conflict with each, whether they represent "too many politicians".

1.6 The Imbalanced Union

1.6.1 Today England represents some 85% of the UK population and the resulting economic, cultural and political dominance makes the relationship between the home nations a strained one. Some would suggest the rapid growth in Scottish separatism is fuelled by the intransigence of the British government and a perception of the British Government as being an English Government.

1.6.2 The United Kingdom has failed to adapt to these tensions and constitutional complications. Recent devolution in the form of the Scottish Parliament and the Senedd Cymru may have resulted in greater home rule but constitutionally, the United Kingdom has become more messy as a result, with a variety of constitutional 'bodges' to deal with the asymmetric devolution.

1.6.3 Addressing the arrangement for England within a federal United Kingdom must improve the relationship between the home nations. If not, federalism may be of little interest to the people of Scotland, Wales and Northern Ireland.

1.7 England within the unitary UK – The West Lothian Question

1.7.1 Devolution to Scotland means that much legislation is currently enacted by the Scottish Parliament. In the absence of devolution of those same policy areas either to England or any subdivision of England, it follows that legislation for England must be enacted by the UK Parliament. This is another way in which the governance of England and the UK are conflated.

1.7.2 In 1977 the Member of Parliament for West Lothian, Tam Dalyell, asked the question in a House of Commons debate on proposals for Scottish and Welsh devolution. Mr Dalyell asked why he, as MP for West Lothian, might in future be voting on matters affecting Blackburn in Lancashire whilst Lancastrian MPs would have no say on certain matters affecting the town of Blackburn in West Lothian, those matters being devolved to a future Scottish Parliament. This was thereafter referred to as the West Lothian Question.

1.7.3 One concern is that by legislating for some England-only affairs, Westminster acts as both an English and British Parliament whereas such functions are clearly separated for Scotland. Secondly, if non-English MPs are excluded from voting on all-England matters (such as by *English Votes for English Laws*) this creates two classes of MPs. These problems increase the more that some devolved bodies have more legislative competence than other parts of the Union.

1.8 The English State vs the English Regional States in a Federal UK

1.8.1 The choice between a single English federal state and a set of English Regional states is one that has to balance several conflicting factors:

- Satisfying a sense of English national identity.
- Satisfying a sense of local and regional identity within England.
- Creating tiers of government that suit the modern population and economy.
- Legislating for and administering functions which remain common across England.
- Balancing the relationship between the four home nations.

- Balancing the relationship between the various parts of England.
- Resolving the West Lothian Question.

1.8.2 The sense of identity within England varies considerably from region to region. Some modern identities have superseded historic ones. Some historic identities are at complete odds with the significant changes in population centres and economic zones that have taken place over 1000 years or more. Some parts of England are more identifiably a “region” than others.

1.8.3 A body of opinion states that having the English Regions as federal states constitutes abolishing England as a nation. Another body of opinion goes further; that any form of regional government within England threatens the existence or identity of England as a nation.

1.8.4 Regionalists, on the other hand, see England as a large and diverse nation that requires much greater decentralised government for its domestic affairs. They do not see a powerful tier of regional government as threatening England or Englishness.

1.8.5 It has been stated that federalism entails a partnership of equal states. In a perfectly symmetric federation the national parliament and government would have no more or no less power over any particular state or territory. That suggests all constituent states having equal legislative powers as well as equal constitutional status. The West Lothian Question would not arise in such an arrangement.

1.8.6 For the United Kingdom, however, this would necessitate the English Regions (if they were federal states) becoming separate legal jurisdictions just as Scotland is. This

is highly likely to be unacceptable to many who would see it as 'abolishing England' and this option is not being put to Conference. Few committed regionalists propose this form of perfect symmetry.

1.8.7 The reality is therefore one in which there will remain some body of law and justice common to all of England. What form of legislature and government is required for England or its regions? Can the West Lothian Question be resolved adequately? Does the solution help balance the relationship between all the nations and regions of the UK?

1.9 Legislation for all-England affairs

1.9.1 If a federal United Kingdom is formed by a union of four nations, the English Question reduces to that of how to constitute an English Parliament and Government. It becomes easier for the home nations as federal states to be equivalent in every way. Whether or not England is decentralised with regional government does not necessarily impact upon the structure or workings of the federal union. In the mind of some, this form of union preserves England and Englishness and is simple and fair to all four home nations. In the mind of others, a powerful English government and parliament for 85% of the population of the UK merely creates a near-duplication of the British state, an excess of politicians, perpetuates an unhealthy dominance by England and risks conflict between the English government and the British government.

1.9.2 If a federal United Kingdom comprises Wales, Scotland, Northern Ireland and a multitude of English Regions as states, the governance of England will be divided between the regional states but with some affairs requiring an all-England legislature. Regionalists would view this as giving the English Regions a strong voice without being subsumed by

a London-centric unitary English Government, whilst opponents of this arrangement might see it as making England less of a nation compared to Wales, Scotland and Northern Ireland. Many regionalists also view this arrangement as better balancing the relationship between the home nations, recognising that in many policy areas the views of some corners of England may well align more closely with those of Scotland, for example.

1.9.3 An all-England legislature and government could be formed in a number of ways. It might be a directly elected chamber entirely separate from the federal government. It might be formed by a subset of the elected parliaments of each of the English regions. It might be formed by representatives who sit in the federal Parliament.

1.9.4 The policy motion **A Framework for England in a Federal UK** offers these three solutions for all-England legislation as alternatives for Conference to decide upon. The policy motion calls for a strong tier of regional government within England, but all three options are valid regardless of the choice made between a single English federal state or a multitude of English Regional States.

1.9.5 The motion contains one proviso. If all-English legislation is to be performed by representatives who also sit in the federal Parliament, this must operate in a way that does not conflate English governance with British governance. If members who represent English constituencies in the federal parliament are campaigning for election and doing so significantly on the basis of their role in internal English affairs rather than British affairs, this could constitute an unhealthy confusion between England governance and British governance.

2 Overview of Working Group's Task

2.1 Introduction

2.1.1 The Federal Policy Committee (FPC) established a policy group in the late autumn 2020 to advise it on how best to create a federal structure in England following the adoption of a motion to support a federal UK at the autumn conference 2020. That motion represented an important foundation for the creation of an England of the Regions.

2.1.2 The motion passed in September 2020 represented an important foundation for the creation of an *England of the Regions*. It said:

2.2 F11: The Creation of a Federal United Kingdom

Conference notes that:

- A. The future cohesion and existence of the United Kingdom is threatened by a sense of alienation and powerlessness amongst many of our citizens which has fuelled Brexit and the growth of nationalism.
- B. The COVID-19 crisis and Brexit have demonstrated both the value of the United Kingdom and the damaging inadequacies of its current constitutional arrangements.
- C. Most people across the United Kingdom have multiple identities which they recognise to varying degrees and which should be reflected in the institutions of government.
- D. There is growing support for constitutional reform across the nations and regions of the United Kingdom.

Conference believes that:

- i. The constitution of the United Kingdom is not fit for the needs of a 21st century liberal democracy.
- ii. The best way to ensure the continued union between Scotland, England, Wales, and Northern Ireland is to create a truly federal United Kingdom, as long advocated by Liberal Democrats.

Conference calls for:

1. A Declaration that the United Kingdom is a federal union that exists by the consent of the people of Scotland, England, Wales and Northern Ireland where the founding principles of the Union are:
 - a. Democratic government based on liberal values in compliance with the European Convention of Human Rights and which fully respect the diverse identities of our people.
 - b. An equitable distribution of resources between different parts of the United Kingdom based on their respective needs.
 - c. A duty of co-operation between both the Federal and State governments to work for equality of opportunity, guarantee the essentials of a decent life for our citizens, tackle climate change and meet the challenges of a global economy.
 - d. Subsidiarity so that the Federal Parliament does not have the power to legislate in areas of competence of the parliaments of the nations and regions of the Union without their consent and that the exercise of public

responsibilities is decentralised as much as is reasonably practicable.

2. Early measures to implement the Federal Declaration including:
 - a. Creating a Declaration of Rights as a foundation document of a Federal United Kingdom which includes a new, modern, inclusive definition of citizenship.
 - b. The enactment and endorsement of the Federal Declaration by Westminster and the Parliaments and Assemblies of Scotland, Wales, and Northern Ireland.
 - c. The creation of a United Kingdom Constitutional Convention to lead the creation, on a wide civic and popular basis, of a codified written constitution for Britain.
 - d. The election of the House of Commons by Single Transferable Vote and replacement of the House of Lords by an Upper House with a proper democratic mandate on a basis that represents the nations and regions of the United Kingdom.

3. The creation of powerful institutions to encourage and enable co-operation between the governments and parliaments of the various parts of the United Kingdom that would include:
 - a. Creating a United Kingdom Federal Council of Ministers to enable the governments and parliaments of the various parts of the Union to work better, building on the work of the joint Ministerial Committees.

- b. A power for one government to request formally that another take specific necessary action to facilitate policy objectives in an area where the other government has the policy lead.
 - c. A duty on the Federal Government to consult with the governments of the specific parts of the Union on federal policies that would impact on their statutory responsibilities.
 - d. Reform of United Kingdom-wide institutions to enable them to serve all governments and parliaments within the United Kingdom.
4. The transfer of additional powers to the Senedd Cymru (Welsh Parliament) to create broad parity with the powers of the Scottish Parliament including the creation of Wales as a distinct legal jurisdiction.
5. Liberal Democrats in positions of power or influence in the Scottish Parliament, Senedd Cymru and in local and regional government to collaborate in campaigning and using their influence to build a federal United Kingdom.

2.2.1 This Motion set out principles for the UK to become a union of its nations and regions. In relation to England, it said we believe in a truly federal United Kingdom with an equitable distribution of resources between different parts of the United Kingdom based on their respective needs. It referred to federal and state governments in which subsidiarity applies to the nations and regions of the Union and in which the exercise of public responsibilities is decentralised as much as is reasonably practicable. The Upper House should become representative of the nations and regions of the United

Kingdom. There would be a federal Council of Ministers to enable the governments and parliaments of the various parts of the Union to work better, building on the work of joint Ministerial Committees. This would be made up of first ministers from the UK nation states and English regional states.

2.2.2 However, the motion said nothing about local government. It did not say how many English regions there should be, nor what exact powers they should have. It did not say anything about taxation or how resources would be redistributed. It implied each region can have ministers but not for which departments.

3. Consultation

3.1 Introduction

3.1.1 To help the FPC Policy Group in its work, a consultation was undertaken with party members to gauge opinion on options. There was a 2-hour consultation at the Spring Conference attended by 130 members, and members were invited to complete an online questionnaire on their preferred approach via the Party's website. There were regional consultative sessions (West and East Midlands, Devon & Cornwall, East of England, and North West/Yorkshire/North East together). A conclusion arising from the consultative sessions which seemed fairly consensual was that a large number of small regions should be avoided.

3.2 Responses

3.2.1 Over 350 responses were received to the questionnaire and the following results reflect the responses.

- ***If there were to be a federal UK, which broad approach do you prefer?***

Regions of England should be federal states with powers nearly equivalent to Scotland, Wales and Northern Ireland but with some common all-England legislation (e.g. law and justice).

51.4%/ 185 resp.

England should be a single federal state with powers equivalent to Scotland, Wales and Northern Ireland, but with greater decentralisation through strengthened local government.

34.2%/ 123 resp.

Regions of England should be federal states with powers equivalent to Scotland, Wales and Northern Ireland with their own legal jurisdictions.

14.4%/ 52 resp.

- ***If English devolution proceeded with Regions as the federal states, what sort of regional structure would you prefer?***

6 large Regions – e.g. North of England, Midlands, East of England, London, South East of England, South West of England.

48.9%/ 172 resp.

Around 9-12 Regions.

36.1%/ 127 resp.

A larger number of Regions including Combined Authorities, Counties and City regions.

15.1%/ 53 resp.

- ***How should common all-England matters be handled?***

An English National Chamber made up of representatives appointed by the English Regions?

31.5%/ 112 resp.

A directly elected English Assembly

29.0%/ 103 resp.

The UK Federal Parliament and Government continuing to have responsibility (albeit separately from federal functions).

27.0%/ 96 resp.

There is no need for all-England institutions.

12.4%/ 44 resp.

4. Establishing a Federal UK

4.1 Introduction

4.1.1 In terms of establishing a federal United Kingdom there would need to be:

- A declaration of a federal United Kingdom by the Westminster Parliament and the three national Parliaments.
- The creation of a United Kingdom Constitutional Convention to progress federalism.
- A process for development of a written constitution and Bill of Rights.
- A process to engage civic society, business, trade unions and the general public.

4.1.2 In our federal structure, the UK Federal Parliament and Government would have responsibility for 'federal' functions – broadly equivalent to the 'reserved powers' under the Acts establishing the Scottish and Welsh Parliaments. The outcome would be a modern, effective, balanced, more democratic and inclusive United Kingdom where people feel listened to and respected.

4.2 Powers and Functions of English Regions

4.2.1 It should be noted that:

- The powers and functions of the regions would come from taking over relevant functions from Westminster and Whitehall – broadly equivalent to the powers allocated to the Scottish and Welsh Parliaments.

- The regions would also have the opportunity and the power to take over the functions of specific national quangos.
- No powers would be taken from local government and passed upwards to regions.
- The powers and status of local government would be suitably entrenched and protected in the constitution to prevent the erosion of powers away from local government to central government as has been the case over some 40 years by successive governments.

4.3 Setting up English Regions

4.3.1 The following principles would underlie the setting up of English regions:

- People have multiple identities and the establishment of regions requires compromises being made between the varying degrees of identity on the one hand and the practical needs of rational, localised and representative government on the other.
- The English Regions need to have popular support and broad local agreement on their boundaries and name.
- A scheme for allocating central government powers to regions would require an enabling Act of Parliament.
- The legislation would require the creation of regions across England to take over the relevant powers from central government within a specified period. The whole process could well take several years, and it might be necessary to phase in the process in different regions.
- London (based on the boundaries of the London Assembly) should become a Region.

- The legislation should set up a Commission for the English Regions to cover the regions other than London with power to propose regional boundaries based on wide consultation within large “regions” (North of England, Midlands and East of England, South East and South West) as to the preferred structure for their area.
- The scheme should be flexible enough to allow, if desired, for regions as different in size as Cornwall or the North of England to exist.
- Individual schemes for a specific region should require the consent of a conference of local authority representatives within the Region.
- There should be a process to allow for local decisions by a whole council area to opt to be in a different region.

4.4 General principles to underpin the creation of an English region

- Decisions on regional names, democratic structures, and the seat of administration should be left up to the regions.
- There should be a statutory duty to provide specific protection and promotion of rural interests.
- There should be constitutional protection of the rights and status of local government – the principle of subsidiarity.
- There must be a reduction in the size of the House of Commons and the House of Lords in parallel with creation of English regions.
- The size and cost of central government would therefore be cut and resources reallocated to regions

- A fair and adequate distribution of resources to the Regions – meaning in practice that poorer parts of the country are supported by richer parts (a key plank of any federal system).
- Ensuring that power and funds are driven downwards from Whitehall and the skills to manage that are developed at a regional level.

5. Changing the Shape of England

5.1.1 The chart below explains how we think the constitutional problems of England can be addressed based on clear policies and principles. It delivers a more radical approach for decentralisation than those offered by other parties.

See overleaf for chart



PROPOSED FEDERAL SYSTEM OF GOVERNMENT

PRINCIPLES

- PARITY OF ESTEEM BETWEEN NATIONAL, REGIONAL AND LOCAL INSTITUTIONS**
- WRITTEN UK CONSTITUTION**
- CONSTITUTIONAL PROTECTION FOR LOCAL, REGIONAL AND NATIONAL GOVERNMENT**
- SUBSIDIARITY**
- PROPORTIONAL VOTING SYSTEM TO ENSURE CONSENSUS BUILDING**

FEDERAL*

- CLIMATE CHANGE**
- DEFENCE**
- EMPLOYMENT AND TRADE**
- FOREIGN AFFAIRS**
- FISCAL, ECONOMIC & MONETARY POLICY**
- NATIONAL CRIME AGENCY**
- NATIONAL SECURITY**
- PENSIONS & SOCIAL SECURITY**

REGIONAL

- EDUCATION**
- ECONOMIC DEVELOPMENT**
- HEALTH**
- POLICE & JUSTICE**
- TRANSPORT**

LOCAL

- EDUCATION & CHILDREN'S SERVICES**
- ENVIRONMENT**
- HOUSING**
- LEISURE**
- PLANNING**
- SOCIAL CARE & PUBLIC HEALTH**
- TRANSPORT**

DEDICATED PROCESS FOR ALL ENGLAND LEGISLATION

**Some aspects of Federal responsibility are already allocated to the Scottish Parliament and we do not propose changing that.*

6. The Motion F21 A Framework for England in a Federal UK

6.1 The Motion

6.1.1 The motion being debated at Conference has been agreed by FPC on the basis of the work conducted by the working group. The motion reads as follows:

Conference believes that:

1. The UK's constitution is no longer fit for purpose, failing to deliver appropriate representation, disempowering communities and risking the break-up of the UK.
2. Too much power and control over people's lives is hoarded in Westminster and Whitehall, especially in England, with regions and communities excluded from decision making over their areas, leading to a dangerous sense of powerlessness and alienation from government.
3. Power and decision making should be dispersed as widely as possible across the UK, which is best delivered through a federal system of government.
4. In England, many of the decisions about areas which are currently taken in London should be taken instead at the regional level, which should become powerful centres of decision-making in their own right, empowering and engaging communities, improving the quality and efficiency of public services, leading to a sustainable levelling-up of the UK, and strengthening the union.

Conference calls for:

- i) The creation of a UK Constitutional Convention, with the aim of drafting a new Federal Constitution that sets out the powers of the government at each tier, founded on the principles of democratic engagement, liberal values and respect for diverse identities, underpinned by a fair distribution of resources based on respective needs.
- ii) English Ministries and ministerial functions to be separate from those of the United Kingdom Federal Government.
- iii) The Convention to establish an inclusive approach for determining the structure of government in England, including a regional tier of government and special protections for rural communities where necessary.
- iv) A new Declaration of Rights, which will ensure human rights are integrated fully into the new system of government and respected at all levels.
- v) The replacement of the House of Lords with an elected Senate of the federal UK Parliament which will represent the federal states of the UK.
- vi) A target of at least 50% of public spending to be controlled by state, regional and local government, in line with other successful federal states. Achieving this will be a prerequisite for successfully and sustainably levelling up the UK.

Conference further calls for:

- I. A federal system in which the UK government primarily has responsibility over matters affecting the whole of the United Kingdom, including;
 - a) International Aid.
 - b) Defence and security.
 - c) Transnational and cross boundary crime.
 - d) Foreign policy.
 - e) Monetary policy.
 - f) Overall fiscal policy.
 - g) International trade.
 - h) Employment and the United Kingdom internal market, working in partnership with the nations and regions.
 - i) Immigration.
 - j) Strategic transport.
 - k) Strategic environmental and decarbonisation policy.
 - l) Ensuring financial resources are shared fairly across the UK.
 - m) Pensions and core social security benefits.
- II. A tier of directly elected regional government throughout England which will have responsibility for:

- a) Regional economic development.
- b) NHS and social care services.
- c) Policing.
- d) Strategic housing and planning policy.
- e) Regional transport.
- f) Education, including skills.
- g) Agriculture and rural affairs.
- h) Local environmental and decarbonisation policy.

III. A smaller range of functions to be exercised at the all-England level, including the legal system and universities.

IV. A process based on natural communities and local consent for determining the boundaries of regions.

V. The interest of rural communities within England to be given enhanced protection both within the federal constitution and in the processes and practices of English regions.

VI. The powers and standing of local government to be enhanced and strengthened in the new federal constitutional settlement.

VII. EITHER

A. England to be a single federal state, with a constitutional standing equivalent to that of Scotland,

Wales and Northern Ireland, but the powers outlined above exercised at regional level.

Or

B. Individual regions within England to be federal states, with a constitutional standing equivalent to that of Scotland, Wales and Northern Ireland, with England remaining as a single legal jurisdiction and some common functions being managed at an all-England level.

VIII. AND EITHER

1. An English National Chamber with representatives appointed by the English Regions.

Or

2. A directly elected English Assembly/Parliament.

Or

3. The UK Parliament holding responsibility for England-wide matters, but in a way that does not conflate the governance of England with the governance of the United Kingdom.

6.2 Commentary

6.2.1 *The first section* explains why the motion is needed.

6.2.2 *The second section* contains six issues of principle which should underpin our approach. These principles matter because they propose a substantial shift in the nature of governance in England. The final point (vi) relates to public spending. In the course of our review the Working Group compared OECD figures for the proportion of public expenditure at national and sub-national levels in member

countries. The average for sub-national expenditure in OECD countries in 2018 was 40%. Germany was 50%, Spain 60% and Denmark 65%. These countries all have strong regional government. The figure in the UK is 24% and confirms our suspicion that government in this country is over-centralised and consequently much less efficient or sensitive to local and regional needs. We felt that Germany's figure of 50% of public expenditure being spent sub-nationally would be a good minimum target to aim for, as we envisage similar powers being established in the regions and nations of the UK.

6.2.3 *The third section* defines those matters which should stay at a UK government level and those for which an English regional tier would be appropriate. It acknowledges that there will be matters that will continue to be exercised at an English level particularly the legal system.

6.2.4 *The fourth, fifth and sixth sections* remind us that local consent will be essential, that rural areas will need enhanced protection, and that local government should be strengthened as part of the process.

6.2.5 There then follows a set of choices. The consultation earlier this year showed that the party as a whole has a variety of views on how to implement a federal policy in England. It is important therefore that a way forward can be found that commands broad support.

6.2.6 The choices relate to whether England should be a single federal state but, given its size, with a regional tier of government OR whether individual regions should be federal states with some common all-England powers and functions managed at an all-England level.

6.2.7 There is then a further choice between an English national chamber with representatives appointed by regions OR a directly elected English Assembly or Parliament OR the UK Parliament having responsibility for England-wide matters with a separate governance structure.

6.2.8 These are the choices we think the Conference needs to make.

7. The Scottish and Welsh Perspective

7.1.1 It may help to have a view from Scottish and Welsh Liberal Democrats who have commented as follows:

7.1.2 Politics in Scotland is currently dominated by the constitutional question and public polarisation between supporters of independence and supporters of the United Kingdom. The Scottish Parliament elections of May 2021 re-elected an SNP minority government committed to an independence referendum. Polls currently indicate a more or less even split on the independence issue but the SNP and the pro-independence Scottish Greens have a Parliamentary majority.

7.1.3 The future existence of the United Kingdom is therefore an urgent issue in Scotland which cannot await the more leisurely pace of public support for decentralisation in England. The campaign for a federal United Kingdom may be the best and last chance of holding the UK together.

7.1.4 In Wales there is rapidly increasing discussion of the position of Wales in the Union. Polls indicate record (but minority) support for independence. Pro-independence parties did not make gains in the recent elections. There is increasing support for greater formal constitutional recognition of the place of Wales in the UK, including within the Welsh Labour government. The Welsh Liberal Democrats urgently need a credible federal 'offer' in order to play a role in this debate in Wales.

7.1.5 The nature of decentralisation in England, and the number and size of the English regions is primarily a matter for England but there are implications for the other UK

nations. Clearly a federation of the 4 home nations is different from a more balanced federation of 3 nations and say up to 12 English regions. One of the most attractive arguments for federalism is that it releases the diverse voices of the nations and regions across the UK – it is a more balanced approach than the current top-heavy and narrowed view of one central government in London that gave us Brexit and the worst aspects of Covid.

7.1.6 Scottish and Welsh Liberal Democrats therefore require:

- A coherent federal scheme for the UK.
- A road map to building a federal UK.
- Traction for decentralisation and federalism in England.
- Constitutional entrenchment of the nations and regions so that they cannot be overridden by Westminster/Whitehall on matters within their jurisdiction.
- A separation out of English and UK Ministries.
- A specific and effective voice for the nations and regions on UK reserved issues that affect them e.g. Brexit, the UK internal market, national transport issues like HS2 or Heathrow runways – probably through the UK Federal Senate.

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Printed by Sarum Colourview,
Unit 8, The Woodford Centre,
Old Sarum, Salisbury, Wiltshire, SP4 6BU

ISBN: 978-1-910763-91-9