

Federalism: still the best future for Scotland

An interim report from the Home Rule and Community Rule
Commission of the Scottish Liberal Democrats

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A decade ago I asked a group of Scottish Liberal Democrats led by Menzies Campbell to put down in one place our party's understanding of the how Home Rule for Scotland could be delivered and secured in a Federal United Kingdom.

In 2012 Menzies and his team produced their report "Federalism: the best future for Scotland". Those proposals became Liberal Democrat party policy and formed the basis of our submission to the cross-party Smith Commission which agreed the additional powers for the Scottish Parliament that became law in the Scotland Act 2016.

In January I asked Menzies and his team to look again at where the debate had moved to and to set out clearly a route to federal union.

During the pandemic we have seen some of the benefits of devolution and joint decision making through the four nations approach. Bringing power together when necessary has enabled joint decisions and the flexing of that approach for each part of the country has allowed for a diverse approach when it suits the circumstances. Sadly, at the same time we have also seen damaging squabbles and point scoring between the Scottish and UK Governments.

Scottish Liberal Democrats believe in working together with others to achieve the changes needed to the way we run our country. In the 1990s we worked with Labour and civic Scotland in the Scottish Constitutional Convention to build the case for a Scottish Parliament and now we must do the same to stabilise and reform the UK to make it fit for the future.

I welcome initiatives from Labour – not least from former Labour Prime Minister Gordon Brown - and even the faint suggestions that the Conservatives understand that there is a problem that needs to be addressed.

I believe that the United Kingdom will only be secure when its constitution clearly recognises the shared sovereignty of all four constituent parts of the union and finds a way to ensure that the UK Government, the governments of Scotland, Wales, Northern Ireland and the various parts of England can work together rather than grandstanding for political advantage.

If the Conservatives are prepared to move, then I welcome that. The misguided United Kingdom Internal Markets Act 2020 is not built around the idea of partnership and does not respect shared sovereignty. Change is essential and the Westminster veto must be curtailed. Reform of the UK into a federal union will ensure that the nations, regions and communities of our country can have a bigger say in the future of the United Kingdom.

A handwritten signature in black ink that reads "Willie Rennie". The signature is written in a cursive, slightly slanted style.

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Federalism: still the best future for Scotland

The preamble to the Constitution of the Liberal Democrats commits our party to the promotion of a democratic federal framework within which as much power as feasible is exercised by the nations and regions of the United Kingdom.

As Liberal Democrats we are internationalists, we are federalists. We believe not in erecting borders but in dismantling them. We do not think the politics of nationalism, the politics of grievance, ultimately the politics of division, are any way in which to conduct truly progressive politics.

This interim report asks what are the minimum steps that must be taken to ensure a stable, fair and cooperative future for Scotland in the United Kingdom.

We welcome the thoughts and ideas of those in our party and outside it who understand the need for action and we plan to publish our final report in advance of the Scottish Parliamentary Elections in May.

We have set up a dedicated email address campbellcommission@scotlibdems.org.uk. We look forward to hearing positive ideas about how to create a federal United Kingdom.

Why federalism?

Seldom has the world seemed so overwhelmed with cataclysmic shocks – at times the pace of change is dizzying and disorientating. In the past decade populists have used the politics of identity and the promise of easy answers to offer people a way out from the complexity of the modern world.

Liberal Democrats, on the contrary, demand better. We want to offer hope, opportunity and security to all our people. We campaigned with others to reverse the Brexit decision and reconnect the UK with its friends and neighbours in the EU. No-one will be surprised that we remain committed to the long-term objective of the whole UK re-joining the European Union, but partly as a consequence of Brexit, there is now a greater challenge here at home. We must create a sustainable long-term future for the whole UK.

In the 1980s and 90s Scottish Liberal Democrats worked across party lines to build the case for a powerful Scottish Parliament and succeeded. Holyrood has real power over almost all the key areas of domestic policy, schools, the NHS, justice and policing, social care, economic development, transport and taxation. Despite this powerful parliament the SNP seek to offer the people of Scotland a binary choice: the status quo or independence. As Scottish Liberal Democrats we reject that.

For decades now we have had the solution in mind. We need to turn the United Kingdom into a federal union that would allow all parts of the union to choose their own solutions in their part of our islands whilst a more inclusive, democratic and accountable federal parliament and government preserves the UK single market, provides for common matters like defence and foreign affairs, pensions, employment and the economy and deals with the

big issues that face us all, like climate change, technological change and the challenges of an aging population.

A federal union will meet the challenges of the 21st century without the tension, inequality and sense of crisis that is inevitable if these islands are dominated by narrow nationalists of any flag.

Federal systems of government are used across the world in countries as diverse as Australia, Canada, Germany, Switzerland and South Africa. They allow for the expression of different identities within one system, but with the additional influence and strength which comes from co-operation and common purpose.

The clear commitment of former Prime Minister Gordon Brown to reform of the UK is good news for those who want to see the UK change and thrive. Even rumours that parts of the Conservative government in London are willing to consider a fundamental review of the UK's power structures is to be welcomed. It is good that people are looking hard at reform and change to the way the UK works, but change will only be good enough – good enough to preserve the UK – if it addresses the dissatisfaction that people all over the UK have with government institutions, and from Westminster and Whitehall in particular.

The pandemic has shown up the strength of the United Kingdom – but also the downside of a dysfunctional and centralised relationship between central government, whether in London or in Edinburgh, and local and regional government across the country.

We believe that there are five tests that must be met by any reform package in order to address the alienation that exists and to create a new reformed union that can prosper long into its fourth century.

1. Reform must allow English voices to be heard

As Scots we need reform of the UK to give us a bigger voice in the union and to encourage partnership not division. Scotland's need is an aspect of the real need for all the nations, regions and communities of the UK to be heard when decisions are made that affect them.

One of the best arguments against independence is that there is more that unites us than divides us across the UK and that there are many cities and communities in England that share the same interests and needs as particular cities and communities in Scotland.

Just as we want our voice to be heard, so do the cities and communities of England. It is not for us to tell England how to decentralise power from Whitehall and Westminster, but for the union to survive and prosper that must happen. In Scotland, Wales and Northern Ireland we look to our own governments and parliaments to make decisions about education, social care, health, transport and support for business. If the new union is to work, then the regions and metropolitan cities of England must have many of those same powers and be heard when big decisions need to be made.

We welcome the news that the Liberal Democrats in England will be consulting on decentralisation of power to and within England at the online Federal Conference on 19th - 21st March 2021.

2. UK Governments must earn the support of the majority

A demand for electoral reform may seem like a particularly Liberal Democrat demand, but the very fact that the Conservatives have a majority in the House of Commons with significantly less than half the popular vote alienates those who feel their votes are wasted and drives separation and nationalism across the UK. Any reform of the UK must involve political reform at Westminster.

It is not clear which is more remarkable: the fact that the Government has a majority in Parliament despite not earning a majority of votes from the country – or the fact that as a society we've grown so used to this disproportionality that we very rarely comment on how remarkable it is.

One of the arguments in support of the current system for election is, to quote a previous Conservative General Election slogan, that it provides Strong and Stable governments. The last two governments have demonstrated that this is far from the case. We have a broken system. It is unfair, it is unrepresentative, it is certainly not particularly competent or successful, and it undermines the legitimacy of our democracy and indeed the UK itself.

Surely now, following two divisive 'winner takes all' referendums in the past decade (and with all the challenges we face), we require a different kind of politics to the adversarial two-party politics which is the natural result of the current First Past the Post system. The current voting system for the House of Commons results in the permanent disenfranchisement of millions of voters, creating persistent minorities and a real and legitimate sense of anger that populists exploit.

It's not only our governance which is weakened by First Past the Post. A proportional system which ensured that no Prime Minister ever assumes office without the support of more than half of those who choose to vote will have another important effect. Almost any system of fair votes for Westminster will have the effect of encouraging a more diverse range of viewpoints and experiences to be heard in the House of Commons. If we look at the diverse and secure electoral systems of parliaments across Europe, we can see how fair votes encourage parties to run more women, members of minority groups and people from LGBT+ background as candidates than we achieve here. Change would be good for the UK and would ensure that people understand that our federal parliament represents us all.

We welcome the commitment in Labour's 2019 manifesto to replace the House of Lords with a Senate and there is much to welcome in Gordon Brown's idea – long supported by Liberal Democrats - of turning the House of Lords into an elected Senate of the nations and regions of the UK. We are clear though that Labour need to face up to the reality that, as long as a new UK Government can be elected with as little as 35% of the vote, the risk will always be

there that any attempt to deliver more power to the nations, regions and communities of the whole UK could be undermined in a single General Election.

In the end, we believe electoral reform and proportional representation for the House of Commons is an essential element of any realistic and practical plan to maintain the union and create a Federal United Kingdom.

3. The union should not be a battle between leaders or identities

As Liberals we need to protect and nurture the idea that people can share in and enjoy multiple identities. People can be Scottish and British at the same time. For many, the past year has felt like a choice between a UK government that seems to stagger from crisis to crisis and a Scottish Government that has presided over high levels of deaths, problems with its track and trace system and a comparatively slow start to its vaccination programme but which is much better at communication.

If at every turn, nationalists can present disagreement as a battle for identity we will fail, but we can learn from the European Union and federal states across the world and bring together those in government from across all the islands to work together. We will then be able to fight back, cooperate and deliver greater prosperity, as well as cementing the commitment of people and communities across Britain to our democratic institutions.

There have been informal joint ministerial committees since 1999, but these have not been meeting as frequently in recent years as they did in the first decade of devolution. The lesson has to be that there needs to be some formal system, like a UK Council of Ministers, to bring the governments of Scotland, Wales and Northern Ireland together with elected Mayors and local leaders across England to sit down with each other and the UK Government to thrash out problems together rather than battle over the airwaves. People who talk together work better together.

We are particularly interested in the Canadian system of First Minister's Conferences run, as it is, by the independent Canadian Intergovernmental Conference Secretariat to support conferences of first ministers, ministers and deputy ministers, throughout Canada.

4. Westminster must share sovereignty

When the Scottish Parliament was created it was always clear that unless power was specifically retained in Westminster it was devolved. The same principle now applies to the Welsh Parliament and Northern Irish institutions.

Until Brexit, conflicts between those parliaments and Whitehall were generally about money, but now we face the real problem of how to manage the UK single market without proper institutions to share the responsibility across these islands .

The creation of a single market between Scotland, England and Wales was a key reason for the union of 1707. In recent years difficult decisions in this area have been made in Brussels. Now that Brexit has happened the Conservatives have passed the United Kingdom Internal Market Act 2020 to bring that power back into their hands in Whitehall with none of the checks and balances that existed in the EU.

They believed they could do that because the unwritten constitution is built around the principles that parliament is sovereign, and that no parliament can bind its successors. This means that (putting aside the real political consequences of doing so) the Westminster parliament does ultimately have the power to overrule Holyrood, Stormont or Cardiff Bay in an area of devolved competence.

We believe that to prosper the UK Government and Parliament have to turn the UK into a genuine partnership, and such a partnership will not prosper if one part (the UK Government) claims the right to set the rules and change the powers of all other partners. This is especially troubling when the current electoral system for the House of Commons means the UK Government does not have or need majority support of voters across the UK.

It may seem like a deeply technical change, but the Westminster Parliament needs to share sovereignty with the political institutions of Scotland, Wales, Northern Ireland and England. To do that it must permanently and irrevocably renounce the power to change the powers of the devolved parliaments across the UK or to pass laws in their areas of responsibility.

Such a change would create the parity of esteem and respect that is needed for better decisions to be made about the UK single market, the fiscal pact and major policy challenges like climate change. It is also, in our view, the declaration that actually creates a federal union, as the equality of status for all parts of the UK that it creates prevents a future UK Government from centralising power at Whitehall again.

5. A United Kingdom Constitutional Convention

Constitutional reform cannot be the monopoly of any one party. In order to have legitimacy and be sustainable, it should be broadly based, both politically and on civic society, and must be the product of an inclusive deliberative process.

Cross party working was a key part of the success of the Scottish Constitutional Convention (of which Liberal Democrats were a significant and persuasive part) which ultimately produced an overwhelming majority in favour of our Scottish Parliament.

The creation of a federal United Kingdom, securely based on a modern partnership between our nations, will require a United Kingdom Constitutional Convention that can harness the best ideas from across the country, from citizens and communities, academics and civic society and from political parties.

It will not be easy, but the results will be worth it – a sustainable and indeed inspiring future for Scotland as true partners in a federal United Kingdom, a harmony of purpose and a union of hearts. We can then mend our constitution and support our recovery.

The election of a growing number of Liberal Democrats and other federalist voices to the next Scottish Parliament in May will be a major stepping stone on the way to a fairer, more inclusive federal United Kingdom.

Putting Recovery First

In the run up to the Scottish Parliament elections this year the Scottish Liberal Democrats have made putting the recovery first our top priority. We believe that people want us to use the powers of the Parliament to restore the status of our education system, get the NHS back on its feet, find jobs for young people and tackle climate change. This is in contrast with the SNP for whom secession and division is the answer to every problem.

We welcome suggestions that the Conservative Government are aware that the question of the constitution of the UK requires to be addressed. As Liberal Democrats we are suspicious of their professed antipathy to the European Convention of Human Rights and the powers of the Supreme Court to decide on constitutional questions, but this recognition of the need for long-overdue constitutional reform has to be welcomed. The right thing for the UK Government to do now would be to realise that they don't have all the answers and start to look at reform to widen the base of support for the union.

In January press reports indicated that the Conservative Government was looking at establishing a Royal Commission on the Constitution. We believe that would be a mistake, partly because any Royal Commission will take too long, but mainly because the first step that the Conservatives and Labour need to take is to recognise that the UK needs to become a federal union and act to make that happen.

We have identified five steps that need to be taken for a reformed and federal United Kingdom. The first four do not need to wait for a UK constitutional convention to specify all the details. Of course, the final plan will require a UK constitutional convention, but it will take too long to meet the immediate challenge posed by the issue of the SNP's proposed second independence referendum.

What is needed now is the clear political commitment from the leaders of both the Conservative and Labour parties that they realise that the UK needs reform, that many voices must be heard, that electoral reform is part of the solution and that, in the end, Westminster cannot preserve the union by keeping all the power in its hands.

Once that commitment is made then we can be sure that the UK is on the road to reform and, finally, to a federal United Kingdom.

Five Steps to a Federal Union

The first four are steps that should be taken now and the last is needed to complete the transition to a stable and secure Federal United Kingdom.

1. Decentralise power to make real decisions in a wide range of policy areas from Whitehall and Westminster to the cities and regions of England.

2. Recognise that the Government of the UK must enjoy the support of the majority of those who vote in each UK General Election.
3. Create a United Kingdom Council of Ministers, to bring together the governments of Scotland, Wales and Northern Ireland together with elected Mayors and regional leaders across England.
4. Pass legislation in which Westminster renounces the ability to unilaterally change the powers of the devolved parliaments across the UK or to pass laws in their areas of responsibility.
5. Establish a United Kingdom Constitutional Convention to bring together political parties, parliamentarians, local government and civic Society to address the alienation that exists and finalise and confirm the move to a federal union.

Members of the Campbell Commission

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