

Scotland Bill 2015 (First Reading)

Introduction

The Scotland Bill 2015 will be being debated in the House of Commons on Monday 8th June 2015. The purpose of the Bill is to extend the powers of the Scottish Parliament following the report of the Smith Commission.

Monday is the first chance MP's have to debate the Bill. After Monday's debate it will go to Committee Stage where amendments to the Bill can be discussed.

Scotland Bill 2015

This Bill is the UK Government's response to the Smith Commission and is aimed at translating the provisions of that report into law. It seeks to put the Scottish Parliament on a permanent footing along with the Sewel convention that states that Westminster will not normally legislate on devolved matters without the consent of the Scottish Parliament.

Scottish Parliament and local government elections will be fully devolved, subject to a two-thirds 'super majority' threshold for changes. A Bill is already going through the Scottish Parliament to allow 16 and 17 year olds to vote next year.

The Scottish Parliament will gain new powers over taxation rates and bands of income tax, for earned income, which excludes savings and dividends. Air Passenger Duty and the Aggregates Levy are to be devolved. VAT revenues equivalent to a 10% rate will be assigned to Scotland, but there are no powers to vary the rate. Business taxes (as UNISON and others argued) remain reserved.

The Barnett formula will remain and a new fiscal framework for Scotland will be worked out. However, this will be done parallel to and not as part of the Bill because the fiscal framework does not require legislation. The new provisions introduce a larger element of volatility into the Scottish Budget, so the framework and new borrowing powers are very important. The Scottish Parliament will control around 50% of its income under these plans. That is an increase from 21% in the 2012 Act that comes into force in April 2016.

Parliament gains new powers over welfare payments (disability, industrial injuries and carer's benefits) and will have the power to create new benefits and top up others. Other elements of the benefit system remain reserved including pensions and Universal Credit.

KEY POINTS:

- **The Scotland Bill 2015 will further extend the powers of the Scottish Parliament is being debated on the 8th June**
- **The Bill is the Government's response to the Smith Commission Report**
- **The Bill contains some welcome measures but also misses a variety of opportunities for reform**
- **UNISON will support attempts to improve the Bill as the legislation progresses**



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Housing Benefit remains within Universal Credit although there will be some powers to vary the rate and methods of payment. However, UNISON argued for full devolution as other aspects of housing are devolved. The Bill as currently drafted has the potential not only to make the system even more complex to administer, but will make the development of a coherent housing policy much more difficult. Amending this section is one of UNISON's highest priorities.

The Scottish Parliament's Devolution Committee has also highlighted concerns over the welfare and work programme proposals.

The Crown Estate, which controls important land and coastline resources, will be devolved. Powers over specific equality duties will also be strengthened, although this falls short of the wider equalities and employment law devolution UNISON argued for. The administration of Tribunals will be devolved and this provides an opportunity to tackle ET fees in Scotland.

Public sector operators will be able to bid for Scottish rail franchises, but as the Scottish Government has let them until 2025/30, it remains academic for a while. Transport Police will be devolved and there will be a debate if this is to be incorporated into Police Scotland.

Consumer advocacy and advice will be devolved, but not consumer protection. This is a strange half way house that impacts on a number of UNISON members. Not even all advocacy is devolved, as Ofcom and Ofgem stay reserved.

Energy has reserved and devolved aspects. Some further powers are to be devolved including onshore oil and gas extraction (final say on fracking) and to design schemes relating to energy efficiency and fuel poverty. There are also new consultative requirements over renewable energy, including levies. While these are helpful they fall short of tidying up energy and that means full devolution.

Other powers devolved include gaming machines, road signs, and speed limits.

UNISON Approach

We defined the sort of Scotland we seek in our Fairer Scotland paper and measure constitutional arrangements against that vision. The objective is to tackle inequalities, poor health and deprivation, pursue full employment and employment rights. The constitutional mechanics are a means to an end, not an end in themselves.

The Smith Commission report advocated a significant shift in powers, albeit it did not go as far in some areas as we would have wanted. The current Bill contains both welcome measures and missed opportunities. We also argued that devolution should not stop at Holyrood, with more powers for local government.

We will continue to monitor the progress of the legislation and will encourage branches to lobby their MP's to support amendments which will bring the Bill more in line with UNISON priorities.

Further info

Bill page and documents

<http://services.parliament.uk/bills/2015-16/scotland.html>

Research Briefing

<http://researchbriefings.files.parliament.uk/documents/CBP-7205/CBP-7205.pdf>

Smith Commission report

https://www.smith-commission.scot/wp-content/uploads/2014/11/The_Smith_Commission_Report-1.pdf

UNISON Scotland submission

http://www.unison-scotland.org.uk/scotlandfuture/SmithCommission_UNISONSubmission_Oct2014.pdf

Scottish Parliament Devolution Committee

http://www.scottish.parliament.uk/S4_ScotlandBillCommittee/Reports/dfpr-15-03w-rev.pdf

Fairer Scotland

<http://www.unison-scotland.org.uk/scotlandfuture/>



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