



Political and Constitutional Reform Committee

Oral evidence: [The future of devolution after the referendum](#), HC 700

Monday 24 November 2014

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Members present: Mr Graham Allen (Chair); Tracey Crouch; Mark Durkan; Paul Flynn; Robert Neill; Mr Andrew Turner

Questions 224 – 296

Witnesses: **Ruth Davidson MSP**, Leader, Scottish Conservatives, and **Eddie Barnes**, Director of Strategy and Communications, Scottish Conservatives, gave evidence.

Q224 Chair: Ruth, welcome. Sorry we missed you when we were in Edinburgh. We remember taking evidence from you, Willie, and Johann earlier, which in many ways helped set the scene for our previous inquiries. Now we have moved on pretty rapidly with fantastic events and engagement and excitement in Scotland—some may argue too exciting at various points.

Ruth Davidson: I would not disagree with that wording at some points.

Chair: We wanted to get a report out almost alongside the Smith commission to try to give a view from our Committee to put in front of Parliament. We were very keen to see you, so we are delighted that you have taken the trouble to come and see us in London. Ruth, do you want to kick off with an opening statement or shall we jump straight into questions?

Ruth Davidson: First, apologies that I was not able to meet with you when your Committee met in Edinburgh. That was unavoidable and I am delighted that you have made time for me to come and speak to you today.

With regards to your report coming out alongside the Smith commission report, as members of this Committee will be aware, Lord Smith has quite rightly asked for the chief protagonists and their leaders who were involved in those negotiations not to give a running commentary on them. We are at a point in those discussions where it may be that there are some questions I am not able to answer as fully as I would otherwise like to, just because of the time at which the session is happening. I apologise for that in advance.

Chair: No problem at all—completely understood. Tracey, over to you.

Q225 Tracey Crouch: Thank you for coming. The agreement between the Union parties on the way forward for Scotland in the event of a no vote came very late in the campaign. Settlement is being negotiated to an extremely tight timetable so that a draft Bill can be published and scrutinised before next May. Assuming that Lord Smith's commission reports by 30 November, do you think that this timetable is feasible?

Ruth Davidson: First of all, I understand that the nationalist elements within Scotland have tried to suggest that talking about further powers was in some way a last-minute or a last-ditch attempt. It was not. The three individual pro-Union parties in Scotland—the Scottish Conservatives, Scottish Labour and Scottish Liberal Democrats—had all previously brought forward and put on record and published ideas for further devolution. We had also, before a statement was put out by the three of us and the three UK party leaders, had two significant events that were multi-party to show our commitment to further powers. One of them was in June in Calton Hill at Edinburgh. The other was on 1 or 8 August, I forget which, in Buchanan Street in Glasgow. The intervention to say that we would be combining those was taking a more natural extension to what we already knew, in that constitutional change is done best when it is done in a cross-party way. In previous examples that we had had of further devolution to Scotland, most notably the recent 2012 Scotland Act, it both required and succeeded in achieving cross-party support in the House of Commons and unanimous support when it was so motioned in Holyrood.

On the timetable for the Smith commission, there was an understanding that people in Scotland did not want to have a “sometime, somewhere, never” approach to further powers. The agreement was made that there would be legislation ready to go no matter who became the next Government after the Westminster election in May. Therefore, it would sort out the horse trading. It would allow there to be a much greater degree of cross-party consensus. The idea was that there would be a Command Paper by 31 October. Smith managed to have that out several weeks early. The agreement is not for a fully signed draft legislation by 30 November; it is for heads of agreement only, and we are on course for that to happen in time. In fact, I believe the current deal is that it is going to be several days early, on Thursday. The legislation itself will be worked upon and the idea behind that timetable is that it would be in draft form by 25 January. Again, while I understand that this is a reasonably speedy process, it is one that has a lot of work underpinning it. A lot of work went into each of the offerings from the three parties, and also from the SNP, who are forming the basis of the negotiating team in the room.

Q226 Tracey Crouch: Do you think that this is the best way to achieve constitutional change which clearly has the support of the public in Scotland? If so, how can we gauge whether the public support the agreement when it is reached?

Ruth Davidson: I think what is clear is that constitutional change is done best when it is never seen as the preserve of a single or sole political party or entity. We saw that with the Scotland Act 2012 and, like I say, even though that fell far short, for example, of what the Scottish National party would wish for further powers for Scotland, it still achieved assent within the Chamber at Holyrood from every single one of its members who were present for the vote on that day. I think it is important that when you are talking about changing the “rules of the club” within the UK and within Scotland it is taken as far from the partisan as it can be.

Q227 Tracey Crouch: Do you think the rest of the UK will have the same level of support? Do you think the public south of the border share the desire to have constitutional change in Scotland?

Ruth Davidson: I know from the large amount of polling and research that was done prior to the referendum that the majority of the rest of the UK wanted Scotland to stay. I think there is an acceptance that people in Scotland wish to have some form of change and that that was part of that.

Tracey Crouch: But there was no—

Ruth Davidson: Sorry, if I could finish. Just as it is not, I believe, for people in England to prescribe to people in Scotland how we develop the devolved institutions there, neither is it for me as a Scot who serves in the Scottish Parliament to prescribe to other areas of the UK how that devolution is developed. I was invited and was happy to give evidence to the Silk 2 commission, which is looking at issues in Wales. I know that the McKay report had an awful lot of recommendations for how local government is developed within England. I think that it is right, as we find ourselves in a devolved nation, that the areas look to make sure they have the best settlement that they can, not to the detriment of others, but also as to how we can have a stable union. Having powers that meet the aspirations of people in each part of that union increases stability rather than decreases it.

Q228 Tracey Crouch: In the run-up to the referendum, as a Conservative Member of Parliament in a Kent constituency I suddenly discovered that I represented a lot of Scottish people who were rather aggrieved that they did not have the opportunity to vote in the referendum. When I asked the question about what support you think the public might have in the rest of the UK, I do not necessarily think that that automatically refers to English people. There are a lot of Scottish people living south of the border who care very deeply about their country. When we talk about engaging or gauging public support for constitutional change in Scotland, do you recognise that there are a lot of people who might not ordinarily get the opportunity to have a say on that?

Ruth Davidson: I do and, like yourself, I received any number of representations from Scots living down south or in Wales or in Northern Ireland or even abroad who, despite not living within the boundaries of Scotland, still are Scottish, feel Scottish, feel as if they have much to say about the future of Scotland, in the same way as many people from other parts of the UK currently live in Scotland. Indeed, I think it is a testament to the success of our Union that there is that level of movement of people within it. While I recognise that there are concerns when things change in another part of the country that are not fully explained, not fully understood or there is no direct voting on it in other parts, I think it is incumbent upon people like myself or the UK Government to explain things better. It is important, too, that we still have a large democratic space for UK-wide institutions to discuss it. That is why I have been very supportive of conversations within both the Commons and the Lords on this in the past, and why our own submission that we brought forward in Scotland from the Scottish Conservatives—Lord Strathclyde headed a commission for me that reported back on 1 June of this year—suggested some form of organisation that would be a committee of assemblies and Parliaments of the UK for issues to be sorted out as a sort of standing committee. That is not for me to impose on other areas, but it is an offering to the debate that I think all parts of the United Kingdom are currently having.

Q229 Tracey Crouch: Can you expand on that a little bit? The Prime Minister said on 19 September said that arrangements for England to be able to vote separately on issues of tax, spending and welfare devolved to the Scottish Parliament must take place in tandem with and at the same pace as the settlement for Scotland. If there is no agreement at Westminster on how to handle the English questions, what do you think the consequences are for Scotland?

Ruth Davidson: First of all, I think it is incumbent upon me to further put on record that the Prime Minister made it very clear that talk about what I believe is known in common parlance as “English

votes for English laws” was not contingent upon what happened in Smith or vice versa. They are being looked at in tandem, but Smith will happen to its timescale irrespective of what happens with English votes for English laws.

Again, I would pull you back to the McKay commission report that looked specifically at this issue. I think that there is a democratic deficit where an area that affects only England, for example criminal law—Scotland has had its own criminal legal system for hundreds of years; it has never been tied with England—can be changed because of the votes of Scottish MPs, whose constituents do not serve under that legal system, to the detriment of a majority of English MPs, whose constituents do serve under that legal system. I think there is an inherent discrepancy there and an unfairness that people in Scotland recognise.

Q230 Tracey Crouch: So you do not see any risk to the agreed timetable on Scottish devolution?

Ruth Davidson: The Prime Minister has given both public assurance to the country and private assurance to me personally that looking at English votes for English laws will not affect the timetable for the Smith commission. These are assurances which I welcome.

Q231 Tracey Crouch: Do you have any view on how the House of Commons should handle legislation that does not affect Scotland—EVEL, an initialisation I hate? Do you have any particular view on that? I presume that it is something you would—

Ruth Davidson: We could be here an awful long time if we talk about First Readings and Second Readings and all the rest of it. I trust that William Hague’s committee is looking at this in the round, and that it will bring forward recommendations that are sensible. I do not want to prejudge what that committee’s report is. He will undoubtedly be looking at that aspect of furthering devolution to a much greater degree than I have. What I can say, pulling it back to first principles, is that there is a recognition that a democratic deficit exists for people in England under the current system.

Q232 Tracey Crouch: Could I ask about your submission to the Smith commission calling for the Scottish Parliament to take on responsibility for the setting of rates and bands of income tax within Scotland? If implemented, what are the potential consequences of this move for the UK Government and the other nations of the UK? Would your proposal on fiscal devolution mean that Scottish MPs at Westminster could be blocked from voting on income tax measures that are just in the UK Budget?

Ruth Davidson: First of all, we should be clear that in the proposals that were put forward by Strathclyde, which is what we have championed in the talks—obviously we are only one member of five round the table in there but we certainly took our Strathclyde proposals into the talks—our view was that income tax should be a shared tax. For example, the personal allowance should be UK-wide. There should be no impact on the income tax rates, for example, for savings or dividends. We did look specifically at bands and rates of income tax on earned income. I think it is important to explain that existing financial powers will already impact on the UK Budget in Scotland because from April 2015 the Scottish Parliament will be setting rates like stamp duty, land tax and landfill tax. That was already in train as a result of the Scotland Act 2012 as well as a proportion of income tax returning also to the Scottish Parliament, which was set in the 2012 Act at 10 pence in the pound.

There is no suggestion that this process would result in MPs from Scottish constituencies being excluded from a wholesale vote on the Budget. As I would return to, this is not a new thing because it was already within the provisions of the Scotland Act 2012. How taxes that apply in England or other parts of the UK only would be looked at I think is something that William Hague's committee will look at themselves. What is clear, however, is that Scottish MPs cannot be disfranchised from voting on issues that do affect their constituents, and the vast majority of the Budget does.

Q233 Tracey Crouch: Do you foresee any changes to the future of the block grant to Scotland calculated through the Barnett formula as a consequence of more devolution to Scotland?

Ruth Davidson: Sure. I think it is incumbent upon me to separate out the block grant and the Barnett formula. All three of the current UK party leaders, Ed Miliband, Nick Clegg and David Cameron—and we assume that one of them will be Prime Minister after May at least—have gone on the record saying that they do not see a change to the Barnett formula on the horizon. But the Barnett formula will become less important if there is a change to the amount of income tax that is set and returned to the Scottish Parliament. At the moment, as you are aware, the block grant is entirely composed by the Barnett formula and is sent north once a year to the Finance Secretary at Holyrood with several upratings and Barnett consequential when there are changes to public spending down south.

The method that was agreed within the 2012 Scotland Act was that there would be a top slicing of that block grant for the proportion of income tax that was devolved, which would then be returned through direct taxation to Scots. That is why everybody in Scotland is getting their own tax code and tax number. If there was a wholesale devolution of income tax bands and rates and a wholesale returning of income taxation to the Scottish Parliament, as I and our party have proposed under the Smith commission and from Strathclyde, that would be a much bigger top slicing. The method that was agreed by all parties under the Scotland Act 2012 was the Holtham index deduction method. I think that principle would stand if you took a greater proportion of that.

Q234 Tracey Crouch: That still has wider Scottish public support, presumably?

Ruth Davidson: I think I would be overstating things if I said that every single voter in Scotland understood what the Holtham index deduction method is and how it works, but I think there is a general acceptance in Scotland that people understand that devolving a greater degree of income tax is about Scottish taxpayers paying for a greater part of the Scottish Budget.

Q235 Tracey Crouch: That was really the question. They might not understand all the technicalities around it but what they will understand is when perhaps they have to start paying for prescriptions or tuition fees or a greater input into long-term care. Once it actually starts to hit somebody in their pocket, they will probably then understand more fully the consequences of greater devolution to Scotland.

Ruth Davidson: As somebody who is from the centre right, I think that responsibility in government is a good thing and I welcome it being the case that future Scottish First Ministers and Finance Ministers have to look the taxpayers of Scotland in the eye. It is wholly iniquitous to have a legislature with such huge powers of spending but so few powers to raise money. We have had a situation in Scotland for the last seven years where a packet of money has come from Westminster to Holyrood every year to be disbursed by the Government of the day, and seven years of that a nationalist Government telling the entire populace of Scotland that everything that is good in

Scotland is because the Scottish Government has spent money on it and everything that is bad in Scotland is because that nasty man—first Alistair Darling and then George Osborne—has not sent enough up the road. That is a situation that results in a Government that is not responsible and I want to see a greater responsibility within the Scottish Parliament and the Scottish Government.

Q236 Tracey Crouch: I can certainly say from my constituents' perspective that one thing that they do get incredibly frustrated about is the sense of inequality across the United Kingdom, that one part is not paying for its prescriptions and the other part is, that some children are paying £9,000 tuition fees and others are not.

Ruth Davidson: I would say to your constituents, though, that the health budget is set in Scotland. I do not agree with having free prescriptions because it takes £60 million a year out of the Scottish health budget. We now have about 3,500 fewer nurses and midwives than we used to have, I think in large part because of free prescriptions. I realise that in UK-wide media, with the idea that something is being paid for by something else, the second half of that equation does not always come through, but from my view I do not believe that free prescriptions—which was basically a sop to the middle classes, people who were always previously happy to pay a contribution to prescriptions—has helped healthcare in Scotland.

Q237 Tracey Crouch: My final question, which is somewhat at a tangent to the last one, is: do you think the balance of power between central and local government in Scotland is fair at present? If the balance does need adjusting, whose responsibility should it be?

Ruth Davidson: I think there has been a large amount of centralisation by the current Scottish Government that takes power away from communities and more localised groupings. Sometimes that is local authorities; sometimes that is things like police boards. For example, we have had Scotland's eight police forces combined into a single police force for Scotland and a chief constable who is almost directly responsible to the Justice Minister. I do not think that is particularly democratically healthy and there are a lot of communities across Scotland that want to have their community police force back. We are seeing a huge amount of centralisation across colleges now where they are being almost forced into combining, which again I do not think helps people. The concordat with local governments between the Scottish Government and local authorities is a means by which the Scottish Government can say that council tax has not risen because there is an agreement worked out and some money is coming from central government to local government, but it is tying the hands of local authorities.

I believe it is for future Scottish Governments to make sure that our local authorities are empowered. There are ways in which community empowerment can still happen from a UK level. We have seen the best example of that in the City Deal for Glasgow and the Clyde Valley, which has involved not just an infrastructure spend but also some other work that has been involved there. I do not know if you are interested but I have a list of a £9 million employment scheme that will work with over 4,000 vulnerable employed residents; a new employment service support for young people; a new scheme to boost earnings of people on low incomes; £60 million of UK Government contribution to a £64 million stratified medicine centre of excellence; a MediCity Scotland facility. A lot of work has been done as part of this deal and I take my hat off not just to the UK Government, led by the UK Treasury and BIS, but also to the local authorities around the Clyde Valley and greater Glasgow City Council as well in making that happen. I would like to see more power passed from Holyrood to local authorities, and from local authorities to community councils in fact. I think it is for people within Scotland to make sure that the thrust of that happens and the power for that does lie with the Scottish Parliament and has done since the establishment of the devolved Parliament in 1999.

Q238 Chair: Does that not need some sort of settlement over and above the one in the devolution package; otherwise, powers that you push down to local government or beyond local government can be sucked back up to Holyrood level, can't they?

Q239 Ruth Davidson: I think there is a big debate going on about that in Scotland at the present time. Indeed, we have not had anything as forensic as the McKay report into local authorities and the empowerment that it could have. I think in Scotland we would benefit from a—I was about to say a Scottish equivalent of McKay but I think I would be doing the good Lord a disservice because he is, indeed, a Scot.

Q240 Paul Flynn: Wasn't the fact that support for independence passed the 52% mark in the latter stages of the referendum campaign the stimulus that drove the three Union parties into a reluctant embrace of unity that created the vow?

Ruth Davidson: Again, I would point to the event that happened in Calton Hill in Edinburgh in June of this year, to the three parties coming together to talk about more powers in August in Buchanan Street in Glasgow, and also to the fact that a full-page advertisement had been taken out in the same paper signed by myself, my opposite number in the Labour party, Johann Lamont, my opposite number in the Liberal Democrat party, Willie Rennie—who I believe you are about to hear from—the Prime Minister, the Deputy Prime Minister and the Leader of the Labour party at UK level a week and a bit before the vow came out saying almost exactly the same thing. So I would refute that.

Q241 Paul Flynn: The vow was not a turning point, a dramatic injection into the campaign that seemed to reverse many of the—

Ruth Davidson: It is true to say that a great deal of people across Scotland wanted to know that voting no did not mean nothing, it did not mean no change, because there is an appetite for change in Scotland. However, none of the polling and research that has happened since the referendum on what encouraged people's votes, what the stimulus was for it, suggests that the vow made any material difference.

Q242 Paul Flynn: Is the lesson of the campaign that those who wish for devo-max should campaign for independence?

Ruth Davidson: I think we must be very clear what devo-max is. A lot of terms are thrown around in constitutional politics in Scotland. The best known ones are devo-more, devo-plus, devo-max and indy-lite and I have yet to find two people who will agree on what any of those mean. My belief on devo-max is that it is the maximum amount of devolution within the loose bonds of a nation state, which is absolutely every decision-making power devolved apart from foreign affairs and defence policy. That was never on the table nor advocated by anybody.

Q243 Paul Flynn: Is there a case for a constitutional convention now to determine the future relationship between the component parts of the United Kingdom?

Ruth Davidson: It is something that I was asked about a couple of years ago by this Committee or another Commons Committee and thought that there was some merit in it. Having looked at that further with Strathclyde—the Strathclyde proposal was some committee of all of the Parliaments and assemblies of the UK—I still think that that has some merit. How that would work and how we

would make sure that there were willing participants from all sides requires an awful lot of discussion between all the various Parliaments and assemblies and is not for me to prescribe.

Paul Flynn: Is that a yes or a no?

Ruth Davidson: That is a yes. I think that there should be some form of structured engagement between all of the Parliaments and assemblies in the UK, whether it is a royal commission or a committee.

Q244 Paul Flynn: If we have this constitutional convention, what should it consider? What should be on the table?

Ruth Davidson: This will probably come as no surprise in the room as a representative of the Conservative and Unionist party, which is how we fight in Scotland: I think its remit should be how to make the Union a more stable and prosperous place for all its citizens.

Q245 Paul Flynn: In order to make the Union more stable, do you think that the convention could look at the statements made on behalf of Prince Charles that he intends to be involved in politics as a monarch and above politics?

Ruth Davidson: I have to say I have no in-depth knowledge of the comments to which you refer. Do you have them written down there? I will address them if I know them.

Paul Flynn: I am not sure I would get an answer anyway.

Chair: I think Paul can write to you on that one.

Paul Flynn: I will happily write to you at considerable length.

Ruth Davidson: I would be happy to engage in correspondence on the matter at some future time.

Paul Flynn: I will send you back copies of *The Guardian* on Monday of this week, which you will find very educational and stimulating.

Ruth Davidson: I apologise to the Committee. *The Guardian* is not my usual reading matter.

Paul Flynn: Oh dear, that is a great shame. You are very deprived.

Ruth Davidson: I did used to work at the BBC and you will not be surprised to know that it was then but it is not now.

Q246 Paul Flynn: Do you think the powers of the Scottish Parliament should now be entrenched in a form that is much more permanent than the Scotland Acts?

Ruth Davidson: The pledge that was given at the establishment of the Smith commission was that the work that the commission fulfils will result in further legislation to pass a greater degree of power and responsibility to the Scottish Parliament. While I recognise that other countries around the world have a codified and singular constitution, I think that the flexibility that the UK has from not having one is a great strength. So I do not believe, beyond the Acts that exist and are coming, that that is required.

Q247 Paul Flynn: Do you not think the process of devolution on the instalment plan, piecemeal with issues being taken in Wales and Scotland and Northern Ireland, is reaching a position where the unwritten constitution is discredited and this bumbling along is going to reach breaking point because of the inconsistencies like EVEL, which has been mentioned, that are being raised now? We have a very untidy arrangement. Do you not think now is the time to have the constitution codified?

Ruth Davidson: I think we are a unique nation in the world because we are a nation state with four nations within it. Each has its own character, size, geography, demography and traditions. In many places the laws are different, the education system is different, and yet we are one people. It is that messiness that is also the wonderfulness of the United Kingdom, and I do not believe that you need to write down or have the presumption to write down in 2014 something that you think will straitjacket this amazing evolving nation of ours for decades and centuries to come. I do not believe that we need a written constitution.

Q248 Paul Flynn: Do you not think it is going to be hamstrung by contradictions now because of the demand for that? English nationalism was a sleeping giant and it now threatens to destabilise the progress towards further devolution or independence in the countries of Britain.

Ruth Davidson: I think people want the Government and Parliament and assemblies of this country to deliver for them. There are many areas where the peculiarities of the UK mean there have to be peculiarities in the way in which the legislatures work in order to accommodate them. The driving goal for all of us involved in public service at an elected level, whichever level that is, is that we deliver for people. I do not believe that people at home much mind how that works as long as they feel that their elected representatives are delivering for them, their life is getting better and their children have more opportunities than they did.

Q249 Paul Flynn: One of the great encouragements from the result of the referendum in Scotland was the widespread participation, reversing a trend that has been apparent for a long time; 85% voted and a huge number registered. A record number, I believe, were registered. This was an extraordinary result in participation. What are the lessons for that? What is that going to mean to the politics of the future?

Ruth Davidson: I agree with you. I think it was astounding to have an 85% turnout. I believe it is the highest level of participation in any democratic event that we have had in our recent history.

One of the lessons that we can learn from that and we can look at is the level of voter engagement in 16 and 17 year-olds. My party went into the referendum believing that the voting age of 18 was about right and that 16 and 17 year-olds should not have the vote, and that certainly you should not change the voting age for just one electoral event; it should be uniform for all events. You should be enfranchised or not enfranchised; it should not be one or the other. I have completely changed my mind. I spent two and a half years doing uncountable numbers of schools events, young people events, youth events, charity events, organisational events, college events, university events, and the level of voter engagement, the level of voter knowledge, was superb and really impressive. I have completely changed my view on that and I am making representations with my colleagues at Westminster that this is something that should be looked at for the whole of the UK, using the Scottish example as a prime example of why.

I also think that what we learnt from this referendum was that one of the things that gets people engaged is the importance of the votes and the amount of energy put into advocating your side of it. This was not an electoral event that involved new technologies particularly. There was not e-

voting, text voting or phone voting; it was not “The X-Factor”. We saw in Scotland a resurgence of old-fashioned politics. The number of town hall meetings that happened, the amount of standing on soapboxes in village squares and broadcasting to whatever shoppers happened to be around, was a return to good old-fashioned politics, red in tooth and claw.

I think what made the turnout as high as it was was the import, and what I believe we have to stress in future elections is making it clear to people that their vote matters and that the choice that they make will impact on their lives. It is demonstrating why it is important that you vote in a general election, why it matters who the Prime Minister is, why it matters who the First Minister is when you vote in a Scottish election. Giving people a clear choice was the deciding factor on why the turnout was so high.

Q250 Paul Flynn: One of the things that puzzles outsiders as they are watching this is why, after the referendum, the winners seem to be downcast and the losers are triumphant. Could you explain to me what change has taken place in the membership of your party since the referendum?

Ruth Davidson: We have seen an increase in members.

Q251 Paul Flynn: What kind of percentage?

Ruth Davidson: We do not regularly disclose what our membership roll is, but I can tell you that the Scottish Conservative party has come out of this stronger. I am not sure that my Liberal Democrat or Labour friends could say the same. We have come out stronger on all counts of identified Conservatives, future Conservative pledges, donors, activists, people wanting to stand for us at future elections.

Q252 Paul Flynn: How do you explain that?

Ruth Davidson: I think people saw us stand for something. I believe that we are perhaps seen as the most pro-Union of the pro-Union parties, possibly partly to do with the “Conservative” and “Unionist” parts of our name, and also because in any public or televised or radio debates that I took part in I did not shy away from talking up our United Kingdom. I am Scottish to my bones—I have never lived or worked anywhere else—but I am British too, and I am proud of both of these identities. I believe that as a nation we have had some tough times, but I think it is because we have pulled together that we have done so well in them. I was not in any way embarrassed to talk up the achievements of the current Government, whereas perhaps some of my colleagues from other political parties might have had a weather eye on the next election. I believe that we are one of the world’s great nations.

Q253 Paul Flynn: You thought it was better to be together with your comrades in Scottish Labour and Scottish Liberal parties and this would benefit you in future?

Ruth Davidson: Well, “comrade” trips off your tongue possibly easier than it does mine. When we launched the Better Together campaign there was a very arresting photograph, which was Alistair Darling as the head of the campaign and the three pro-Union party leaders in the Scottish Parliament, the Scottish leaders, standing on an upper dais, a kind of balcony. It was the first time that you had really seen politicians in Scotland in a post-devolution age working together in that manner. It was an absolutely arresting photograph and the people liked the idea of politicians putting their differences aside to work for a common cause, and this was a common cause. We may

have different views on how we want the United Kingdom to develop but we believe in the United Kingdom.

Q254 Paul Flynn: I think I will get a picture of this blessed trinity for my Christmas card this year. Do you fully expect that there will be an improvement in your party, that it will be maintained both in participation and support into the general election?

Ruth Davidson: I believe so, but I think it is a fool that calls a general election six months out.

Paul Flynn: Thank you very much. I am grateful.

Q255 Mr Turner: Can I ask one question? I apologise that this may have been dealt with, in which case say nothing. Do you believe that the convention for the UK should come first or second to the decision by England?

Ruth Davidson: This is something that we have slightly covered. To recap, the timetable for the Smith commission has been laid down and all parties have entered that in good faith. I know they can deliver on that. We already saw the first stages of it when, by having a Command Paper produced by 31 October, they were ahead of schedule and were looking to be several days ahead of schedule with the heads of terms that are due out by the end of this month. The Prime Minister has made clear that the timetable for Smith is not contingent upon what is happening anywhere else in the UK. English votes for English laws was the shorthand that we have been using here as well as in the Commons Chamber. While William Hague's committee is quite rightly looking at English votes for English laws at the same time as Smith is doing his work, they are not contingent on each other.

Q256 Tracey Crouch: I want to follow up an answer that you gave to Paul's question about voter engagement. You mentioned 16 and 17 year-olds. I do not know if you have the figures, but can you remind the Committee what percentage of 16 and 17 year-olds turned out for the Scottish referendum?

Ruth Davidson: I believe we do have those figures; we just do not have them with us today. I am happy to write to the Committee to inform you of it.

Tracey Crouch: Thank you.

Eddie Barnes: It was 120,000 who voted altogether, I think, wasn't it?

Ruth Davidson: As I understand it, it was roughly concomitant with the number of the electorates, so it was around the 85% mark. It was not a huge discrepancy between the numbers, but I will go off and check and come back. I am happy to write to the Committee with those figures.

Q257 Chair: Ruth, there is a very Scottish reason for having an interest in English devolution. That is that without English devolution the leviathan of Whitehall over-centralisation remains unchallenged and must therefore remain a threat in the sense that it stands there as an incitement to separation and independence because that is a symbol of—a driver of much of the dislike of the Union. It is felt not just in Scotland but in many places throughout the rest of the United Kingdom. Isn't it in your interest as a Unionist to want a successful devolution of power in England, whether it is to local authorities or to some other form?

Ruth Davidson: I am not sure it is as contingent upon me as a Unionist as as a democrat. You want people in any democratic country to get a fair deal. I think that there is an acceptance in Scotland, as I have previously indicated, that there is something inherently undemocratic about having the constituents of the majority of English MPs overruled because a number of Scottish MPs, whose constituents would not be affected by a particular piece of legislation, thwart their ambitions.

I completely agree with your wider point about Whitehall decentralisation. I support just pushing power down closer to people and I know that a number of my Conservative colleagues support that as well. I made a speech about crafting a new Union at our party's UK conference in Birmingham this year, where I was talking about not just the aspirations in Scotland to have powers pushed closer to people, and for that not just to be Westminster to Holyrood but to be from Holyrood down, but that there is also clamour for power closer to people in Wales, England and Northern Ireland as well. How that is managed is a matter predominantly for elected representatives in each of these three home nations.

Q258 Chair: You talked earlier about the centralisation in Holyrood and, from memory, reading your evidence, I think you call for greater devolution internally, double devolution, to the local councils in Scotland, if I recall that properly. Do you think that that same thing applies in England, where to create an English institution at the top without there being effective devolution just replicates the problems that you have already experienced in Holyrood sucking up powers from the localities?

Ruth Davidson: I think England has to find its own way of doing it. There have been experiments of different types with different types of local devolution in England. For example, some cities have decided that they want elected mayors, some have decided they do not; a number of years ago the idea of a north-east assembly was rejected by voters. We have seen with police and crime commissioners that the buy-in from voters is not as high as it might be. I do not know what the best form of further devolution is for England, but I do recognise that there is a chorus of voices in England from people who do not want power to be held by nameless, faceless bureaucrats in Whitehall. It is for the political representatives to decide or investigate or facilitate a way in which those powers can be further dispersed to meet the aspirations of the people in England.

Q259 Chair: I cannot resist this, Ruth. When you talk about the voices, I can help you out on the problem with EVEL. I suggest substituting DEVIL, which is devolved English voices in local government. I think you can sup with the devil on this one and avoid evil. Sorry, my apologies for—

Ruth Davidson: Only with a lang-shankit spuin, as they say in Scotland. I believe in Manchester it is called devo-manc, but I do not know whether that is true.

Q260 Robert Neill: Forgive me for not being here earlier. I was on a Delegated Legislation Committee. I was just going to pick up on one issue that the Chairman raised. Have you thought and, as far as you are aware, is any work being done in Scotland about what opportunities there might be for closer collaboration across the border if there were significant fiscal devolution to English local authorities as well as to Scotland? Thus, for example, if you devolved a significant proportion of, say, the business rate and other property rates taxes to English local authorities, does that potentially open up greater scope for collaboration between areas, let us say, like the north-east and areas north of the border? I wonder how much thought has been given to that, whether or not the—

Ruth Davidson: I know that there are a number of national organisations where parliamentarians from different legislatures come together in an organised way in order to talk about ways in which devolution affects each other. I know as well, particularly along the border lands—so in Dumfries

and Galloway and the Scottish Borders going into Carlisle, Cumbria and Northumberland—that local authorities work quite closely on either side of the border with them. I would be more than open to a more formalised way of doing that. I am not aware of anything more formalised right now.

Q261 Robert Neill: The example is that corporate rates of taxation or business rates of taxation north of the border potentially have a significant impact upon business in Carlisle or in Northumberland. They might well wish to have the facility to adjust their rates to make them closer to those pertaining north of the border. Can you see a mechanism to do that?

Ruth Davidson: Corporation tax is not devolved, so it is a uniform corporation tax across the whole of the UK, although there is a widely trailed announcement about Northern Ireland in the autumn statement.

Robert Neill: Who knows?

Ruth Davidson: But corporation tax in Scotland is not devolved, so it is a uniform rate both sides of the border. There are some issues, for example, surrounding business rates that are.

Robert Neill: Exactly; yes, that is precisely the area.

Q262 Chair: Ruth, thank you very much. You were in the middle of giving an incredibly eloquent and inspirational summary of the Union and I thought I had found the person who could write the preamble to the written constitution. You finished your very elegant expression by saying, “I do not believe in a written constitution”. There is a bottle of champagne that the Chair is offering to the best preamble and I am afraid you just disqualified yourself.

Ruth Davidson: Have I just talked myself out of free booze as a Scot? I am a disgrace to my nation. I apologise, Chairman, and I thank the Committee.

Chair: Ruth, thank you so much for your time today.

Examination of Witnesses

Witnesses: **Willie Rennie MSP**, Leader, Scottish Liberal Democrats, and **Lord Purvis of Tweed**, Adviser to Willie Rennie, gave evidence.

Q263 Chair: Willie, welcome. It is very good to see you. I am sorry we missed you when we came up to Edinburgh.

Willie Rennie: I was in for an operation on my back.

Chair: Successful, I hope?

Willie Rennie: Yes. Well, I am alive, which as far as I am concerned is a positive thing.

Chair: Obviously a few things have happened since we saw you last in Edinburgh, which I am sure you will allude to in your remarks.

Willie Rennie: It was a very enjoyable discussion last time, I thought. I enjoyed it.

Chair: Your colleague is—?

Willie Rennie: I have Jeremy Purvis, who is Lord Purvis of Tweed, who advises me on constitutional matters.

Q264 Chair: Jeremy, you are very welcome. Willie, would you like to say a few words to start us off or do you want to jump straight into questions?

Willie Rennie: I think it is worth reminding ourselves about what we have been through, which was the biggest democratic experience of my life, and probably of the life of anybody who experienced it in Scotland. Everybody was talking about it, and we need to remember the sheer panic that existed among not just political leaders but the voters who up until that point had thought the United Kingdom was in the bank, that it was guaranteed, that it would definitely stay together, with that opinion poll. When people are thinking about constitutional change going forward, they need to remember the agony and the pain that they felt in those last 10 days, because often the forces of constitutional conservatism in the United Kingdom are very powerful and we come up with all sorts of excuses under the sun not to do things. Whether it is problems in Syria or problems with the economy or in Europe, these other things are obviously far more important to deal with than constitutional matters; “We can’t do more than one thing at once so let’s just focus on what really matters.” They come up with every possible excuse under the sun and I think we need to remember the pain that we felt in those last 10 days when we are considering these matters and use that as motivation so that we do not return to those days and the pain and agony that we felt.

Chair: We came within 400,000 votes of the Union dissolving less than nine weeks ago and sometimes I feel, particularly in this place, that we have lapsed back into our default position pretty damn quickly. I have a feeling we might have a bit more to do once Lord Smith and others make their contributions over the next week or so.

Willie Rennie: Absolutely.

Q265 Paul Flynn: Can you help us with understanding the choreography of the extraordinary event of the final week? We have been presented with a picture suggesting that the three Union parties were coming together slowly, majestically, into a few days before the election when they produced this wonderful embrace of unity called the vow. Is this how it happened?

Willie Rennie: I would not say majestically, but it certainly was gradually coming together. The significant difference with the vow and the commitment that the three Scottish party leaders gave the week before was that previously we were having a kind of a Unionist offer, in which each individual party would put its proposals in its manifesto and if it won power it would implement those proposals. It was a direct line from its commissions to implementing its legislation. What changed was that it was going to be a cross-party affair, including the SNP and now the Greens, and also there would be a consensus before the general election. That is what the significant change was in the last period. People say that is merely technical, but what it means now is that we have an inclusive process. It means we can get the sanction of the general election for that inclusive process. Therefore, being cross-party, I believe it will be much more sustainable.

Q266 Paul Flynn: Was it not the 52% support for independence in the poll that had the galvanic effect?

Willie Rennie: Yes, certainly, there was a galvanising effect.

Q267 Paul Flynn: The picture we see now is of a great change that is planned at a very fast pace. Is it not the experience that those laws that are conceived in fear and panic and legislated for in haste are always mistakes?

Willie Rennie: I think we know more about the constitution of our country than anybody would really want to know now. We have been debating this for three years. We know the ins and outs of how the whole system works. Therefore, I think we need to use the energy created by the referendum to defeat the forces of conservatism that inevitably will rise again and stop any substantial change. We have to run with it just now. We know more than anybody would really want to know about their constitution and I think we will make very sound decisions.

Q268 Paul Flynn: I should say that Welsh MPs, I among them, have had our mouths bandaged for the last year on this subject. This is someone who in 1953 marched through Cardiff demanding independence for Wales, a long time ago, under a Labour party banner. But we have kept out of it, I think in the belief that any intervention from outside would be self-defeating. Assuming Lord Smith's commission reports by 30 November, do you think the timetable is a feasible one?

Willie Rennie: Yes, absolutely. If you give people three years, they will take three years. If you give them two months, they will take two months. I think there is plenty of time. We know an awful lot about our country and I think we are best placed to make good decisions. Yes, absolutely, plenty enough time.

Q269 Paul Flynn: What change has taken place in the membership of your party since the referendum?

Willie Rennie: I do not have exact numbers but it is not quite 60,000, I think.

Q270 Paul Flynn: Has it increased by a substantial percentage?

Willie Rennie: Yes, it has gone up. It is not substantial but it has gone up.

Q271 Paul Flynn: It is puzzling for those who are outside to see that the victors in the campaign are downcast and that the losers are triumphant. Why is this?

Willie Rennie: Yes. It is difficult to understand exactly, but the big success of the yes campaign was because they had a mass grassroots organisation. That kind of energy was going to have to be channelled somewhere after the referendum. Many joined the Greens. Many more joined the SNP. We had a meeting the other night for Better Together to thank people and we asked the audience, mostly who were not party political, how many had joined political parties and not one person put up their hand. I think it is their way of expression of channelling their energy that was created during the referendum, whereas our people tend to be much more reserved in their approach.

Q272 Paul Flynn: After the rollercoaster of support falling away, supposedly, and increased support throughout the final days and weeks, a snapshot was taken on a certain day and a decision was made. How do you think you can gauge the public support as these changes are introduced?

Willie Rennie: I think there were 27,000 submissions to the Smith process. There have been quite a lot of debates. There have been evidence sessions taken. I think there is going to have to be a role for Government and the political parties to engage on a much longer-term basis as these plans are implemented. I do not know, Jeremy, whether you want to add to that point.

Lord Purvis of Tweed: From our party's submission, which is calling for a quite radical increase in the powers of the Scottish Parliament, it will have some significant consequences there for civil Scotland. Individual groups, community groups that will be affected by it will have to be part of the ongoing process. As Willie said, there will be a role for Government there and there will be a continuing role for political parties. We very much are wanting this process not to be an end in itself for engaging people in the governance of Scotland and I think that the prospects of our submission for the Smith commission is that that is one of our understandings. The second element of it is for much more focus on taking power down from Holyrood, which I had the privilege of serving for two terms, into communities, which will require that level of engagement to go forward as well.

Q273 Paul Flynn: How do you intend to gauge the reaction from the rest of the United Kingdom? We have seen since the referendum that the monstrous forces of EVEL have raised their ugly heads. There is a new mood in politics that is resentful of devolution outside of England itself and England is there, rampant, red in tooth and claw, threatening, resentful, belligerent. How are you going to deal with this?

Willie Rennie: It depends whether you regard demands for change as monstrous. I actually think demands for change are constructive.

Paul Flynn: I think the nationalist beast that we have aroused from its lair is monstrous. It has been sleeping there for a long time.

Willie Rennie: I think the demand for local, flexible decision making is a good thing. If it is just unleashing nationalism then obviously it is a bad thing, but it is up to us to make sure that rather than resist change, which is often the desire in these circumstances, we embrace it and make it a positive change.

Q274 Paul Flynn: The Prime Minister—I am sure you follow his every word—said on 19 September that arrangements for England to be able to vote separately on issues of tax, spending and welfare devolved to the Scottish Parliament, “must take place in tandem with, and at the same pace”—which is useful if you are on a tandem—“as the settlement for Scotland”. If there is no agreement in Westminster about how to handle the English question, and it is unlikely there will be, what are the consequences for Scotland? We will no longer be moving in tandem; you will have a wheel forward and the English wheel will be yards behind. It is a frightening prospect.

Willie Rennie: I think he has clarified since by saying that one is not contingent on the other.

Paul Flynn: Did he say that?

Willie Rennie: Yes.

Paul Flynn: Okay, fine. He spoke the other day.

Willie Rennie: I thought you followed his every word.

Q275 Paul Flynn: He speaks frequently. Do you have a view on how the House of Commons should handle legislation that does not affect Scotland?

Willie Rennie: I think this is an example of where, rather than resisting the demand for change at Westminster, we perhaps should embrace it. Every form of devolution that we have had in the United Kingdom has involved an element of proportional representation. Northern Ireland, Wales, Scotland are all elected by proportional representation. If we are going to have similar change in the House of Commons by having some form of sub-Parliament decision, grand committee or whatever it is that McKay proposed, then that should be based on proportional representation as well. You will not be surprised to see that I argue for that but, rather than resisting any change, perhaps the Labour party and others should be embracing that form of change and accepting the proposals.

Paul Flynn: You might be surprised to know that I produced a new six points for Chartism in the year 2000 that included proportional representation, fair votes and votes for people at 16, so the day is full of surprises.

Willie Rennie: I do follow your every word, so I did.

Paul Flynn: You did? Thank you.

Q276 Robert Neill: It is good to see you, Willie. What will be the consequences of further devolution to Scotland? What implications do you think that should have for powers of Westminster being devolved to the rest of the UK? Looking at it from the English point of view, as you probably heard one of us saying to Ruth earlier on, if there is devolution to Scotland—leaving aside tandem or otherwise—is there an inevitable knock-on effect on what some might say is one of the most centralised states, south of the border, within western Europe?

Willie Rennie: I used to live in Cornwall. There was great debate at that time about a Cornish assembly, and there still is. They never regarded themselves as being part of England and resented Devon as much as they did London. I understand that the make-up of England is not in bite-sized chunks, so having a symmetrical form of devolution might be quite a challenging thing to do. I accept that. I think, therefore, an incremental approach to that, devolution on demand, is perhaps the way to approach it rather than on a top-down system imposed from here. When people see what you can do by making different decisions in Scotland and Wales, they should want the same for themselves as well.

That could create quite an untidy constitutional settlement for the UK, but as long as it meets needs at a local level, I do not think it matters too much. I think it needs to be driven from the bottom. If people can demand it and a certain threshold is met, then powers can be devolved. It does not have to be the same powers in every way. City Deals might be the embryonic form of that being developed. I think that kind of thing should be encouraged where it is desired, rather than in a neat and tidy—I know politicians like drawing lines on maps to make it all very tidy, but people tend not to be that interested in lines on maps.

Robert Neill: There is some evidence in places like Spain and other places in western Europe that asymmetrical devolution can work in practice, even if it looks fiddly on the map. With logic, therefore, where the demand is, that may involve different levels of fiscal devolution.

Willie Rennie: Exactly. I think fiscal devolution is part of this. One of the things we have discovered in Scotland is that having the power to have the budget without the ability to raise the money changes the nature of the political debate. We have just introduced the land and buildings transaction tax in Scotland to replace stamp duty. It is a tiny little tax but the impact it had on the

debate was quite significant because you were no longer just thinking about how you are going to spend the money but also thinking about the people who are paying it. It was fascinating how, in just a small way, it changed. I think it will help mature the Parliament if that goes further.

Q277 Robert Neill: That is very interesting and it leads me on quite neatly to the next question. What sort of revenue-raising and expenditure powers do you believe the Scottish Parliament should have in this first tranche and then—and some of it you have largely covered—any other knock-ons and so on? Should we move away from block grant funding at some point? We have the commitment in Barnett as it states, but there is an argument for Scotland—the same one as many English local authorities make to me—that essentially a block grant form of funding is not in the long term a very satisfactory means of doing it.

Willie Rennie: I think you want the balance between local decision making, local power and local accountability, because you have spending as well as raising money but you also want the equalisation. One of the central parts of the UK is pooling and sharing of resources, so you want that stability. You do not want full fiscal autonomy; you do not want each region and country of the United Kingdom to raise all the money that taxpayers contribute. My belief is that you want to raise the majority of the money that they spend. That is the principle. If you raise the majority of the money you spend, you are much more accountable and much more responsible. I would never go to full fiscal autonomy; I would go to raising the majority of the money we spend. That would be where I think parts of England eventually should move towards as well, but that might be some time down the path.

Robert Neill: I think the key point you are making is that the majority shifts from where we are at the moment but there will always be something.

Willie Rennie: The majority of them. There will always be a block grant. That will always be there because that is, in part, the United Kingdom. That is the stability and the security and the safety that it brings, but you also want to have accountability and responsibility and that is what you get raising the majority of the money you spend.

Q278 Robert Neill: From your experience in Scotland and elsewhere, would you expect that could shift the same way within the other individual parts of the UK?

Willie Rennie: Yes. I think it is regrettable that local government, particularly in Scotland, has had a reducing share of its spending raised by itself. You could attract even more people to local government if there was that greater fiscal responsibility.

Q279 Robert Neill: When I was an English Minister, one thing that surprised me a little was that you had almost a devolved body centralism towards local government, that there was a tendency for local government in a devolved Scotland world to be the losers, with their powers sucked into the assembly or to the Parliament. Is that your experience?

Willie Rennie: Jeremy was the finance spokesman for us in the Scottish Parliament so he has direct experience with that.

Lord Purvis of Tweed: My reflection as to whether a Scottish model can be transferred is that it is harder to transfer that approach. Over the last year that I have been in the other place, I have established with a Labour peer, Lord Foulkes, an all-party parliamentary group on UK reform, decentralisation and devolution. I know, Chairman, you have attended one of the meetings. One of

the observations on Scotland is that it is quite a straightforward area to see as both a distinct legal entity and an economic entity as a market. It is harder to identify the equivalent areas within England that are quite definable economic areas. What has been really interesting is the emergence of the combined authorities because it seems, for the first time in a very long time, that there are identifiable areas where the public understand that there are both of these markets. I think that does raise the potential of there being greater fiscal devolution.

Our experience as Liberal Democrats in the Scottish Parliament was that one of the things that did not happen in 1999 was the second element, the balance sheet element, the financial accountability. You can establish a legislature, or in England you could propose a regional assembly, but as the public operator with the accountability for the politicians elected to that, the finance has to be an element of it. The observations that we have had on the situation for England is an appeal perhaps to be proactive in looking through the principles of how you would do any of the further devolution, the appropriate taxes, and how that would interact with grants from central Government. To some extent, we have been doing it the other way around. I think we will be close to getting to a conclusion on that in the Smith process for the long term, but you have an opportunity within England, quite conversely perhaps, to start on this basis of having that fiscal balance at the outset.

Q280 Chair: Willie, just let me be clear: the Liberal Democrat position in the evidence you put into Smith was for income tax assignment in part. Are you now saying—

Willie Rennie: No, we said all. We said all of the income tax.

Chair: Forgive me. You are committed to full income tax assignment to Scotland?

Willie Rennie: Yes, with some allowances and reliefs remaining here.

Q281 Mr Turner: Can you tell me what is meant by federal structure, and is it different from what Conservatives probably think of devolution? I have no idea what the Labour party mean.

Willie Rennie: What we mean by federal structure is the institutions themselves being created on a decentralised model with different powers at different levels, but also the permanent nature of it: it is embedded; it is entrenched; one is not a creature of the other. That is why we make a differentiation between devolution and federalism. With federalism, we say that the Scottish Parliament needs to be a permanent institution. In reality, it is never going to be abolished—there would be an outcry if it was—but the fact that it could changes the balance of the relationship. It is not treated necessarily as a partner or anywhere near an equal partner in the United Kingdom; it is treated as a creature, the fact that Westminster can still legislate on anything that the Scottish Parliament does in any area. There is a convention with Sewel that there is an agreement sought but that is just a convention. There is the potential, in a crisis, for Westminster just to impose its will. The theoretical possibility of that existing changes the nature and balance of the relationship, and that is why we want that permanency to be created. That is a central part of how we would see federalism develop.

Q282 Mr Turner: How would the federal structure or the devolution—for a moment assuming they mean the same, and you could perhaps explain why they do not—work where England is a much larger country and therefore out of balance with the other nations?

Willie Rennie: There is an issue about the dominance of England within any potential federal structure. It is not for me as a Scot to dictate how England would cope with devolution within it but you could have regional institutions, assemblies, whatever, within England that would give more parity throughout the United Kingdom. Again, that is for England to determine. We debate all sorts of things in the Scottish Parliament, including Israel and Palestine and all sorts of other things; we do not limit our discussions to devolved issues. You could see the circumstance where, if maybe Palestine and Israel was debated in an English Parliament, that would have a massive impact on the federal parliament if a conclusion was reached in that institution.

That is just one example of why there needs to be that dispersed power throughout the United Kingdom so that they are all treated as equal institutions and one does not dominate within the larger entity, and that is what we would be in favour of. We know the problems that exist; regions within England are not necessarily commonly agreed. We understand the issue. That is why it is not for us to impose but for regions to demand and for that to evolve over time. I am not saying there is going to be an equally tidy solution from the very beginning but it is something that we should strive towards. Does that make sense? Hopefully.

Chair: Andrew, may I interrupt you? There may be a vote and, if there is, I will suspend the Committee when the bell rings so that those colleagues who wish to vote on this matter can.

Q283 Mr Turner: Does a federal system mean more than devolution means for further transfer to local authorities?

Willie Rennie: Does it mean more than devolution means for further transfers to local authorities? Do you want to have a crack at this?

Lord Purvis of Tweed: In the absence of a written constitution, that would then codify what the role within that constitution would be for the local authorities, I do not think that it would make a difference. The only aspect would be if local authorities in Scotland or in Wales have an interaction with federal bodies; because they are agents of those bodies, it may well have an interaction with that, but not considerably.

Q284 Mr Turner: Is the balance of power between central and local government in Scotland fair? How should it be amended to make it fairer if you think it is failing at the moment?

Willie Rennie: How do we change the relationship between central and local government in Scotland?

Mr Turner: Yes.

Willie Rennie: That is something that is hotly debated in Scotland. There is great anxiety that a nationalist Government is hovering into the centre. We would like the same kind of principles that we are applying to the Smith process, to the vow—that we should raise the majority of the money we spend and there should be a certain entrenchment and support—also to apply to local government, and that they should be given a greater status and responsibility because with that comes greater accountability. We think the same principles should apply. In the absence of a written constitution, it is quite difficult to entrench those, but our belief is that if it is good enough for Holyrood it should be good enough for local government.

Q285 Mr Turner: If we had EVEL in England—recognising our differences about whether we have proportional representation or not—is there anything other than that that you would find unwholesome or horrible?

Willie Rennie: I think we need to make sure that this is English people voting on English issues rather than the way that the current electoral system works, meaning that one party has the dominance and therefore it is effectively Conservative votes for English issues. We need to make sure we have a proper devolutionary system. That, to me, is the centre of this. Unless we can resolve that, it is difficult to see how you can get far-reaching change that will meet the needs and aspirations of people. I think they will be deeply disappointed if the only response in Westminster is to have EVEL based on first past the post. If that is the limit of the change, I think people will think, “Westminster has not got the message.” There needs to be that devolution on demand and there needs to be relinquishing of power, financial power, and not just the Scottish stuff; Wales has demands for change and I am sure Northern Ireland would like something similar. That all needs to happen, rather than just timid, partisan EVEL.

Q286 Mr Turner: I think the question is, is it timid or does it have the confidence of happening? Then there would be what I call devolution at the same time further than England, and that seems to me to be inevitable.

Willie Rennie: I think it is timid—tremendously timid. If this is it, if this is all that Westminster thinks needs to change, then Westminster has not got the message. People think it is way out of touch already and I think they will think so even more. People were deeply disappointed when the Prime Minister stood on the steps of Downing Street the very next day, within hours of the result, and all he could say, apart from welcoming the result, was, “English votes for English laws”. That was deeply depressing in Scotland.

Q287 Mr Turner: Was that because the Prime Minister spent a little time thinking of England or was it because you would have asked him to say more about England?

Willie Rennie: I think he probably should have just reflected more about how 45% is a significant number and how we get the dissatisfaction that exists in Scotland so we have understood that it is more than just this limited area.

Q288 Mr Turner: But you will understand that we, meaning English people, do have some reference more to what is going to go on in England than Scotland?

Lord Purvis of Tweed: I guess it is a reflection that, as far as I am aware, there has been nothing stopping any Government of the United Kingdom decentralising England. There has been no Scottish veto on decentralisation or devolution within England. There has been absolutely no Scottish veto on enhancing the power either of English local authorities or of regional combined authorities. There has been absolutely nothing stopping any Administration from reforming the Westminster institutions themselves, including, for example, reforming the Chamber that I am a member of to make it much more reflective of the nations in the UK and the regions of England. If this is now on the agenda for English reform, that is absolutely fantastic, but it is not necessarily the case that this should be seen as some form of necessary response to what has been happening in Scotland. It should actually have been on the agenda already.

If you look at it purely in isolation as an English response, you would be wanting to look at situations where you may well perceive that there are English laws but in fact they do have consequences across the United Kingdom. Our submission to the Smith commission process was arguing for much greater partnership working, recognising that there are UK-wide structures that will continue to be UK-wide structures that have impact on Wales and Scotland—whether it is in broadcasting, energy, social security and so on—where, in some form of immediate response, England would simply categorise everybody and every area that is not currently the remit of the Scottish Parliament as somehow English and Welsh. That is the problem when you simply want to respond in the way of now having to talk about EVEL in the absence of a federal relationship between the nations, recognising that there are some bodies that do have to have a response across the United Kingdom. That is where you do still get into difficulty, if you think that a UK Minister is simply an English Minister. That is not the case.

Mr Turner: I think I would argue with that but, yes, okay.

Q289 Chair: I asked the previous witness, Ruth, the same question, which is: if you have devolution in England, does that not rob the separatists of their greatest ally, which is an over-centralised Whitehall-Westminster? Doesn't that help those who believe in devolution in Scotland as opposed to those who believe in separation?

Willie Rennie: I think that is right, although it would not be my primary motivation just to stop the separatists. An awful lot of people voted for the separatists in the referendum, so we have to win those hearts and minds back. I think the dominance of Westminster, the concentration of power here, has the effect in Scotland that no matter what we say, no matter what we do, somebody else will decide. Therefore, that kind of much more decentralised, devolved set-up would assist in creating a feeling that our voice is heard.

Q290 Chair: But if you have devolved power throughout the whole of the United Kingdom in appropriate forms for each of the nations, who do you want to separate from? There is a strong sentiment, which I feel sometimes in my own region and my own city, that moving away from being told what to do by Whitehall is an unalloyed good thing.

Willie Rennie: Yes.

Lord Purvis of Tweed: Mr Chairman, I do not wish to be discourteous to the Committee but there is a Division in our end rather than your end, so if you would forgive me—

Chair: I think that is a first for us, but you are very welcome.

Lord Purvis of Tweed: Exactly. It is almost federal, isn't it?

Q291 Tracey Crouch: Do you think there is a case for a constitutional convention to discuss and determine the future relationship between the component parts of the UK?

Willie Rennie: Yes, I do.

Q292 Tracey Crouch: What sort of issues do you think it should consider? Do you think it should also perhaps consider broader constitutional change?

Willie Rennie: A written constitution, House of Lords reform, devolution on demand as we would describe it, the powers for the existing devolved Administrations, perhaps a federal structure—all these matters should be discussed.

Tracey Crouch: Have you been dining with the Chairman? It is just that this is music to his ears, I am sure.

Willie Rennie: There is a big “if” here. The issue is: how long do you take to discuss this? It comes back to my initial point. Remembering the pain of almost losing the United Kingdom should be the motivational factor, and the longer we take to consider these matters, the less that pain will be remembered. Therefore, I would urge a relatively swift process—not hasty but a swift process, perhaps two years—to consider that much wider package of reforms. I think also there should not be an all-or-nothing approach. There can be an incremental approach too. That is why we support devolution on demand so that if people want it they can get it, but the facility is created for that to be called upon.

I fear that an “if we do not get everything, we will do nothing” approach sometimes stops good change from happening. That is why I would support that. Equally, sometimes people get the things they want and then just stop with the rest of it. So there is a balance to be struck there but I would urge a relatively swift process over a two-year period, and all those things that the Chairman supports, I am sure I am in full support of as well.

Q293 Tracey Crouch: Would you put the powers of the Scottish Parliament in that constitution as well, to make them more permanent than the Scotland Acts?

Willie Rennie: I think there is no harm in looking at the Scottish Parliament as part of a learning process as well for the rest of the United Kingdom. We have a well-trodden process in Scotland for determining our own powers through the constitutional convention, Calman, our various reports in other parties, Steel, Campbell. We have a well-trodden process in Scotland for organically developing our powers. I hope, with the publication of Smith later on this week, we will make another big step forward. I would not say that it should be top-down. The convention should impose a structure on Scotland, but it should be part of the discussion, perhaps to aid other parts of the country to learn from our experience.

Q294 Tracey Crouch: One thing that did capture and engage with the voting public was the independence referendum with the extremely high turnout. What lessons do you think we should draw from the level of voter engagement in the referendum?

Willie Rennie: When it really counts, people will come out. It really mattered from both sides.

Tracey Crouch: Does a general election not count then, do you not think?

Willie Rennie: I think some people think it does not matter no matter what they vote. I am sure you have heard it on the doorstep. It was clear that there would be an effect one way or the other with this and people clearly understood. It was one of those iconic debates as well, one of these issues that you have discussed throughout your life, and it is the first time we have ever had an independence referendum in Scotland. We decided to be part of the United Kingdom, with a small number of people making that decision, and it is the first time we have actually decided to stay. That is quite a monumental occasion. It is the first time in 300 years that we have had an opportunity to express that view. It was quite iconic and, to the credit of the yes campaign, they managed to develop a very strong grassroots organisation. They managed to get every single protest group under the sun under one umbrella and that was quite impressive by itself. There were

a number of different factors together and so there are lots of things to learn, and it is quite inspiring with it.

There was a sinister side too. People were silenced from expressing difference and objection. Posters would go up in fields and within hours they were down, and repeatedly that was happening throughout the country. That created, along with many other things, a kind of silencing of the majority. Thankfully they did speak out in the end. But generally, for a lot of people it was quite an uplifting experience.

Q295 Tracey Crouch: You were here when Ruth was talking about youth engagement and voters at 16. Do you agree with her comments about how she had personally changed her mind on 16 and 17 year-olds voting? You were not here when I was asking earlier about Scottish people living in England being able to vote in the referendum. Do you think the turnout might have been even higher if they had been given that opportunity? I discovered I have a lot of Scottish people living in leafy Chatham and Aylesford and many people feel very upset that they did not get a voice in the future of their country. Is that one lesson that could be learnt for the future?

Willie Rennie: I have not changed my mind on votes at 16. I have always supported votes at 16. I thought it was a great innovation to have. I think the way that they engaged in the debate was part of the experience that we all had and they dealt with it in a very mature manner. The 16 year-olds and 17 year-olds had very few axes to grind, and therefore they went into this debate much more open-minded. We had some of the best debates when we went into schools. I thought that was a great innovation. It is something that Westminster could learn from and it could be part of that constitutional convention. In fact, why wait for the constitutional convention? We could just get on with it now. They have shown that they can act maturely and deal with their democratic right, so we should just transfer that.

Q296 Tracey Crouch: I am sorry to interrupt. As you said, that was on an issue that many see as more important than a general election. In lowering the vote to 16 and 17 year-olds for a general election, do you think that same kind of logic, maturity and open-mindedness would—

Willie Rennie: If they are mature enough to be able to determine the future of their country that would last for another 300 years, then they are mature enough to decide a Parliament for five years. I think absolutely they should be given the right to vote.

There is more of a practical issue about how you determine whether somebody has a right to vote. You can see there are rules about overseas voters. We do not have the same classification for people who have lived in Scotland at one point and now live in England; they are treated as English voters. Therefore, there is a real problem about how you manage the system. How long ago do you have to have lived in Scotland? What is the period of time before you qualify for such a vote? I think there are issues about how you manage that and that is why, to provide clarity and certainty, you are better to have the arrangements that we had for the Scottish Parliament elections. Some people felt aggrieved that people from Poland who had only lived there for a short period of time did have a vote and those who had left Scotland only three months earlier did not have a vote. I am not sure where you draw the line, how far you go. You could make arrangements, you could apply another special status for such referenda. I think the practicalities are quite difficult to manage.

I am not saying it is impossible but we thought—because there were allegations back in 1979 when we had the referendum about the threshold that was set and about the system being rigged—that we needed to have beyond doubt that this was going to be legal, fair and decisive. Adopting the franchise for the Scottish Parliament elections was the best way of achieving that—a tried and

tested franchise. To vary that to include quite a difficult-to-determine group of people who live in England was perhaps going to jeopardise that wider objective.

Q297 Tracey Crouch: But we talk about voter engagement in the issue of the referendum and now we are talking about further devolution to Scotland. Many Scots who do not live in Scotland feel very disfranchised by this issue. They still care passionately about the future of their country and yet they happen not to live north of the border. How can they engage with the debate going forward?

Willie Rennie: If we are moving beyond the franchise, I accept the anxiety. How they can engage is to participate in the debate, and many people from England did do that. It was quite invigorating that I had lots of people, friends and relatives in Cornwall phoning up and asking, “How is it going?” and expressing a view that we should stay. That was expressed through the media as well. I think that was probably the best way for them to influence the process and to have a say in what was happening. They certainly can through the general election because we should have, hopefully, a united offer across all the parties and they can debate that as part of the general election next year. I do not know if that satisfactorily answers your question. I accept it is a really difficult one because people felt very aggrieved by it. *[Interruption.]*

Chair: What brilliant timing, Willie. That was the last question. The Division bell is ringing. I am sorry Mark has arrived and not had the opportunity to ask any questions but, rather than adjourn the Committee, I will complete the day’s evidence. Thank you, Willie, for coming in today.

Willie Rennie: You are welcome. Thank you very much for inviting me.

Chair: It is always a great pleasure to see you. Thank you. Thank you, colleagues. You do not need to come back.