

## WRITTEN MINISTERIAL STATEMENT

### SCOTLAND OFFICE

Devolution: Commission on Scottish Devolution

#### **The Secretary of State for Scotland**

On behalf of the Government I welcome the publication today of the final report from the Commission on Scottish Devolution.

The Commission was set up by the Scottish Parliament and supported by the UK Government. The Commission's remit was:

‘to review the provisions of the Scotland Act 1998 in the light of experience and to recommend any changes to the present constitutional arrangements that would enable the Scottish Parliament to serve the people of Scotland better, improve the financial accountability of the Scottish Parliament, and continue to secure the position of Scotland within the United Kingdom.’

The Commission, under the chairmanship of Professor Sir Kenneth Calman, have produced a detailed report, based on sound analysis, a robust evidence base and extensive engagement with people in Scotland. I welcome in particular the efforts the Commission made to engage as widely as possible, through public events across the country, through oral and written evidence, a public questionnaire and through their website.

I welcome their conclusion that the devolution settlement in Scotland has been ‘a remarkable and substantial success’. We are approaching the 10<sup>th</sup> anniversary of the Scottish Parliament receiving full legislative competence, and there is broad support in Scotland and across the UK for the devolution settlement. The Scottish Parliament has established itself firmly in public life, bringing greater accountability to the people of Scotland, and innovation in both policy and working methods.

The Government agrees with the Commission's conclusion that, in order to serve the people of Scotland better, and to secure the position of Scotland within the United Kingdom, the institutions of the United Kingdom and Scotland must be able to work together effectively. The Government has already taken steps to reinvigorate the Joint Ministerial Committee and to ensure close working with the Scottish Government, in particular in the face of the global economic downturn. We will consider the Commission's recommendations in this area carefully.

Ten years on, the Scottish Parliament needs to have the financial responsibilities to match its ambitions for Scotland. We asked the Commission to examine the options for improving financial accountability. The Commission outlines a new financial model that would give significantly more responsibility to the Scottish Parliament for decisions on tax and spending in Scotland. The Commission's model empowers and

requires the Scottish Parliament to make a decision on the balance between taxes and public spending. Their recommendations draw from the work of Professor Anton Muscatelli's group of independent financial experts.

The Government agrees that financial accountability could be achieved by moving to a system where a greater proportion of the Scottish Parliament's budget comes from their own decisions. We welcome the Commission's model which provides a promising and well-evidenced basis on which we can work with the Scottish Parliament and others to bring forward practical proposals. The suggested changes are complex, and require detailed and careful consideration. The Government will assess, and explore how to implement, these proposals. We agree with the Commission's recommendation that any change should be introduced in a phased way to manage the risks of instability in public finances and of windfall gains or shocks and will take this into account in developing proposals.

The Commission proposes further changes to the powers and functions of the Scottish Parliament, based on the work of a task group led by Sir David Edward. I am grateful for their careful consideration of this important area. Their work highlights the range and depth of responsibilities which the Scottish Parliament already has. They broadly endorse the existing settlement, but recommend adjustments. The Government is willing to adjust the devolution settlement, where there is benefit to the people of Scotland and where it will strengthen Scotland's place within the Union.

A steering group comprising parties involved in the Calman Commission process, chaired by myself, will help the UK Government and the Scottish Parliament plan how to take forward the Calman recommendations and deliver stronger devolution within a stronger United Kingdom.

The Government warmly welcomes this report, copies of which have been placed in the Libraries of both Houses and the Vote Office. I am grateful to Sir Kenneth and the members of his Commission for their work. I look forward to working with colleagues, partners and stakeholders here and in Scotland to take forward the report.