



PRESS NOTICE

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The Calman Report will put pressure on both sides in Scotland

It will put pressure on the SNP, to explain how its alternative of full fiscal autonomy might realistically be achieved. And it will put pressure on the UK government and unionist parties, to show that the Calman package can be delivered as an alternative to independence.

The Calman Commission report is deliverable at Westminster and presents a balanced package designed to give the people of Scotland what the polls say they want – a substantially self-governing Scotland within the United Kingdom. But with the SNP minority government likely to introduce a Bill for a referendum on independence later this year, failure to secure broad support for the proposals in Scotland and at Westminster could boost the SNP's cause of independence.

Calman recommends raising the level of Scottish fiscal responsibility from about 9% today (from local taxation) to about 30%, from a mixture of 10 percentage points in income tax, stamp duty, land tax, air passenger duty, aggregates levy, and landfill tax. Its fiscal recommendations are cautious and pragmatic. They avoid clashes with other UK areas that variations in corporation tax to attract business and wider powers over social security and the welfare state could create. This approach should ease its path through Westminster.

On the other hand, says Dr Paul Cairney of Aberdeen University editor of the Scotland Devolution Monitoring Report, Calman is surprisingly ambitious by providing the potential for future change with some measures consistent with SNP aims such as giving the Parliament control over its own elections; stiffer drink-driving penalties and allowing “prudential” (affordable) Scottish government borrowing to fund big capital projects like the Forth Road Bridge.

“Although Calman, a half way house, gives limited autonomy over assigned revenues alone, there is no real incentive for the Scottish government to use its tax revenues as levers for economic growth”.

Other measures he identifies may mark the beginning of substantial further shifts in fiscal arrangements including:

- Requiring HMRC to work with the Scottish government for the first time
- Recommending consideration of further tax devolution later
- Opening the door to the Scottish government to use reserved housing benefit and council tax to develop its own policies with UK government consent.

Notes for Editors

- Calman Report <http://www.commissiononscottishdevolution.org.uk/uploads/2009-06-12-csd-final-report-2009fbookmarked.pdf>
- Paul Cairney's blog <http://paulcairney.blogspot.com/>
- Brian Walker is the Constitution Unit's Press Officer and can be contacted on 07802 176347 or brian@actona.demon.co.uk. Victoria Spence is the Unit Administrator, v.spence@ucl.ac.uk or 0207 679 4977.
- The Constitution Unit is an independent and non-partisan research centre based at University College London.