

General Election—The Scottish Dimension

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Will Scotland see red?



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Scotland's overwhelming rejection of the Conservatives, falling support for the LibDems, and strong support for Labour not being reflected in the final make-up of the Government, will no doubt see a huge change in how Scottish politics will develop.

But there are two key issues raised by the new Government's formation. Firstly – independence support. The SNP will want to harness the anti-Tory feeling as soon as possible by introducing their Referendum Bill. It is likely that the support for independence will enjoy a boost, at least in the short term, and polls will no doubt appear to confirm this shortly.

There still isn't cross-party support for a Referendum Bill, so the likelihood of a vote hasn't increased, but that feeling of Scotland's view not being represented will, the SNP hope, translate into greater support for them in next year's Holyrood elections.

Labour, now being in opposition both north and south of the Border, will likely become stronger in their opposition - which will now have to focus on

the LibDems and Conservatives, and not just the SNP, where the focus has mostly been aimed. They will be hoping that the strong turnout for Labour will translate into a Scottish Labour Government in 2011. And recent polls certainly point to that being the way things are going.

But the second issue is, should they again become the largest party, whether they would seek to work with the Liberal Democrats, and restore the coalition agreement that existed for eight years before 2007.

LibDem leader Tavish Scott has previously been on the record stating his ambition to re-enter Government in Scotland. But the London coalition arrangement puts him in a hugely difficult position, despite being clear that he will "go his own way", no matter what the LibDems arrange in Westminster.

This won't be helped by the fact that there will be a new concerted effort across the benches of the Scottish Parliament to kick the Liberals.

The SNP and Labour will likely join forces on this strategy, with debates being selected to di-

vide the LibDem vote from the Conservatives, or to highlight areas where the UK Government could be doing more for Scotland. The first of these has already been confirmed as High Speed Rail, in which we can expect criticism that the building of that line will not start in Scotland.

The pressure will be on for Danny Alexander, as the new Scottish Secretary, to deliver for Scotland and to show how the LibDems in Government are delivering more than the Conservatives would have alone, and indeed more than the Labour party intended to.

It has emerged that the LibDems secured a concession on the implementation of the Calman Commission recommendations. The longstanding LibDem policy has been the abolition of the Scotland Office, and it may yet be the case that, following a handover of powers to the Scottish Parliament through new legislation, Mr Alexander will lock the doors to Dover House and seek to take on a different post.

Without clearly communicating the benefits they are bringing to Scotland, the LibDem vote will no doubt suffer in Scotland, probably with their voters turning to Labour.

But no matter what happens, the dynamics will change across the Holyrood chamber after this week.

"There will be a new concerted effort, across the benches of the Scottish Parliament, to kick the Liberals."

The new settlement for Scotland

Budget impact

The coalition has agreed to the Conservatives £6bn Budget cut for this financial year, but it is as yet unclear how this would change the Scottish Budget. Alex Salmond contends that he has secured a guarantee that there will not be change this year, and written to the PM to remind him of this, but his Finance Secretary has already started warning of up to £600m coming off the Scottish block, as the Scottish budget tends to vary by 10% of the UK total.

There will, however, be some benefits to the Scottish budget. The parties agree that funding for the NHS should increase in real terms in each year of the Parliament, and that will be passed on to Scotland, through the current Barnett formula.

Similarly, the LibDems “pupil premium” should see funds come to Scotland, and they also have a commitment not to cut the schools budget.

There will be a Spending Review taking place both north and south of the Border reporting in the Autumn, and this is likely to see the Scottish Government attack Westminster for imposing cuts for the future years. This in turn would feed into the election campaign.

Devolution

A key concession has been achieved by the Liberals to implement Calman, given the Conservatives had only committed to taking a view in 2011. The timescale for this is unclear.

It may also have to consider how the new tax powers for Scotland integrate with the plans to raise the tax threshold to £10k. The LibDems may be keen to have Scotland able to vary both the rate and the threshold of tax.

Scotland at Westminster

The coalition agreed to establish a Commission to consider the ‘West Lothian question’ - the ability of Scottish MPs voting on English laws. Given this affects only one Tory vote, in terms of Scotland, there is little for them to lose.

The LibDems may push further in establishing the case for an English Parliament, and a federal Britain in this Commission.

2015 Election

In addition to the planned referendum on Alternative Vote, the coalition has agreed to consider the creation of fewer and more equal sized constituencies. How this would impact on Scottish constituencies, given its rural-



ity, could create more changes in making these new seats more marginal.

The fixed term Parliament would also mean that the next Westminster election could fall on the same date as the 2015 Scottish Parliament elections. This would make for a very interesting campaign, given the coalition arrangements and the low Tory representation in Scotland.

Other impacts

Dungavel—the coalition has agreed to end detention of children for immigration purposes, which should see Dungavel ceasing to detain children.

Energy— the coalition will increase the UK’s renewable energy target, likely closer to the Scottish one. Lib-Dem MPs will abstain on plans for new nuclear. Scotland has power to block siting of these.

Alex Salmond’s checklist of demands

The Scottish First Minister has written to Prime Minister Cameron with a list of demands that we can expect to be repeated in the coming months.

Commitment not to cut the Scottish budget for the current financial year— The First Minister insists this is something that was agreed by the LibDem shadow chancellor in the campaign. *It is possible that some cuts will be passed on to Scotland, but this is not yet clear. There would certainly be consultation on that with the Scottish Government.*

A stimulus package—this has been repeatedly called for by the SNP for the past year, and the campaign that there be

capital funds for investment. *It is highly unlikely that this will be met.*

Guaranteed access to End-Year Flexibility and access to a jobs fund— benefit from a jobs fund is possible but the method by which this will come to Scotland is unclear. *Unlikely to be met in full.*

Joint Ministerial Committee— the First Minister is seeking that the UK Government be “committed not just to the letter and spirit of these procedures, but to their successful operation in practice”. *Likely to be met and supplemented by further meetings with the PM and Ministers in the Scottish Parliament.*

Devolution— immediate transfer of powers on which there is cross-party agreement. This has been the line for several months, on issues such as airguns - *Not likely to be met.* They also call for consultation on the development of increased financial powers for Scotland - *Very likely to be met.*

Scottish Government presence in European Union discussions— a long term ambition of the SNP, particularly on fishing. There will be some sympathy for this from the LibDems, and likely from Danny Alexander. *There may be some instances in which they may be successful, but it is unlikely to be met in full.*

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Where now for Scottish Labour?

“The response that the party had to the establishment of the Conservative Liberal coalition was little short of a declaration of war.”

Despite the general view that Scottish Labour's General Election campaign was their worst in recent years, the Party won 41 of Scotland's 59 seats, and 42% of the vote. Their campaign, led by then Scottish Secretary Jim Murphy, seems to have delivered. Opinion polls taken during the election suggested that Scottish Labour is well placed to become—by some margin—the biggest party at Holyrood after the May 2011 Scottish elections.

Though it would perhaps be unwise for Labour to assume this is a show of endorsement, it is clear that there was also a significant amount of anti-Conservative feeling driving the Labour vote.

The response that the party had to the establishment of the Conservative/Liberal coalition was little short of a declaration of war.

They issued statements of “the Holyrood election campaign starts today” and damning attacks on the LibDems—their former coalition partners—for entering into a coalition and “giving up their principles for power” and are actively courting former LibDem voters. They attack Salmond for having no man-

date to speak for Scotland, having secured a lower share of the vote than Labour.

Strategically, there may be a temptation to sit tight, and rely on the possible increases in VAT and the consequences of the new Government's £6bn “efficiency” savings on Scotland to propel the party back to power.

Being in opposition on both sides of the Border puts Labour in a good position to attack London for Scotland's budget problems.

But in Scotland, Labour's key opponent is the SNP, not the Conservatives or Liberals (as much as they hope to steal their voters).

As the Scottish campaign commences, it is going to be important for Labour to acknowledge the need for cuts in spending. The Scottish Labour Party's 143 page General Election Manifesto listed a litany of well meaning promises.

However, in the context of next year's tightened purse-strings, the electorate may be looking for more creative ways of delivering public services. It will be important for Labour to coherently argue they will protect key policies they previously delivered in Government - for example universal free OAP bus passes - which are currently looking unsustainable.

These are examples of the big choices ahead. The history of political campaigning in Scotland is to offer as much for free as possible. Free tuition, free prescriptions, free bridge tolls, free



eye checks and of course, free personal care for the elderly. All of which are expensive, and suit times of boom, rather than bust. Will Labour abandon any of these, or other popular policies from the SNP Government's such as the council tax freeze?

Further 2011 election problems may also face the party. Should they emerge as the largest party, they may not be able to achieve a deal with the LibDems, given their position at Westminster. Or, if the Liberal Democrats are punished by the Scottish electorate, they may not have enough seats to provide a majority.

This could open the possibility of a wide range of unlikely alliances involving various combinations of the other parties including Greens. Would we see the SNP trying to cling to power by drawing on the support from the Conservatives? They have secured Conservative support before, albeit when there was a Labour Government at Westminster.

Arguably, after last week, anything is possible...