Decentralisation

The big topic on Scotland's Decentralisation horizon right now is the proposed Bill, "Local Governance Review – Democracy Matters," for which consultations closed on 28th February 2024. ScotGov is currently preparing its Consultation Analysis. When that's published, a proposed Bill and descriptive Policy Memorandum will hit the streets.

A recent study of three Policy Memoranda (the Victims, Witnesses and Justice Reform Bill, currently at Holyrood Stage 2, the Gender Recognition Reform Bill, stymied by Westminster, and the Hate Crime Act) highlighted the systematically poor quality of ScotGov's public consultations. It's likely we'll see a repeat with Democracy Matters. Further, one doesn't need a crystal ball to guess that the Bill won't contain borrowing or meaningful taxation powers for Local Authorities, two financial fundamentals of Decentralised Direct Democracy (DDD).

Because the Bill will perpetuate local government funding from Holyrood, financially handcuffing community and regional councils on local initiatives, the DDD governance principle of Subsidiarity will be ignored. The Subsidiarity principle - one of Switzerland's constitutional red lines - states: "Nothing that can be done at a lower political level should be done at a higher level. If, for example, a community is unable to deal with a certain task, the next higher political entity, i.e. the Region, has a duty to provide support".

If power isn't devolved to the regions and municipalities, there is no Decentralised Direct Democracy. Swiss Regions are Sovereign because they hold "Residual Power"; Central Government fulfils the tasks assigned by the Constitution (which is controlled by the People & Regions) and no more; the Regions are responsible for everything else. Because of this Sovereignty, the Regions, including local communities, control more than 50% of national tax revenues. The Regions are responsible for assessing taxable income and wealth, including land and property, and taxes are levied at all three governance levels - Municipal, Regional and National - with Regional taxes taking the lion's share. Responsibilities at each level are clearly defined and tax rates are subject to DD supervision.

The decentralisation model can be presented as:

People+Regions > Government+Parliament

The governance centre of gravity is on the left, which is why, thanks to Strathclyde and its population in 1994, Scotland still has clean drinking water. However, that referendum was a one-time event, initiated and organised by the Region (Westminster dissolved the Strathclyde Regional Council as a result). DDD, which recognises Political Rights such as Initiatives & Referendums at each of the three levels of governance, puts the People back on top – which is where they belong under Popular Sovereignty.

<u>Conclusion</u>: Decentralisation is already recognised as a governance "Must" which, if properly implemented, would act as a national motivator. To achieve this, the national governance "centre of gravity" must be shifted.