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Devolution under the new Labour Government: Where are we at?

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Introduction

When New Labour came to power in 1997, led by Prime Minister Tony Blair, it began to implement its campaign promises to decentralise political and legislative powers.¹ Blair's government adopted a pragmatic, "piecemeal" approach to devolution with little appetite for comprehensive reforms to integrate the Union.² Opening up a discussion about the fundamental principles of Westminster and Whitehall would have presented a great electoral and organisational risk to the new Government and to the devolution project.³ The profound impact that devolution has on the UK's constitution and political system was less obvious when Labour was in power in Westminster, Scotland and Wales. Yet, when after 2010, the governments in London, Edinburgh, Cardiff and Belfast were all led by different parties, the complexity of having additional legislatures and executives, which nurtured a longing for more territorial authority, became much more apparent. Between 2010 and 2024, all four parts of the UK took different turns that deeply affected their relations. Over a quarter of a century since New Labour introduced the devolution settlement, the Labour party returned to power under Keir Starmer in July 2024 taking stock of the UK's territorial development. The 2024 Labour manifesto "recommend[ed] strengthening the powers that deliver self-government in the devolved nations of Scotland, Wales, and Northern Ireland – based on the principles that devolved self-government should be permanent, expansive, and each elected body held in equal esteem."⁴ The new Labour Government is particularly focused on reforming devolution in England and aims to "reset the relationship with local government, to give the sector more autonomy and put councils on the road to recovery", to "end micro-management, and move to a meaningful partnership between central and local government."⁵

Considering the remarkable journey devolution has taken and the challenges it has faced until today, this paper discusses the territorial allocation of political, legislative and fiscal authority in England, Scotland, Wales and Northern Ireland. It also explains the intergovernmental relations between UK and the devolved governments, which were essentially shaped by a combination of weak, informal arrangements, converging political agendas, and salient events, particularly the 2014 Scottish independence referendum and the UK's withdrawal from the European Union (EU).

Devolution of Political Powers

The Scotland Act, the Government of Wales Act and the Northern Ireland Act⁶ of 1998 established legislatures in all three non-English parts of the UK. The different devolution settlements were not symmetrical but reflected the different ambitions and motives across the UK's territories. Only the Scottish Parliament and Northern Ireland Assembly were equipped with primary legislative powers, whilst Wales was more integrated with England and devolution enjoyed less popular support. In contrast to Scotland and Northern Ireland, where territorial autonomy enjoyed vast public support in the 1997 referendums, Welsh devolution was driven by the preservation of culture and language rather than self-determination. As a consequence, the National Assembly for Wales was initially set up as an

¹ Deacon, Russell. 2012. *Devolution in the United Kingdom*. Edinburgh: Edinburgh University Press, 5 et seq.

² Jeffery, Charlie. 2009. "Devolution in the United Kingdom: Problems of a Piecemeal Approach to Constitutional Change." *Publius* 39 (2): 292.

³ Bradbury, Jonathan. 2021. *Constitutional Policy and Territorial Politics in the UK. Volume 1: Union and Devolution 1997-2007*. Bristol: Bristol University Press, 275-8.

⁴ Labour. 2022. *A New Britain: Renewing our Democracy and Rebuilding our Economy*. <https://labour.org.uk/updates/stories/a-new-britain-renewing-our-democracy-and-rebuilding-our-economy/>

⁵ Ministry of Housing, Communities & Local Government. 2024. *English Devolution White Paper*. Policy paper, 16 December. UK Government.

⁶ Also known as the Belfast Agreement following the Good Friday Agreement.

extensive administrative body to implement law but not to legislate without the consent of Westminster.⁷ Only with the Government of Wales Act 2006 was the Welsh Government formally separated from the National Assembly and ministers provided with special executive powers. In May 2020, the Assembly was officially renamed the Senedd Cymru (Welsh Parliament) and received full legislative powers.

Devolution in Northern Ireland aimed at ending the cycle of violence and terror and stabilising the region by replacing direct rule from Westminster and allowing unionist Protestants and republican Catholics to participate in territorial decision-making. The devolved institutions in Northern Ireland are essentially designed to facilitate conflict mediation across the segregated communities and to deal with the question of Irish unification. The organisation of the Assembly was informed by the idea of *consociationalism*, a response to intense divisions according to which power is shared across the different political and religious communities to prevent domination of the Protestant majority over the Catholic minority. The 1998 Good Friday and the 2006 St Andrews Agreements feature the four main elements of consociationalism: inclusive power-sharing, veto rights for minorities, proportionality, and cultural autonomy.⁸ When the Northern Ireland Assembly is suspended, the UK Government exercises emergency overriding powers by secondary legislation (Order in Council). This was, for instance, the case from 2002 to 2007 when direct rule was imposed by the UK Government, and between January 2017 and 2020, when Westminster and Whitehall also had to take certain decisions in transferred areas under careful consideration to respect the devolution settlement.

Unlike the devolution administrations in Scotland, Wales and Northern Ireland, England is centrally governed from Westminster and Whitehall. It lacks strong regional structures and autonomous local government to exercise substantial political powers.⁹ From the 1970s, the British state reformed local government by means of extensive financial and service cutbacks which particularly affected local government in the provision of public services. Despite the commitments of the Labour Party after returning to power in 1997 to revitalise local government, local government reforms were still characterised by a tight system of target-driven performance management and direct – particularly financial – control over local authorities by the centre.¹⁰ The erosion of local government's political powers was exacerbated in the course of the 2008/2009 financial crisis. While David Cameron's Coalition Government promoted the transfer of power to the level as part of their 'Big Society' agenda, massive local budget cuts left most local authorities underfunded.¹¹ Between 2010 and 2015, local government funding was reduced by about 25 per cent, which severely affected local councils' ability to run services in areas such as planning, housing, culture, libraries and leisure activities.¹²

In 2000, London was the only quasi-regional authority that gained substantial political powers vested in the mayor of London and the London Assembly. Outside London, the Labour Government set up Regional Development Agencies and Regional Assemblies. Yet, these did not provide strong

⁷ O'Neill, Michael. 2004. *Devolution and British politics*. London: Routledge, 174-6.

⁸ Garry, J. 2016. *Consociation and Voting in Northern Ireland: Party Competition and Electoral Behaviour*. Philadelphia: University of Pennsylvania Press, 7.

⁹ Denham, J. and Morphet, J. 2025. "Centralised by Design: Anglocentric Constitutionalism, Accountability and the Failure of English Devolution." *The Political Quarterly*: 5.

¹⁰ Laffin, M. 2009. "Central-Local Relations in an Era of Governance: Towards a New Research Agenda." *Local Government Studies* 35 (1): 23 et seq.

¹¹ Lowndes, V. and Pratchett, L. 2012. "Local Governance under the Coalition Government: Austerity, Localism and the 'Big Society'." *Local Government Studies* 38 (1).

¹² Jones, I., Martin, M. and Whittington, L. 2015. *Coping with the Cuts: Lessons from English Councils' Responses to Budget Reductions*. Public Policy Institute for Wales.

institutional arrangements.¹³ The influence of the UK Government in defining the objectives and functions of the regional level remained strong.¹⁴ In 2004, the initiative to grant more executive powers to some elected regional assemblies in England was abandoned following a failed referendum in the North East.¹⁵ After the Regional Assemblies had been abolished between 2008 and 2010, the Conservative-Liberal Democrat Coalition disbanded the existing regional structures in favour of a localist approach, supported by the Local Enterprise Partnerships.

In response to the 2014 Scottish independence referendum, Prime Minister David Cameron announced the UK Government would devolve more powers not only to Scotland but also to English cities. Following the first deal with Greater Manchester Combined Authority established in 2014, by 2019 the Conservative Government had set up nine city-regions – newly formed combined local authorities chaired by metro mayors – which were given powers over specific policies. By May 2025, there were 12 mayoral authorities¹⁶ and four non-mayoral devolution agreements¹⁷.¹⁸ However, today large parts of England are still not covered by the devolution framework. The Labour Government's Devolution Framework aims to move away from the "ad hoc and inconsistent" deals-based approach towards a more coherent system of non-mayoral Foundation Strategic Authorities and Mayoral Strategic Authorities across the whole of England.¹⁹ It thus announced new combined authorities²⁰,²¹ and put the Strategic Authorities on a statutory footing²²

The Devolution of Legislative Powers

Even though the devolution settlement aimed at a clear separation of authority in order for the different administrations to operate largely independently within their jurisdictions, in reality many devolved and reserved powers are overlapping. Yet, Whitehall is not used to setting common policy objectives or nationwide standards in the form of framework legislation on which the constituent parts can pass detailed laws to meet their specific circumstances. Even though the centre defines the distribution of resources and has the capacities to produce a greater share of the policy agenda, it did not provide a coherent set of rules and structures to which the devolved administrations could refer in order to

¹³ Le Galès, P. 1998. "Conclusion – government and governance of regions. Structural weaknesses and new mobilisation." In *Regions in Europe*, edited by P. Le Galès and C. Lequesne, 239-267. London: Routledge, 264.

¹⁴ Webb, D., and C. Collis. 2000. "Regional Development Agencies and the 'New Regionalism' in England." *Regional Studies* 34 (9): 859-61.

¹⁵ Fenwick, McMillan and Elcock, "Local Government and the Problem of English Governance," 6-13.

¹⁶ Greater London, West Midlands, Greater Manchester, Liverpool City Region, West Yorkshire, South Yorkshire, Cambridgeshire and Peterborough, Tees Valley, West of England, York and North Yorkshire, East Midlands, and the North East.

¹⁷ Cornwall Council, Buckinghamshire Council, Warwickshire County Council, and Surrey County Council.

¹⁸ Sandford, M. 2024. Devolution to local government in England. Research Briefing Number 07029, 8 March. House of Commons.

¹⁹ Torrance, D. 2024. Introduction to devolution in the United Kingdom. Research Briefing Number CBP 8599, 21 May. House of Commons.

Henderson, H., Paun, A., Allen, B. and Mitchell, M. 2024. English devolution. Explainer, 21 June. Institute for Government.

<https://www.instituteforgovernment.org.uk/explainer/english-devolution>

²⁰ Ministry of Housing, Communities & Local Government, "English Devolution White Paper".

²¹ Lancashire, Devon and Torbay, and more elected mayors and devolution deals for Greater Lincolnshire, Hull and East Yorkshire, Cumbria, Cheshire and Warrington, Norfolk and Suffolk, Greater Essex, Sussex and Brighton, and Hampshire and Solent.

²² Ministry of Housing, Communities & Local Government and The Rt Hon Angela Rayner MP. 2024. Four devolution agreements signed off and others progressing. Press release, 21 September. UK Government. <https://www.gov.uk/government/news/four-devolution-agreements-signed-off-and-others-progressing>

Ministry of Housing, Communities and Local Government, Jim McMahon OBE MP and The Rt Hon Angela Rayner MP (2025) Devolution revolution: six areas to elect Mayors for first time. Press release, 5 February. UK Government.

<https://www.gov.uk/government/news/devolution-revolution-six-areas-to-elect-mayors-for-first-time>

²² Paun, A., Pope, T., McKee, R., Fright, M., Hoddinott, S., Mitchell, M., Allen and B., Routley, S. 2024. Nine things we learned from the English devolution white paper. Comment, 17 December. Institute for Government.

<https://www.instituteforgovernment.org.uk/comment/english-devolution-white-paper>

prevent disruptive divergence across the UK.²³ The implementation of EU legislation used to be the area to which the idea of concurrent powers applied best,²⁴ as the devolved competences around agriculture, fisheries and the environment automatically operated under EU law. While for a long time policy interdependence was obscured by the EU's regulatory framework, Brexit caused uncertainties and tensions about who gets to decide for each jurisdiction. Ultimately, Westminster holds any exclusive legislative authority and the power to overrule the devolved legislatures.

Scotland

The Scotland Act 1998 established exclusive legislative authority over an extensive list of enumerated powers reserved to the UK Parliament.²⁵ In contrast to federations where the federal government has residual authority over a set of not explicitly specified powers, the reserved powers model devolves anything to the Scottish Parliament that is not allocated to the UK Parliament: health and social work; education and training; local government and housing; justice and policing; agriculture, forestry and fisheries; the environment; tourism, sport and heritage; economic development; and internal transport. The Scotland Act 2012 also devolved legislative authority on matters relating to air weapons and executive powers on the misuse of drugs, drink-driving alcohol limits and the administration of the elections to the Scottish Parliament.

During the campaign of the Scottish independence referendum in 2014, David Cameron promised a maximum devolution of powers to keep Scotland in the Union. The Scotland Act 2016 then added to the list of enumerated powers substantial legislative authority.²⁶ The new powers over social security "broke new ground" within the previously centralised welfare system, and transferred competences from the Department for Work and Pensions to the new Scottish Social Security Administration.²⁷ The Scottish Government can also change the conditions under which benefits are paid – for instance in regard to the frequency of payments. However, the new welfare powers did not come with additional resources but must be financed by reductions in spending in other areas.²⁸

Wales

Unlike in Scotland and Northern Ireland, in 1998 the National Assembly for Wales was not given full law-making powers but merely operated as a 'corporate body' or an 'advisory body' to Westminster. While the Assembly received executive and administrative powers to pass secondary legislation, it could

²³ Keating, Michael. 2012. "Intergovernmental Relations and Innovation: From Co-operative to Competitive Welfare Federalism in the UK." *British Journal of Politics and International Relations* 14 (2): 226.

²⁴ Gallagher, Jim. 2012. "Intergovernmental Relations in the UK: Co-operation, Competition and Constitutional Change." *British Journal of Politics and International Relations* 14 (2): 200.

²⁵ Reserved matters have covered the constitution; political parties; public/civil service; defence and treason; as well as a long list of specific reservations for financial and economic matters; home affairs; trade and industry; energy; transport; social security; regulation of the professions; employment; health and medicines; media and culture; miscellaneous; control of weapons; time; outer space.

²⁶ Social security; employment support; equal opportunities; transport (road signs, speed limits, rail franchise); energy efficiency; onshore oil and gas extraction; consumer advocacy; the authority to manage the Crown Estate; Ofcom Scotland; and railway policing; as well as new tax and borrowing powers.

²⁷ These include control over substantial benefits for disability living allowance, attendance allowance, carer's allowance, aspects of Universal Credit (a monthly payment for people on a low income or without employment), winter fuel payments, funeral payments, and the ability to top up reserved benefits of the UK Government and to create new benefits in areas not covered by existing UK-wide benefits. The Scottish Government can also change the conditions under which benefits are paid – for instance in regard to the frequency of payments.

²⁸ Bell, David, and Francois Vaillancourt. 2018. "Canadian and Scottish Fiscal Federal Arrangements: Taxation and Welfare Spending." In *Constitutional Politics and the Territorial Question in Canada and the United Kingdom: Federalism and Devolution Compared*, edited by Michael Keating and Guy Laforest, 79-103. Cham: Palgrave Macmillan, 99.

only act by enabling legislation of the UK Parliament. The Government of Wales Act 2006 marked a major step in enhancing the Assembly's constitutional status. It separated the legislature from the executive and provided the former with the power to pass its own laws through Legislative Competence Orders within the scope of its competences.²⁹ The Government of Wales Act 2006 listed 20 broad enumerated areas within which the Assembly could exercise legislative competence.³⁰

While the Government of Wales Act 2006 brought Wales closer to the devolved models in Scotland and Northern Ireland, the conferred powers model for Wales was still different from the reserved powers model. Unlike the Scottish Parliament, which enjoyed residual powers over areas that were not under exclusive legislative authority of Westminster, the Welsh Assembly was provided with an exhaustive list of enumerated powers. Areas that were not explicitly listed remained under the residual authority of the UK Parliament. The Wales Act 2014 sought to manifest the conferred powers model in Wales and to establish a clear division of powers. While in theory the conferred powers model seemed to transfer a narrowly defined set of responsibilities to Wales, which reflected the different ambitions and power relations of the devolved nations, it implicitly assigned concurrent legislative authority to the Welsh Assembly legislatures. On two remarkable occasions the Supreme Court allowed Welsh legislation to overrule UK acts when they touched upon a conferred matter.³¹ The impact of the court's judgements potentially enabled the Welsh Assembly to legislate on a wide scope of 'silent' matters within UK legislation that represented not necessarily the primary focus of a bill but still were somehow related to the Assembly's competences. Realising the far-reaching impact that this could have on the UK Government's ability to govern for Wales, the allocation of legal responsibility was consequently altered. The Wales Act 2017 then abandoned the conferred powers model and introduced a reserved powers model for Wales from April 2019 on, which gave the Senedd similar powers to those in Scotland and Northern Ireland.³²

Northern Ireland

The Northern Ireland Assembly operates under a model similar but slightly different to the reserved powers model. The Northern Ireland Act 1998 provides exhaustive lists for excepted and reserved matters.³³ The Northern Ireland Assembly has full legislative competence over residual powers that are not explicitly reserved or excepted: health and social services; education; employment and skills; agriculture; social security; pensions and child support; housing; economic development; local

²⁹ Birrell, Derek. 2012. *Comparing Devolved Governance*. Basingstoke: Palgrave Macmillan, 12-20.

Bradbury, Jonathan. 2021. *Constitutional Policy and Territorial Politics in the UK. Volume 1: Union and Devolution 1997-2007*. Bristol: Bristol University Press, 126-8.

³⁰ Agriculture, forestry, animals, plants and rural development; ancient monuments and historic buildings; culture; economic development; education and training; environment; fire and rescue services and fire safety; food; health and health services; highways and transport; housing; local government; National Assembly for Wales; public administration; social welfare; sport and recreation; tourism; town and country planning; water and flood defence; and Welsh language.

³¹ This concerned the Enterprise and Regulatory Reform Bill 2012-2013, which sought to abolish the Agricultural Wages Board for England and Wales, and the Trade Union Bill 2015-2016, which was disapplied by the Trade Union (Wales) Act 2017.

³² Kellam, Jack. 2018. "The Wales Act: a new dawn for Welsh devolution?" Comment, 11 April. Institute for Government.

³³ Reserved matters on which the Assembly can legislate with the consent of the UK Secretary of State for Northern Ireland include firearms and explosives; financial services and pensions regulation; broadcasting; import and export controls; navigation and civil aviation; international trade and financial markets; telecommunications and postage; the foreshore and seabed; disqualification from Assembly membership; consumer safety; and intellectual property. The excepted matters are the Crown; the UK Parliament; international relations; the defence of the realm; control of nuclear, biological and chemical weapons and other weapons of mass destruction; dignities and titles of honour; treason; nationality immigration, citizenship; taxation (under any law applying to the UK as a whole, e.g. stamp duty); national insurance; political parties, elections and referendums; national security; nuclear energy and nuclear installations; regulation of sea fishing outside the Northern Ireland zone; regulation of activities in outer space. Entrenched matters present a third category and cover the European Communities Act 1972 and the Human Rights Act 1998 (see Section 7 1998 Northern Ireland Act).

government; environmental issues, including planning; transport; culture and sport; the Northern Ireland Civil Service; equal opportunities; and justice and policing. Due to the absence of strong calls for new powers, the legislative competences of the Northern Ireland Assembly have not profoundly expanded over time.

England

In England's 'dual polity', 'high politics', such as external relations and economic management, are traditionally allocated at the central level, and 'low politics' of delivering public services are within local discretion.³⁴ Parliament makes decisions and local authorities provide and administer services through large, multifunctional bureaucracies.³⁵ Centralised management of local policies for the purpose of meeting the national government's objectives, eroded the constitutional status of local government.³⁶ The 'hybrid of marketisation and centralisation', which was initiated under the previous Conservative government and picked up by New Labour, led to a privatisation and competitive tendering of public services. 'In-house' delivery of services was significantly reduced, and the exclusive powers of local authorities were replaced by quasi-governmental organisations (quangos) and partnerships with public agencies and the private and voluntary sector. Local authorities were turned into service coordinators or enablers rather than direct providers, which left them with little ability to make decisions on the quality and nature of services.³⁷ The exception hereof is the Greater London Authority, which has powers around culture, economy, environment, fire, health, housing, planning, police and crime, as well as transport.³⁸

The current landscape of powers devolved to English local authorities is highly asymmetric and depends on the presence of an elected mayor. Without an elected mayor, local authorities are limited to control of adult education budgets and business support. Local authorities with an elected mayor are offered responsibilities over spatial planning, transport, local roads, investments funds. The highest level of devolution was implemented in Greater Manchester and the West Midlands in 2023 through so-called 'trailblazer' devolution deals, which provided more powers over railway services, buses and trams, skills, and housing, as well as simplifying the funding allocated to them.³⁹ The new Labour Government also aims to devolve responsibilities over transport, skills and employment support, housing and planning, environment and climate change, supporting businesses and research, and public service reforms.⁴⁰ By

³⁴ John, P. 2001. *Local Governance in Western Europe*. London: Sage, 30.

³⁵ Cole, A., and P. John. 2001. *Local Governance in England and France*. London: Routledge, 19-20.

³⁶ Mather, J. 2000. *The European Union and British Democracy – Towards Convergence*. London: MacMillan Press, 60.

Wilks-Heeg, S. 2009. "New Labour and the Reform of English Local Government, 1997–2007: Privatizing the Parts that Conservative Governments Could Not Reach?" *Planning, Practice & Research* 24 (1): 37-8.

³⁷ Cole and John, "Local Governance in England and France," 28-9.

Loughlin, J. 2001. *Subnational Democracy in the European Union. Challenges and Opportunities*. Oxford: University Press, 41 et seq.

Goldsmith, M. 2002. "Central Control over Local Government - A Western European Comparison." *Local Government Studies* 28 (3): 95-7.

Wollmann, H. 2004. "Local Government Reforms in Great Britain, Sweden, Germany and France: Between Multi-Function and Single-Purpose Organisations." *Local Government Studies* 30 (4): 644-6.

Laffin, "Central-Local Relations in an Era of Governance," 23 et seq.

Zerbinati, S., and A. Massey. 2008. "Italian and English Local Funding Networks: Is there a Winning Formula?" *Local Government Studies* 34 (1): 87-8.

³⁸ Torrance, "Introduction to devolution in the United Kingdom".

³⁹ Torrance, "Introduction to devolution in the United Kingdom".

Henderson et al., "English devolution".

⁴⁰ Ministry of Housing, Communities & Local Government, "English Devolution White Paper".

lowering the majority requirements in local councils, government reform also seek to make it easier to pass decisions related to spatial planning, transport and investments.⁴¹

Fiscal Powers

Central Government Grants

Devolution did not fundamentally alter the system of public finance integrated at UK level.⁴² The Barnett formula, which dates back to 1978, is a non-statutory internal mechanism used by the Treasury to apply spending changes in Whitehall to the rest of the UK. While the grant is in theory meant to provide an objective calculus of territorial needs, populations and levels of social inclusion, in reality, rather than achieving an unbiased distribution of resources the level of financial transfer from the centre reflects the political influence and bargaining potential of each territory. Consequently, Scotland's share per capita is comparatively more favourable than the amount that Wales would receive under a straightforward application of the formula.⁴³

Because the block grant is unconditional, the devolved administrations enjoy wider spending powers than many regions in federal states.⁴⁴ However, they have little influence over the amount they receive or other major fiscal decisions.⁴⁵ These are up to the Treasury, which has the final say on fiscal matters for the whole of the UK and determines the annual amount of the block grant. The block grant is calculated according to policy areas, but the devolved governments are not bound to use the resources for the same fields as the UK Government designates them for England. Based on the annual Comprehensive Spending Review, the Treasury publishes the Statement of Funding Policy setting out the available resources for each departmental field. The changes to the assigned budget for a devolved administration are the Barnett consequentials of the ongoing budget decisions for England.⁴⁶

The Barnett formula

1		2		3		4
Change in UK department expenditure limit	x	Comparability factor	x	Population share	=	Change in devolved governments block grant

⁴¹ Paun, "Nine things we learned from the English devolution white paper".

⁴² Bradbury, "Constitutional Policy and Territorial Politics in the UK," 288.

⁴³ O'Neill, "Devolution and British politics," 194-8.

⁴⁴ Gallagher, Jim (2016) *Where Next for Scotland and the United Kingdom?*. In: Bailey, David and Budd, Leslie (eds.) *Devolution and the UK Economy*. London: Rowan and Littlefield, 31-2.

⁴⁵ Lee, Simon. 2017. "The gathering storm: federalization and constitutional change in the United Kingdom." In *The Future of Federalism – Intergovernmental Financial Relations in an Age of Austerity*, edited by Richard Eccleston and Richard Krever, 124-144. Cheltenham: Edward Elgar Publishing, 126.

⁴⁶ Pidgeon, Colin. 2012. Barnett Consequentials. Research and Information Service Briefing Paper 04/12, 16 January. Northern Ireland Assembly, 3.

When Scotland received new tax powers, as suggested by the Smith Commission after the 2014 independence referendum, a block grant adjustment was negotiated between the UK and Scottish Governments to reflect an increase in tax revenues by reducing Barnett funding. The adjustment includes a ‘comparability factor’ accounting for the different tax capacities across the UK (ratio between mean income tax per taxpayer in Scotland and England).⁴⁷ Following new tax powers for Wales in the 2015 Spending Review, the UK and Welsh Governments also agreed to a block grant adjustment mechanism which added a need-based factor to the Barnett formula for Wales. As long as the funding per head remains above a funding floor of 115 per cent of equivalent funding per head in England, a transitional needs-based factor of 105 per cent was agreed.⁴⁸

Block grant allocation 2017-2021

£ billion	2017-18	2018-19	2019-20	2020-21
Scottish Government				
Before tax and welfare adjustments	30.3	31.1	33.2	38.9
Total block grant after adjustment	17.8	18.9	21.3	29.9
Welsh Government				
Before tax adjustments	15.1	15.6	16.7	19.6
Total block grant after adjustment	15.1	15.3	14.4	17.1
Northern Ireland Executive				
Total block grant after adjustment	11.2	11.8	12.7	14.8

Source: HM Treasury 2020⁴⁹

Occasionally, the UK Government provides the devolved administrations with ad hoc grants outside of the Barnett formula which are subject to political circumstances and negotiations.⁵⁰ These are given directly for specific, ring-fenced purposes to individual devolved administrations and cannot be spent on other issues. Examples hereof are additional resources for police and an allocation of £20 million for retiring part-time reserve police in Northern Ireland in 2010; or the UK Government’s decision to provide the city of London with extra financial means for the 2020 Olympic Games.⁵¹ In 2022, the UK Government launched the Shared Prosperity Fund to replace the EU Structural Funds. By March 2025, £2.6 billion of new funding was available to local councils and mayoral authorities across England, Scotland, Wales and Northern Ireland to invest in “building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances.” The Scottish and the Welsh governments have heavily criticised the Shared Prosperity Fund, which provided significantly less money than EU funds. The new scheme does not grant the devolved administrations the same control over programming as they had as the managing authorities of the EU Structural Funds. Despite Whitehall’s stated intent to work in partnership with the devolved governments, it maintained control over the programme to engage directly with local authorities.

⁴⁷ Bell and Vaillancourt, "Canadian and Scottish Fiscal Federal Arrangements: Taxation and Welfare Spending," 86.

⁴⁸ Lee, "The gathering storm: federalization and constitutional change in the United Kingdom," 138.

⁴⁹ HM Treasury. 2020. *Block Grant Transparency: July 2020 publication*. July. UK Government.

⁵⁰ Keep, Matthew. 2021. The Barnett Formula. Briefing Paper Number 7386, 23 April. House of Commons, 3.

⁵¹ Birrell, "Comparing Devolved Governance," 28.

Tax and Borrowing Powers

Initially, the UK Government maintained exclusive authority over reserved financial matters, including monetary policy and all major taxes. When in 2010 the Coalition Government led by David Cameron introduced severe public budgets cuts under its austerity agenda, it prompted the devolved administrations to begin to push for more fiscal powers. To avoid tax competition between the different governments, Westminster has retained control over major taxes (corporation tax, VAT and income tax). Devolving property taxation, such as stamp duty land tax and landfill tax, has been fairly straightforward because these are attached to defined places and are difficult for taxpayers to circumvent by shifting assets. Scotland and Wales can make some adjustments to income tax, which gives them a degree of control over a political instrument with a high visibility. Each administration is also in charge of non-domestic business rates for private, public and third sector organisations within their jurisdiction in order to pay for local council services. The Institute for Government estimated that in 2020/21, the devolved and local governments controlled the following shares of tax revenue: 31 per cent in Scotland (including assigned VAT); 20 per cent in Wales; 9 per cent of tax revenue in Northern Ireland; and 9 per cent in England (including council tax and business rates).⁵²

The Scotland Act 2012 extended the financial competences of the Scottish Parliament profoundly and enhanced the shared authority over income tax. The new arrangement increased the share of devolved tax revenues to about 30 per cent and enabled the Scottish Parliament to set a Scottish rate of income tax, which is administered and collected by HM Revenue and Customs on behalf of the Scottish Government. The Scotland Act also devolved the exclusive authority over land and building transaction tax and landfill tax, and conferred the competence to create and devolve new taxes.⁵³

The Scotland Act 2016 gave the Scottish administration the authority to receive half of the value added tax raised in Scotland, while the power to set VAT rates remained reserved to the UK Government. It also devolved the ability to replace the air passenger duty with an air departure tax, and to introduce an aggregates levy on the commercial exploitation of rock, gravel, sand and other minerals. However, through the Barnett Formula, the UK Government still shapes tax decisions of the Scottish Government. Although income tax has implicitly turned into a shared tax, the Scottish Government is constrained in its ability to diverge its income tax from the rest of the UK, as an increase in the Scottish income tax rate would mean a reduction of the block grant.⁵⁴ Most importantly, the new power to set and retain income tax rates had been used to restructure the tax bands and increased the rates for higher earners by 1 Pence per Pound. The Scotland Act 2016 also raised Scotland's borrowing capacities up to a total of £3 billion.⁵⁵

The Wales Act 2014 provided the Welsh Government with exclusive authority over land transaction tax (replacing stamp duty land tax), landfills disposal tax (replacing landfill tax), and business rates, and the possibility of holding a referendum on the devolution of an element of income tax.⁵⁶ The Wales Act 2017 removed the requirement for a referendum to vary income tax by ten Pence in the Pound spent on Welsh services.⁵⁷ Compared to Scotland, the Welsh income tax system is less comprehensive,

⁵² Paun, Akash, and Aron Cheung. 2018. Tax and devolution. Explainer, 3 April. Institute for Government.

⁵³ Hazell, Robert. 2015. Devolution and the Future of the Union. London: The Constitution Unit, 14-5.

⁵⁴ Bell, David. 2016. "The Aftermath of the Scottish Referendum: A New Fiscal Settlement for the United Kingdom?" In *Devolution and the UK Economy*, edited by David Bailey and Leslie Budd, 37-56. London: Rowan and Littlefield, 43.

⁵⁵ HM Treasury, "Statement of funding policy," 32.

⁵⁶ Keep, "The Barnett Formula," 21.

⁵⁷ The Wales Act 2017 also enabled the Welsh Assembly to create the Welsh Revenue Authority.

yet also implicitly shared with the UK Government.⁵⁸ The Welsh Government cannot adjust the income tax bands and it did not make use of its power to set a Welsh rate diverging from the UK's income tax. The Wales Act 2017 also increased the overall borrowing limit to £1 billion.⁵⁹

The Northern Ireland Assembly can levy any taxes that are not reserved to Westminster, which effectively means it can set the rates of minor taxes, such as the regional rate on property tax used for devolved services, and that it could abolish the long-haul air passenger duty in 2012.⁶⁰ The 2015 Corporation Tax (Northern Ireland) Act devolved the power to implement a 12.5 per cent rate of corporation tax in Northern Ireland by 2018⁶¹ to “reflect its unique economic position within the UK”⁶². While corporation taxes are usually controlled by central government, devolving them to Northern Ireland aimed to counter tax competition with the Republic of Ireland.⁶³ By 2020 the power over corporation tax had not been exercised due to the suspension of the Assembly in 2017. The Northern Ireland (Loans) Act 1975 had set an overall limit at £2 billion (which was extended to £3 billion by the Northern Ireland (Miscellaneous Provisions) Act 2006).⁶⁴ The Northern Ireland Act 1998 granted another £250 million borrowing capacities subject to the consent of the Treasury. Under the 2002 Reinvestment and Reform Initiative, the Executive was further enabled to borrow up to £200 million per year (with a total cap of £2 billion) from the National Loans Fund.⁶⁵

England

The centralisation of funding in England is manifested in the local government's lack of autonomy to raise tax revenues. Based on a formula, local authorities receive the ‘revenue support grant’ from the UK Government to finance their services, as well as ring-fenced grants for particular services, such as public health, care, social care and housing. Councils have only a very limited range of tax powers to increase their revenues. Council tax has to cover annual expenses, but councils can only raise council tax beyond a threshold set by Government (3 per cent for 2024/25) upon approval by a referendum, and they cannot set the level of business rates. In particular, following the financial crisis Cameron's austerity agenda left local councils underfunded and dependent on ad hoc emergency loans to cover the increasing costs of its public services, such as social care, children's services and homelessness accommodation. Between 2009/10 and 2019/20, government grants reduced by 40 per cent from £46.5bn to £28bn in real terms (2023/24 prices).⁶⁶ During the last five years, an alarming number of local authorities have faced the risk of bankruptcy unless their funding systems was reformed.⁶⁷

⁵⁸ Poole, Ed Gareth, Ifan, Guto and Phillips, David. 2016. *For Wales Don't (Always) See Scotland: Adjusting the Welsh Block Grant after Tax Devolution*. First Report on the 2016-17 Fiscal Framework Negotiations for Wales. Wales Governance Centre at Cardiff University and Institute for Fiscal Studies, 34.

⁵⁹ HM Treasury, “Statement of funding policy,” 36.

⁶⁰ Birrell, Derek, and Deirdre Heenan. 2017. “The Continuing Volatility of Devolution in Northern Ireland: The Shadow of Direct Rule.” *The Political Quarterly* 88 (3): 474-5.

⁶¹ Lee, “The gathering storm,” 128.

⁶² Hazell, “Devolution and the Future of the Union,” 14, 40.

⁶³ Paun and Cheung, “Tax and devolution”.

⁶⁴ HM Treasury, “Statement of funding policy,” 40.

⁶⁵ Birrell, “Comparing Devolved Governance,” 42.

⁶⁶ Haves, E. 2024. Local government finances: Impact on communities. In *Focus*, 14 March. House of Lords. <https://lordslibrary.parliament.uk/local-government-finances-impact-on-communities/#heading-2>

⁶⁷ Denham, “Centralised by Design: Anglocentric Constitutionalism, Accountability and the Failure of English Devolution,” 4.

Jeffery, D. 2025. *Broke and Broken: The Crises Facing Local Government in England*. The Political Quarterly.

Stride, G. and Woods, M. 2024. *Local Government Information Unit. The State of Local Government Finance in England 2024: A report by the Local Government Information Unit (LGIU)*. Local Democracy Research Centre.

Due to the nature of ad hoc deal making the funding of the Combined Authorities is highly asymmetrical and is relatively small considering the political ambitions they are supposed to meet. Even though the devolution deals include an investment fund, the budgets of the Combined Authorities are also small in comparison to the spending of local authorities; ranging from almost £2bn for Greater Manchester to about £100m in the West of England.⁶⁸ Depending on their track record of financial management, the Labour Government announced to provide Established Mayoral Combined Authorities with Integrated Settlements, offering Mayors a consolidated budget which they can spend at their discretion on housing, regeneration, local growth, local transport, skills, retrofit, and employment support.⁶⁹ The Labour Government has further sought to reduce competitive bidding, while empowering local government to build capacity for effective spending. However, it has not yet committed to fiscal devolution.⁷⁰

Intergovernmental Relations

Institutions and Practices

The institutional and normative of Westminster and Whitehall has never really come to terms with the existence of the devolved legislatures and executives.⁷¹ The supremacy of Parliament presents a major obstacle to introducing a system of shared authority. For the first decade of devolution Labour was in government at UK level, in Wales and in Scotland, and could rely on informal intra-party channels of communication to resolve any emerging issues. Consecutive UK Governments paid little attention to spillover effects of policies introduced in one territory on the other parts. The principles of intergovernmental communication, consultation and cooperation are set out across a range of multilateral and bilateral compacts, concordats and protocols with the Memorandum of Understanding, which states that: “All four administrations are committed to the principle of good communication with each other, and especially where one administration’s work may have some bearing upon the responsibilities of another administration.” Yet, such agreements depend on good will and mutual trust without legally binding effect, which works better for operational issues at the official level rather than for major political disputes.

The most effective provision to deal with intergovernmental issues and conflicts is the Sewel Convention, which requires UK bills that affect devolved powers to get legislative consent from the Scottish, Welsh and Northern Ireland legislatures. Yet, the convention is also not legally binding on Westminster, and the UK Government has to recognise their bill as interfering in devolved areas. Between 1999 and 2024, the UK Parliament passed about 400 laws that required the consent of either the Scottish Parliament, the Senedd, the Northern Ireland Assembly or at least two of them.⁷² In 2018, the EU (Withdrawal) Act was the first act for which the UK Government ignored the refusal of consent by the Scottish Parliament despite recognising the need for consent. In 2020, the EU (Withdrawal Agreement) Act was passed despite rejected consent motions in all three devolved legislatures. The UK Internal Market Act 2020, which was introduced by the UK Government to ensure the integrity of the internal market for goods, services and professional qualifications post-Brexit, was the third highly

⁶⁸ Sandford, “Devolution to local government in England”.

⁶⁹ Ministry of Housing, Communities & Local Government, “English Devolution White Paper”.

⁷⁰ Paun, “Nine things we learned from the English devolution white paper”.

⁷¹ Kenny, Michael, Philip Rycroft, and Jack Sheldon. 2021. *Union at the Crossroads: Can the British state handle the challenges of devolution*. Report by the Bennett Institute for Public Policy Cambridge. The Constitution Society, 10.

Keating, Michael. 2021. *State and Nation in the United Kingdom: The Fractured Union*. Oxford: Oxford University Press, 75.

⁷² Paun, A., Sargeant, J., Nicholson, E., Rycroft, L., Allen, B. and Byrne, G. 2024. Sewel convention. Explainer, 25 July. Institute for Government. <https://www.instituteforgovernment.org.uk/explainer/sewel-convention>

controversial case where the Sewel Convention failed to give the Scottish and Welsh parliaments a guarantee against the interference of the UK Government.

Table: Number of Legislative Consent Motion

	Scottish Parliament		Welsh Parliament		Northern Ireland Executive	
	Granted	Withheld	Granted	Withheld	Granted	Withheld
1999-01	19	0	0	0	0	0
2001-05	35	0	0	0	3	0
2005-10	42	0	7	0	17	0
2010-15	36	1	28	4	136	0
2015-17	14	0	12	2	8	1
2017-19	8	1	9	0	0	0
2019-24	44	13	34	14	21	1
Total	198	15	90	20	85	2

Source: Institute for Government⁷³

For the first decades of devolution, plenary and sub-committees of Joint Ministerial Committee (JMC) operated as an intergovernmental council but was often criticised for its lack of transparency.⁷⁴ Meetings took place infrequently until they ceased in 2002 and were only revived in 2008.⁷⁵ When the SNP took over the Scottish Government in 2007 and the Coalition Government formed in Westminster in 2010, intra-party channels were no longer available to resolve disputes.⁷⁶ The only two sub-committees which met at regular intervals were JMC Europe and its successor JMC European Negotiations, which dealt with the EU withdrawal process.

The 2022 review of intergovernmental relations marked the end of the JMC by introducing a short-lived three-tier structure. The Prime Minister and Heads of Devolved Governments Council considered “policy issues of strategic importance to the whole of the UK” by consensus and acting “as the final escalation stage of the dispute resolution process”. At the second tier, the Finance Interministerial Standing Committee was responsible for economic and financial matters and the resolution of financial disputes, and the Interministerial Standing Committee met to deal with cross-cutting, and in particular international policies that involve multiple portfolios and to oversee the Interministerial Groups (first tier). The structure enabled a more constructive and respectful engagement between the different governments, for instance around COVID-19, the war in Ukraine, and fiscal relations. However, some formations, in particularly the Prime Minister and First Ministers, did not meet often. The Scottish and Welsh governments criticised the UK Government’s unilateral decision-making and interventions in devolved areas.⁷⁷

⁷³ Paun, “Sewel convention”.

⁷⁴ McEwen, Nicola, Michael Kenny, Jack Sheldon, and Coree Brown Swan. 2018. *Reforming Intergovernmental Relations in the United Kingdom*. Edinburgh: Centre on Constitutional Change and Cambridge: Bennett Institute for Public Policy, 11.

⁷⁵ Gallagher, “Intergovernmental Relations in the UK: Co-operation, Competition and Constitutional Change,” 201.

McEwen, Nicola, and Bettina Petersohn. 2015. “Between Autonomy and Interdependence: The Challenges of Shared Rule after the Scottish Referendum.” *The Political Quarterly* 86 (2): 197.

⁷⁶ Cairney, Paul. 2011. *The Scottish Political System Since Devolution: From New Politics to the New Scottish Government*. Exeter: Imprint Academic, 113.

⁷⁷ Newson, N. 2024. Intergovernmental relations within the UK. In *Focus*, 10 January. House of Lords. <https://lordslibrary.parliament.uk/intergovernmental-relations-within-the-uk/>

Table: Intergovernmental meetings 2022-2023

Third tier	
Prime Minister and Heads of Devolved Governments Council	1
Second tier	
Interministerial Standing Committee	5
Finance Interministerial Standing Committee	5
First tier (Interministerial Groups)	
Business and Industry	1
Net Zero, Energy and Climate Change	4
Environment, Food and Rural Affairs	5
Trade	3
Elections and Registration	2
UK-EU Relations	3
Safety, Security and Migration	2
UK Education Ministers Council	1
Transport	2
Housing, Local Government and Communities	1
Justice	1

*Source: House of Lords*⁷⁸

While the three tiers have continued to meet, the new Labour Government also established the Council of the Nations and Regions, bringing together the Prime Minister, First and Deputy First Ministers as well as the Mayors of Strategic Authorities twice a year. “The Council will focus on shared missions, delivery of public services, and shared values.” On 11 October 2024, the Council met for the first time to discuss economic growth, long-term inward investment and the UK’s industrial strategy.⁷⁹ In addition to the Council of the Nations and Regions, a Mayoral Council and a Leaders Council was introduced to coordinate Local Growth Plans and local policies in England.⁸⁰ In its 2024 manifesto, Labour proposed to turn the House of Lords into a democratic Assembly of the Nations and Regions,⁸¹ but seems to have abandoned such plans since their election.

Despite consecutive attempts to establish a more systematic arrangement, intergovernmental exchanges continue to be dominated by informal, ad hoc contacts between ministers and officials behind the scenes. Regardless of the political parties in power, the relationship between civil servants is widely described as good, trusting and professional across different governments. Official working groups were particularly important for financial matters; welfare; environment, food and rural affairs; trade and investment; and health, justice and policing in Wales. Brexit has clearly fostered the establishment of intergovernmental groups, e.g., as part the UK Common Frameworks programme, to coordinate technical issues.

⁷⁸ Newson, “Intergovernmental relations within the UK”.

⁷⁹ Ministry of Housing, Communities & Local Government and Cabinet Office. 2024. Council of the Nations and Regions: Inaugural meeting on 11 October 2024. Policy paper, 17 October. <https://www.gov.uk/government/publications/council-of-the-nations-and-regions-inaugural-meeting/council-of-the-nations-and-regions-inaugural-meeting-on-11-october-2024>

⁸⁰ Ministry of Housing, Communities & Local Government, “English Devolution White Paper”.

⁸¹ Labour, “A New Britain”.

Cooperation and conflict in the course of Brexit

EU withdrawal has exposed the interdependencies that were previously regulated by the EU's regulatory regime and triggered the need for a stronger integration of jurisdictions. To ensure regulative integrity, Brexit-related legislation introduced some concurrent powers that can be exercised by UK and devolved ministers. While Brexit has clearly been a source of severe intergovernmental tensions, it is important to highlight the close, and largely unreported, cooperation between governments to prepare for leaving the EU. Their cooperation towards the UK Common Frameworks programme was close and consensual. 30 Common Frameworks (out of 32 by April 2024) set out principles for collaborative working, decision-making and dispute resolution guidance based on multilateral concordats and official working groups. They cover a wide range of issues and are often technical in nature to coordinate regulatory divergence and operational issues rather than to develop joint policy.⁸²

Although the centre is not supposed to directly interfere in devolved matters, decisions by the UK Government that concern England often have practical repercussions in the other territories. In principle, the Conservative Government did not centralise the powers coming back from the EU or freeze certain devolved powers, it used the UK Internal Market Act 2020 to adopt policies that undermined devolved responsibilities and the collaborative spirit of the Common Frameworks. By establishing 'market access principles' of mutual recognition and non-discrimination, the Act de facto allows other governments to impose lower requirements for the selling of goods and services in other jurisdictions and provide direct financial assistance across the UK.⁸³ The Scottish Government's Deposit Return Scheme and the ban on selling anti-rodent glue traps (under the Wildlife Management and Muirburn (Scotland) Act 2024) fell victim to the UK Internal Market Act. Adding to the tension between central and devolved governments, the UK Government under Prime Minister Rishi Sunak blocked the Scottish Gender Recognition Reform Bill by applying the previously unused Section 35 of the Scotland Act.⁸⁴

In its efforts to reset the relations between governments, the Labour Government launched a review of the Internal Market Act in early 2025, ahead of the statutory deadline, and announced its intention to work closely with the devolved governments 'in good faith': "To ensure the efficiency of the UK's internal market, the Government considers Common Frameworks to be the key fora for supporting collaborative policy-making processes in the areas they cover, managing policy divergence between the UK's nations where it occurs, and maximising the benefits of taking different, innovative approaches in different parts of the UK." (Department for Business and Trade, 2024) As part of this review, it also agreed to exclude the sale of rodent glue traps from the Internal Market Act.⁸⁵ Labour further restored the Scottish Government's scheme, and introduced a Deposit Return Scheme in England and Northern Ireland, which will come to effect on October 2027.⁸⁶ These examples point towards change, and

⁸² Newson, "Intergovernmental relations within the UK".

⁸³ Andrews, Leighton. 2021. "The Forward March of Devolution Halted—and the Limits of Progressive Unionism." *The Political Quarterly* 92 (3): 3.

⁸⁴ UK in A Changing Europe. 2025. The Brexit Files: from referendum to reset.

For a detailed explanation see: <https://www.instituteforgovernment.org.uk/explainer/section-35-scotland-gender-recognition-bill>

⁸⁵ Alexander, D. 2024. The Review of the United Kingdom Internal Market Act 2020, Statement made on 12 December 2024.

Statement UIN HCWS299. UK Parliament. <https://questions-statements.parliament.uk/written-statements/detail/2024-12-12/hcws299>

⁸⁶ Department for Environment, Food & Rural Affairs. 2025. Deposit Return Scheme: drinks producer and retailer responsibilities. Guidance, 30 January. UK Government. <https://www.gov.uk/guidance/deposit-return-scheme-drinks-producer-and-retailer-responsibilities>

despite disagreements between the parties in power, their outlooks are currently easier to reconcile than in the past.

Conclusion: A Federalisation of the UK?

Due the devolution of considerable political, legislative and fiscal powers to Scotland, Wales and Northern Ireland, the UK is often compared with federal countries. When the Scotland Act 2016 and the Wales Act 2017 confirmed the permanence of the devolved institutions dependent upon a referendum, they de facto entrenched territorial autonomy to the constitution.⁸⁷ Although this may challenge the idea of a clear-cut unitary and federal dichotomy, de jure the devolved nations are not sovereign and Westminster remains the supreme political authority for England and the whole state. Referenda about Scottish independence thus need to be approved by the UK Parliament. Powers are transferred through legal acts by Westminster, which can in principle abolish or reform territorial arrangements without consent from the constituent entities. While in practice such radical steps seem unlikely, on highly salient occasions, the UK Government ignored the Sewel Convention and passed the EU (Withdrawal) Act, the EU (Withdrawal Agreement) Act and the UK Internal Market Act without the consent of the devolved legislatures. Moreover, these Acts demonstrated the UK Government's ability to encroach on devolved powers at will.

This is not to say that having additional legislatures doesn't de facto present some limitations on Westminster. Interestingly, the devolution of powers differs from decentralisation in many federations, which leave the federal government exclusively in control of the residual authority over policy areas⁸⁸ that are not the responsibility of the constituent territories. The block grant and additional ad hoc transfers are meant to depoliticize fiscal relations based on an objective calculus. Nevertheless, the allocation of money to Scotland, Wales and Northern Ireland, as well as across England, reflects the political bargaining and relative strength of the different authorities. The devolution of more and more competences has implicitly and explicitly created more concurrent legislative powers not exclusively assigned to one level but rather powers that are either overlapping or complementarily exercised. Income tax, for instance, has implicitly turned into a shared tax, but the potential for divergence from the rest of the UK is limited, since an increase of the income tax rate in Scotland would reduce the amount of the block grant for the Scottish Government.⁸⁹

Functional interdependencies mean that the UK's governments have to work together or face the negative impact of not cooperating. In the midst of the political turmoil of Brexit, extensive and ongoing cooperation on day-to-day issues as well as on the policy-making took place behind the scenes. Many powers repatriated from the EU are exercised by the central and devolved executives. Consequently, a complex and hardly transparent web of agreements, such as the UK Common Frameworks programme, has evolved to guide the engagement between the different governments. While such intensive intergovernmental exchanges have been remarkable though often overlooked, cooperation and coordination between governments mostly takes place for the purpose of preventing disruptive outcomes rather than to develop joint policy. There is little policy integration and the UK Government only sporadically issues framework legislation to provide a common governance approach and

⁸⁷ Tierney, Stephen. 2018. "Drifting Towards Federalism? Appraising the Constitution in Light of the Scotland Act 2016 and Wales Act 2017." In *The United Kingdom and the Federal Idea*, edited by Robert Schütze and Stephen Tierney, 101-121. Oxford: Hart Publishing, 109-14.

⁸⁸ Typically, international affairs, defence, international trade, monetary and economic policies, major taxes, major infrastructure, and pensions.

⁸⁹ Bell, "The Aftermath of the Scottish Referendum," 43.

objectives.

Devolution has been the result of pragmatic statecraft in response to functional and political demands from different levels rather than of thought-through constitutional - let alone federal - design.⁹⁰ At least in the course of Brexit, the Conservative Party resented devolution and took action to reinstate central control.⁹¹ Secessionists in Scotland and Wales may struggle to come to terms with a functioning system of power-sharing that ties their nations closer to the centre. For some time, the Labour-led Welsh Government pro-actively promoted a vision of shared governance integrating the devolved jurisdictions into UK-wide decision-making. However, Wales does not enjoy a great deal of influence on these matters, and there is little incentive for English MPs to give the devolved nations a greater say over English politics.

In comparison to the previous government, the current Labour Government has demonstrated greater respect for the devolved powers and appears to be attempting to bring the different governments together. It even seeks to modestly empower English local government and to introduce more systematic regional structures in England, which in the long term would be essential for more federalised country. Although the Labour Government seems to have abandoned its plans to turn the House of Lords into an Assembly of the Nations and Regions, the Council of the Nations and Regions aims at greater coordination of economic policy and public services. There are without doubt merits in fostering regular exchanges and mutual trust between governments. But given their different status to English Combined Authorities, the devolved governments may still prefer other bilateral and multilateral channels to work with the UK Government. It is therefore hard to tell whether these reforms will hold enough gravitas to penetrate the centralised mind-set of those in Whitehall and Westminster. They may smoothen the relations between government for the time being. Nevertheless, without robust institutions that bind the centre into joint decision-making, intergovernmental relations stay volatile and will always run the risk of governments turning away from each other – even though this has become increasingly difficult without facing costly disruptions. Devolution continues to be a juggling act between a thirst for territorial autonomy, the need to deal with policy divergence and a unitary constitution that has not managed yet to effectively adjust its constitution, institutions and thinking to the realities of a pluralistic, multilevel polity.

⁹⁰ Dickson, Brice. 2019. *Writing the United Kingdom Constitution*. Manchester: Manchester University Press, 85. Tierney, "Drifting Towards Federalism?" 106.

⁹¹ Andrews, "The Forward March of Devolution Halted—and the Limits of Progressive Unionism," 5. Kenny et al., "Union at the Crossroads," 4.

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