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Ionad Fiosrachaidh Pàrlamaid na h-Alba

Briefing for the Public Petitions Committee on petition PE2239: Convene a Parliamentary Inquiry into Pre-Establishing Scotland's Statehood Infrastructure, lodged by Alan McCulloch

The petitioner is calling on the Scottish Parliament to carry out an inquiry (to be undertaken by a cross-party committee), exploring the feasibility of establishing in "shadow" form certain elements of what the petition describes as "statehood infrastructure" – namely a Treasury, central bank, and written constitution. The petition also calls for the proposed inquiry to "evaluate the framework for embedding" further measures including compulsory voting, term limits for regional list MSPs, and a legally mandated sovereign wealth fund for renewable energy and oil revenues.[1]

Brief overview of issues raised by the petition

Establishment of committees

Schedule 5 of the Scotland Act 1998 sets out a number of reserved matters, on which the Scottish Parliament cannot legislate. It is the UK Parliament which legislates for Scotland in these areas. The constitution is included in the list of "general reservations" set out in Schedule 5 (broad reservations of whole policy areas), while fiscal, economic and monetary policy and the currency are included in the list of "specific reservations" (i.e. elements within a wider policy area, in this case financial and economic matters).

The reservation of fiscal, economic and monetary policy includes "the issue and circulation of money, taxes and excise duties, government borrowing and lending, control over United Kingdom public expenditure, the exchange rate and the Bank of England". The currency reservation comprises "coinage, legal tender and bank notes".

While it would be outside of the Scottish Parliament's competence to legislate on these matters,[2] the Parliament's subject committees have previously considered issues within their remit which are reserved. For example, the Session 6 Constitution, Europe, External Affairs and Culture (CEEAC) Committee held an inquiry into 'Options for a legal mechanism for triggering any independence referendum'.[3]

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[1] The Scottish Parliament, PE2239: Convene a Parliamentary Inquiry into Pre-Establishing Scotland's Statehood Infrastructure

[2] Unless the Parliament's legislative competence was altered, for example by way of a Section 30 order.

[3] Constitution, Europe, External Affairs and Culture Committee [Session 6], Options for a legal mechanism for triggering any independence referendum

Rules on the establishment and functions of committees are set out in Chapter 6 of the Parliament's Standing Orders. These state that "any member may by motion propose the establishment of a committee", and that:

> "The Parliamentary Bureau may, whether in response to such a proposal or otherwise, by motion propose the establishment, membership, remit and duration of a committee."

The Parliament has previously established committees for the purpose of conducting specific inquiries or examining particular issues. For example:

- The Session 5 Parliament agreed on 6 February 2019 to establish a Committee on the Scottish Government Handling of Harassment Complaints, the remit of which was to consider and report on the actions of the First Minister, Scottish Government officials and special advisers in dealing with complaints about former First Minister Alex Salmond.

- The Session 6 Parliament agreed on 15 June 2021 to establish a COVID-19 Recovery Committee, the remit of which was to consider and report on matters relating to COVID-19 within the responsibility

- of the Cabinet Secretary for COVID Recovery and other Scottish Ministers where relevant.

- The Session 6 Parliament agreed on 5 December 2024 to establish a SPCB Supported Bodies Landscape Review Committee, the remit of which was to consider, review and report on the Scottish Parliamentary Corporate Body (SPCB) supported bodies landscape, and to develop a clear strategic framework to underpin and provide coherence and structure to the SPCB supported bodies landscape.

Scottish Government proposals for fiscal/monetary institutions and a written constitution in an independent Scotland

HM Treasury is the UK Government's economic and finance ministry. Its functions and responsibilities (as listed by the UK Government) include maintaining control over public spending, strategic oversight of the UK tax system, setting the direction of the UK's economic policy (including ensuring the economy is growing sustainably), and financial services policy (including the banking and financial services regulatory framework).[4] The Treasury also 'sponsors'[5] a number of executive agencies and public bodies such as the Office for Budget Responsibility and the UK Debt Management Office.[6]

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[4] GOV.UK, HM Treasury: About Us

[5] Sponsoring Departments are likely to work closely with the agencies and public bodies they sponsor, but these bodies may have a high degree of independence from Ministerial oversight. Secretaries of State are accountable to the UK Parliament for the performance of those public bodies for which their Department is responsible. See: Cabinet Office, Arm's length body sponsorship code of good practice, 23 May 2022

[6] GOV.UK, Departments, agencies and public bodies

The Bank of England is the central bank of the United Kingdom, including for Scotland. Its responsibilities and activities include:

- Keeping inflation low and stable, including by setting interest rates
- Ensuring secure and reliable ways to pay for goods and services, including producing banknotes and supervising payments services
- Regulating and overseeing the UK operations of banks and other financial institutions (via the Prudential Regulation Authority), and
- Maintaining financial stability and ensuring failing banks exit the market in an orderly way.[7]

The Scottish Government's October 2022 paper, 'Building a New Scotland: A stronger economy with independence', set out proposals for how monetary and fiscal policy could be managed, and how financial stability could be ensured, in an independent Scotland.

The paper states that "the main new institution to be established [in an independent Scotland] would be a Scottish Central Bank", which it says "would operate independently of Government and be given a clear mandate, initially focusing on ensuring financial stability". It also states that the Bank would have "oversight of monetary and economic conditions in Scotland".[8]

The paper also acknowledges that "further institutional capacity would be required for the development of financial regulation functions and for fiscal policy". In relation to fiscal policy, the paper notes that "the Scottish Government [is] already performing Exchequer functions for devolved powers and spending". However, it also observes that "fiscal rules are set by HM Treasury for the UK as a whole, and key fiscal institutions – those that make forecasts or issue debt – operate at the UK level".[9]

The paper states that the Scottish Government would establish "a robust institutional framework to support [Scotland's] fiscal strategy, with an expanded role for the Scottish Fiscal Commission and a new Debt Management Office". It also proposes the expansion of Revenue Scotland (an existing Scottish non-ministerial office, responsible for collecting and managing Scotland's devolved taxes).[10]

In its June 2023 paper, 'Building a New Scotland: Creating a modern constitution for an independent Scotland', the Scottish Government set out why it considers that Scotland needs a written constitution, and argues that independence "would be an opportunity for people in Scotland to create a permanent, modern, written constitution for Scotland".

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[7] Bank of England, About Us

[8] Scottish Government, Building a New Scotland: A stronger economy with independence [section heading: Currency and fiscal policy], 17 October 2022

[9] As above

[10] As above

The paper also sets out proposals for how a written constitution for Scotland might be created and what it might contain. It suggests that an interim constitution, "developed through consultation and conversation with people in Scotland", would take effect on the day of independence. This interim constitution would include a requirement for the Scottish Parliament to establish a Constitutional Convention to draft a permanent written constitution for Scotland, which would be put forward for approval in a referendum.[11]

Other issues raised by the petition

In response to a July 2026 written question from Martyn Day MSP, asking what assessment the Scottish Government had made of "any potential merits of introducing compulsory voting to increase turnout to Scottish Parliament elections, as is used in Australia", the Scottish Government stated that it "supports efforts to encourage voluntary participation in the democratic process and has not assessed the merits or otherwise of compulsory voting".

In response to a May 2022 written question from Katy Clark MSP, asking what steps the Scottish Government had taken to build a sovereign wealth fund, the Scottish Government stated that it was "not currently working to build a sovereign wealth fund", and that "under current constitutional arrangements, the Scottish Government does not have the power to set up a sovereign wealth fund, similar to that of Norway". Its October 2022 paper, 'Building a New Scotland: A stronger economy with independence', proposed the creation of a 'Building a New Scotland Fund', which would "reinvest oil and gas revenues, alongside other windfall income, in the productive potential of the Scottish economy".[12]

The suggestion that regional list MSPs should be subject to term limits was previously made by former First Minister Lord (Jack) McConnell in evidence to the independent Commission on Parliamentary Reform established by then-Presiding Officer Ken Macintosh MSP in 2016. According to the BBC, Lord McConnell argued that this proposal would prevent regional list members having "jobs for life", while also suggesting that candidates should have to choose between running in a constituency or on a list, not both.[13]

Key Organisations and relevant links

- Scottish Government, Building a New Scotland: A stronger economy with independence, October 2022
- Scottish Government, Building a New Scotland: Creating a modern constitution for an independent Scotland, June 2023

[11] Scottish Government, Building a New Scotland: Creating a modern constitution for an independent Scotland, 19 June 2023

[12] Scottish Government, Building a New Scotland: A stronger economy with independence [section heading: The Building a New Scotland Fund], 17 October 2022

[13] BBC News, Is the Scottish Parliament in need of reform?, 24 April 2017

- Common Weal, Scotland's National Bank – Central Banking in an independent Scotland, November 2017

- UCL Constitution Unit, A Scottish constitution: should it be devised before or after independence?, November 2020

- House of Commons Library, Why does the UK not have a "written" constitution?, September 2026

- Dr David Klemperer, The case for compulsory voting in the UK, The Constitution Society, February 2023

- Electoral Reform Society, We should fix our voting system, not force people to use it, April 2026

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23 September 2026

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

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