

Briefing note

Implications for Scotland of Boris Johnson becoming Prime Minister

Context

As the front-runner in the Conservative leadership contest, Boris Johnson is likely to succeed Theresa May as Prime Minister on the 24th of July. In this event, there are a range of scenarios that could impact Scotland as well as the constitutional future of the UK.

- 1) A Johnson premiership will provide a boost to Scottish nationalism and provide further justification for the Scottish Government to advance its preparations for a 2nd IndyRef.
- 2) Implications for party unity between the Scottish Conservatives and the wider party.
- 3) A potentially negative change in the working relationship between the UK and Scottish governments.

Second Independence Referendum

Since the UK voted to leave the EU in 2016, the Scottish National Party have begun to renew their campaign for a second independence referendum. The First Minister was quick to call for a second independence referendum immediately following the leave vote, but the SNP was punished for this stance in the subsequent General Election. Since then, Sturgeon has trodden a more cautious path, but with a groundswell of support in her party for a new campaign, she is strategically shifting towards a second independence referendum.

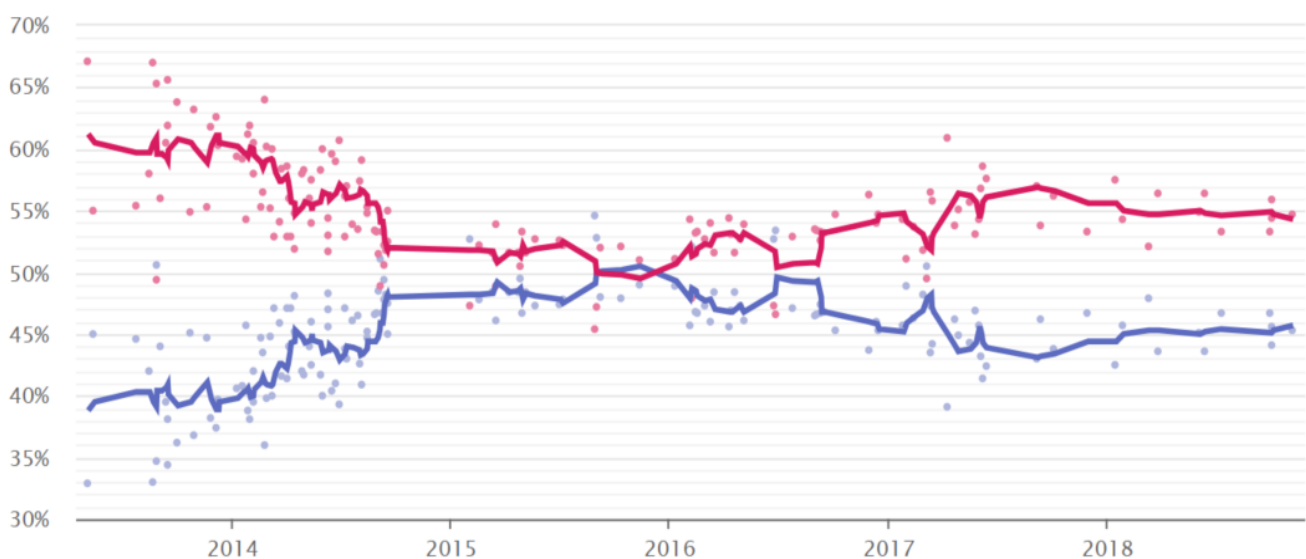
It is worth noting that the SNP included in their 2016 Holyrood manifesto a commitment to holding another referendum in these exact circumstances.

*"We believe that the Scottish Parliament should have the right to hold another referendum if there is... a significant and material change in the circumstances that prevailed in 2014, **such as Scotland being taken out of the EU against our will.**" - SNP Holyrood Election Manifesto 2017*

Whilst this has no legal foundation, as a Section 30 order would have to be granted by the UK Government, there can be little doubt as to the sincerity of the SNP's call for a second referendum.

The polling

Should Scotland be an independent country? (pink = no, blue = yes)



Britain Elects – Scottish Independence poll of polls

- Aggregate polls still show a small majority for No (currently 54.3%, to 45.7%), only a small increase for Yes on the 2014 vote.
- However, these polls were conducted before Boris Johnson was the clear front-runner for Prime Minister. Looking at a more recent poll (20th June) which models the event of Boris Johnson as PM, there is a majority for independence, with the Yes vote going up to 53%, to 47% for No.

A further threat to Scotland leaving the Union under Boris Johnson as Prime Minister is that the membership of the Conservative party favour Brexit over keeping Scotland in the UK (63% to 29%). As such if faced with a choice to get Brexit done at the cost of Scottish independence, Johnson may opt to allow a second referendum which his government would be likely to lose.



YouGov – Conservative Party Membership

Overall, Boris Johnson as PM would lead to an increase in support for Scottish independence, especially if he takes the UK to a hard Brexit. However, in order for a vote to take place he would have to give the consent for this – something which he has ruled out doing, and which Ruth Davidson, as leader of the Scottish Conservatives, would strongly oppose.

Scottish Conservatives

Ruth Davidson has previously been highly critical of Johnson, most notably during the EU referendum campaign where she debated with him at Wembley Stadium. Viewing Johnson as a threat to the performance of the Scottish Conservatives, Davidson has sought to limit his presence in Scotland and reportedly blocked him from coming to the Scottish Conservative party conference in May of this year.

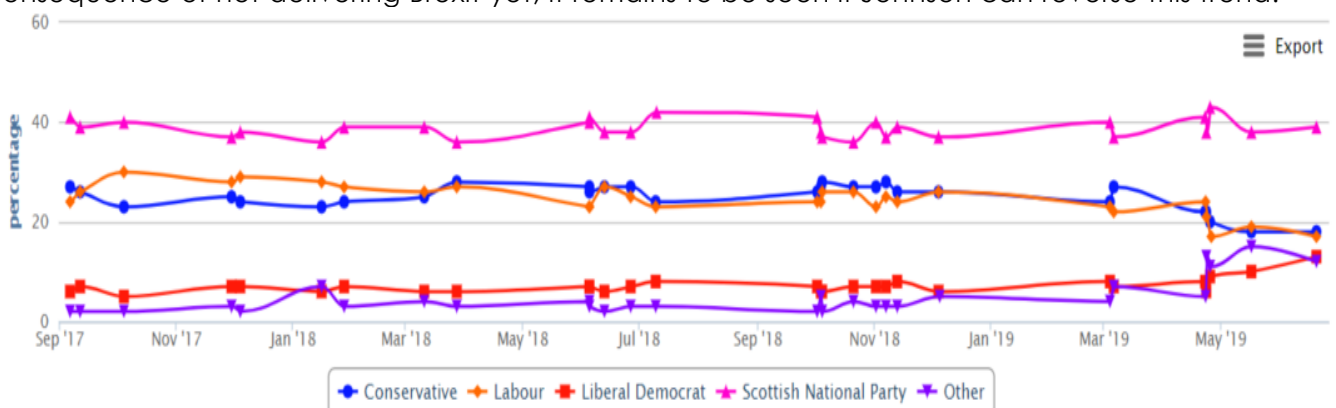
Since then, Davidson has supported Sajid Javid, Michael Gove, and now Jeremy Hunt for the leadership of the Conservative party. Johnson has recently stated that he has a good relationship with Davidson, but this is widely refuted. Indeed, she has recently responded to Johnson's comments that Brexit is "do or die" by saying that "it's not Brexit do or die, it's the Union do or die".

Davidson's main concern is that a Johnson premiership will increase the prospect of a second independence referendum, weaken the Scottish Conservative's electoral prospects in the upcoming 2021 Holyrood election, and reverse the gains the Scottish Conservatives made in the 2017 General Election.

Relationships between the Scottish Conservatives and the rest of the party could be strained further in the event that Johnson replaces David Mundell, a loyal May supporter, as Secretary of State for Scotland. By far the most experienced, albeit relatively unpopular, Scottish Conservative MP, Mundell may secure his position, however Johnson could opt to give the position to one of the Scottish MPs who have backed him so far such as Douglas Ross, Andrew Bowie, Colin Clark, or more controversially, Ross Thomson (his Scottish campaign manager).

General Election – Scottish scenarios

Current polling (below) indicates that the Scottish Conservatives have lost support as a consequence of not delivering Brexit yet; it remains to be seen if Johnson can reverse this trend.



Westminster Polling in Scotland – What Scotland thinks

The Scottish Conservatives currently hold 13 seats in Westminster. In the event of the UK government falling at a No Confidence motion leading to a subsequent General Election, a rejuvenated SNP could wipe out Tory gains made at the 2017 General Election. In this scenario it is possible that Nicola Sturgeon could help deliver a Corbyn government in a confidence and supply arrangement or coalition if a hung parliament is once again delivered.

A Labour/SNP Westminster coalition would inevitably lead to a Section 30 Order being granted and a 2nd Indyref being granted by Parliament. Corbyn hasn't categorically ruled out allowing a 2nd Indyref – he has previously said he would 'decide at the time'.

Policy implications under Boris Johnson

Income Tax

- Johnson has pledged to increase the threshold for the top rate of tax from its current level of £50,000 to £80,000. Johnson's proposal will also raise the point by which people start to pay National Insurance.
- Since the devolution of income tax powers to the Scottish Government, the top rate threshold has been frozen at £43,431 in a move by the SNP to create a more progressive tax system and raise more money for public services. Scotland does not have power over National Insurance rates, so income tax payers in Scotland could be disadvantaged by Johnson's proposals.
- Widely criticised by the Scottish Conservatives as making Scotland uncompetitive on tax, the policy has mixed popularity. However in the event that the rate in rUK is moved to £80,000 this will put significant pressure on the Scottish Government to move in a similar direction to avoid making the gap even larger and the risk of having high earners in Scotland shift their tax base to the rest of the UK – something which could have a negative effect on Scottish public finances.

Immigration

- The SNP has consistently called for immigration powers to be fully devolved to the Scottish Parliament in the wake of Brexit. Indeed Sturgeon reiterated this recently, listing immigration and powers for Holyrood as one of her first demands of any new Conservative Prime Minister who wants to head off a second independence referendum.
- Recognising this challenge, the Scottish Conservatives, in a joint intervention by the MP and MSP groups, called for a more flexible approach to be taken in order to recognise the needs of Scotland's economy after the UK leaves the European Union.
- The Scottish Conservatives said that immigration policy must recognise that sectors such as farming, fish processing, and hospitality and social care, heavily rely on foreign labour.

Funding

- Prior to running for the leadership of the Conservative party, Johnson has been critical of the current Barnett formula which is used to share funds across the UK.
- Johnson had previously described the formula as something of "amazing political antiquity" and producing "inequitable outcomes".
- With Jeremy Hunt widely seen as having stronger unionist credentials, Johnson's leadership team have now promised "no change" to how Scottish government funding is calculated if he becomes prime minister.

The Union

- Johnson has committed to setting up a "Union Unit" within Downing Street to see how well the nations and regions of the UK can exert influence in Whitehall and Westminster.
- The team of advisors would be tasked with looking at the impact of day-to-day issues on the union, and if there needed to be departmental changes to increase the voice of the union.
- Johnson has also committed to adding "Minister for the Union" to the full job title of PM.

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