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DOVER HOUSE
WHITEHALL
LONDON SW1A 2AU
www.scotlandoffice.gov.uk

Bruce Crawford MSP
Convener, Devolution (Further Powers) Committee
c/o Clerk to the Committee
Room T3.40
The Scottish Parliament
Edinburgh EH99 1SP

23 March 2014

Dear Bruce,

IMPLEMENTING THE SMITH COMMISSION AGREEMENT

Thank you for your letter of 26 February on this topic. I look forward to my appearance before the Committee on 26 March.

In relation to top-up benefits, the Smith Commission Agreement sets out at paragraph 55 that any new benefit or discretionary payments introduced by the Scottish Parliament must provide additional income for a recipient and not result in an automatic offsetting reduction in their entitlement to other benefits or post-tax earnings if in employment. The UK Government agrees with the principle of not automatically off-setting new benefits with reductions elsewhere. The UK Government will therefore consider the introduction of new benefits or discretionary payments on an individual basis, to ensure the implications of any changes are assessed appropriately, and to enable the development of tailored legislation, where appropriate.

You also asked about the clause relating to the permanence of the Scottish Parliament. The draft clause delivers the Smith Commission Agreement by stating in law that a Scottish Parliament is a permanent part of the UK's constitutional arrangements. There has never been any question in the past 16 years that the Scottish Parliament and Scottish Government are anything other than permanent. Placing conditions or procedures on these draft clauses and on the face of the statute book would invite a scenario that was never envisaged in 1998 and is not envisaged today.

The Committee will of course already be aware of the fact the UK Parliament cannot bind its successors, but I will repeat my point in my earlier letter; there can never be any question: Holyrood is here to stay. The people of Scotland voted for two Governments and two Parliaments in the referendum and that is what they will have.

Yours ever,

Alistair

**Rt Hon ALISTAIR CARMICHAEL MP
SECRETARY OF STATE FOR SCOTLAND**