

Act of Union Bill

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B I L L

TO

Provide a renewed constitutional form for the peoples of England, Scotland, Wales and Northern Ireland to continue to join together to form the United Kingdom; to affirm that those peoples have chosen, subject to and in accordance with the provisions of this Act, to continue to pool their sovereignty for specified purposes; and to protect social and economic rights for citizens.

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TO

Provide a renewed constitutional form for the peoples of England, Scotland, Wales and Northern Ireland to continue to join together to form the United Kingdom; to affirm that the peoples of those nations and parts have chosen, subject to and in accordance with the provisions of this Act, to continue to pool their sovereignty for specified purposes; and to protect social and economic rights for citizens.

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: –

PART 1

STATUS AND CORE PURPOSES

1 Status of United Kingdom

- (1) The purpose of the United Kingdom is to provide a strong and effective union between the peoples of the constituent nations and parts.
- (2) The commencement referendum provided for by Part 11 provides an opportunity for the peoples of the constituent nations and parts to affirm that they have chosen to continue to pool their sovereignty for the purposes specified in this Act.
- (3) The constituent nations and parts of the United Kingdom (referred to in this Act as “members” of the United Kingdom) are—
 - (a) England,
 - (b) Scotland,
 - (c) Wales, and
 - (d) Northern Ireland.
- (4) Each of those remains a member of the United Kingdom unless and until a majority of the people of that member vote to leave in a referendum held for the purposes of this section.
- (5) Subsection (6) applies if—

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- (a) a majority of the people voting in a referendum conducted in accordance with an Act of Parliament express a wish for England to cease to be a member of the United Kingdom; or
 - (b) a majority of the people voting in a referendum conducted in accordance with an Act of the Scottish Parliament express a wish for Scotland to cease to be a member of the United Kingdom; or
 - (c) a majority of the people voting in a referendum conducted in accordance with an Act of the Senedd Cymru / Welsh Parliament express a wish for Wales to cease to be a member of the United Kingdom; or
 - (d) a majority of the people voting in a referendum conducted in accordance with an Act of the Northern Ireland Assembly express a wish for Northern Ireland to cease to be a member of the United Kingdom.
- (6) Where this subsection applies, the Secretary of State must lay before Parliament such proposals to give effect to the wish expressed in the relevant referendum under subsection (5) as may be agreed between Her Majesty's Government in the United Kingdom and the Government of England, Scotland, Wales or Northern Ireland (as the case may be).
- (7) In the case of Northern Ireland, proposals under subsection (6) must also be agreed between Her Majesty's Government in the United Kingdom and the Government of Ireland.

2 Core purposes

- (1) The following are the principal purposes of the United Kingdom—
- 1. The rule of law and equality before the law.
 - 2. The protection of fundamental rights and freedoms.
 - 3. Defence of the realm and the conduct of foreign relations.
 - 4. The promotion of tolerance and respect.
 - 5. Equality of opportunity.
 - 6. Provision of a safe and secure society.
 - 7. Provision of a robust and sustainable economy, providing prosperity that benefits the whole United Kingdom.
 - 8. Provision of a fair society, with protection of social and economic rights, including provision of access to education and health and other social services.
 - 9. Benefiting from shared history and culture.

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- (2) A public authority of the United Kingdom or any part of the United Kingdom must have regard to the core purposes in the exercise of its functions.
- (3) A court or tribunal may have regard to the core purposes of the United Kingdom in any case to which they appear relevant (but they do not take priority over the application of specific provisions of legislation).

PART 2

CENTRAL POLICY AREAS

3 Introduction

This Part determines the policy areas in respect of which legislation is to be passed, and functions are to be exercised, exclusively by Parliament and Her Majesty's Government.

4 List of central policy areas

- (1) Part 1 of the Schedule lists central policy areas for this purposes of this Act.
- (2) Part 2 of the Schedule provides for the amendment of the list of central areas.

5 Effect of inclusion in list

- (1) No legislature other than Parliament has power to pass legislation in relation to a central policy area (but this section is subject to section 6).
- (2) No public authority other than a Minister of the Crown has power to make subordinate legislation in relation to a central policy area.
- (3) No public authority other than a Minister of the Crown may undertake activities or exercise a function in relation to a central policy area, except in pursuance of an express statutory function.
- (4) In this section a reference to a Minister of the Crown includes a person acting on behalf of a Minister of the Crown.
- (5) A purported legislative or other enactment or act is void if and in so far as it is inconsistent with subsections (1) to (3).

6 Incidental provision about central areas

- (1) A legislature specified in subsection (2) may include in an Act of that legislature provision relating to a central policy area with the consent of Parliament signified in advance by a resolution in the following form—

“Parliament consents to the inclusion in the [Short Title] Bill before the [Name of Parliament / Assembly] of the provision set out in the Annex to this

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Resolution, being incidental to one or more provisions which relate to matters outside central policy areas as defined in the Act of Union 2021.”

- (2) Those legislatures are—
- (a) the English Parliament;
 - (b) the Scottish Parliament;
 - (c) the Senedd Cymru / Welsh Parliament; and
 - (d) the Northern Ireland Assembly.

7 Rulings of Supreme Court

- (1) Any person may bring proceedings in the Supreme Court for a declaration in respect of a legislative or other enactment or action as to whether it is inconsistent with section 5(1) to (3).
- (2) Unless and until a declaration has been granted that a legislative or other enactment or action is inconsistent with section 5(1) to (3), it shall be treated for all purposes as being consistent with those subsections.
- (3) The Supreme Court may on the application of any person give a ruling about the construction of—
- (a) an item listed in Part 1 of the Schedule, or
 - (b) another provision of this Act about central policy areas.
- (4) A ruling of the Supreme Court under subsection (3) binds—
- (a) all other courts and tribunals in the United Kingdom, and
 - (b) a public authority of the United Kingdom or any part of the United Kingdom.
- (5) Rules of the Supreme Court may make procedural provision about proceedings under this section (which may include a requirement for permission, requirements about timing and other conditions).

PART 3

ENGLAND

English Parliament Option

8 Introduction

- (1) This group of sections—

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- (a) makes provision for the establishment of a directly elected English Parliament; and
- (b) comes into force if in the commencement referendum provided for by Part 11 a majority of the votes cast in England are in favour of this Act coming into force and in favour of the establishment of an English Parliament.

(2) If and when this Part comes into force—

- (a) a reference to an Act of Parliament in sections 1(5) and 47(3) becomes a reference to an Act of the English Parliament, and
- (b) a reference in sections 43(2) and 54(2) to representatives for England becomes a reference to representatives of the English Government.

9 English Parliament

- (1) There shall be an English Parliament.
- (2) The Members of the English Parliament shall be elected for the same constituencies as the constituencies in England used for elections to the House of Commons.
- (3) The English Parliament may by Act make arrangements about elections to the English Parliament.
- (4) Subject to any Act passed in accordance with subsection (3), the Secretary of State may by regulations make provision for the adaptation of the Representation of the People Act 1983 to elections for the English Parliament.
- (5) Regulations under subsection (4)—
 - (a) shall be made by statutory instrument;
 - (b) may include incidental, consequential or transitional provision; and
 - (c) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.

10 Legislative competence

- (1) The English Parliament has legislative competence in relation to England in respect of any matter that is not within a central policy area for the purposes of this Act.
- (2) Further provision about the proceedings of the English Parliament, and the establishment of an English Government, shall be made by Act of Parliament.

Regional Devolution Option

11 Introduction

Act of Union Bill

This group of sections—

- (a) continues the present arrangements whereby Parliament makes law for England in relation to matters that are devolved in respect of any or all of Scotland, Wales and Northern Ireland;
- (b) enables cities and regions within England to choose to establish arrangements for devolved government; and
- (c) comes into force if in the commencement referendum provided for by Part 11 a majority of the votes cast in England are in favour of this Act coming into force and in favour of the regional devolution option for England.

12 UK Parliament jurisdiction

- (1) The UK Parliament shall continue to have jurisdiction over matters in relation to England, whether or not they would be devolved in relation to Scotland, Wales or Northern Ireland.
- (2) Only Members of Parliament for constituencies in England may vote on primary or secondary legislation that extends only to England.
- (3) The Speaker of the UK Parliament may certify a Bill or statutory instrument as to be treated as extending only to England for the purposes of this section if—
 - (a) it contains provisions which do not extend only to England, but
 - (b) the Speaker is satisfied that those provisions are reasonably required to give effect to or in consequence of provisions of the Bill or statutory instrument that do extend only to England.
- (4) A decision of the Speaker to act (or not to act) under subsection (3)(b) may be challenged by application to the Supreme Court; and rules of that court may establish procedures for applications under this subsection (which may include provisions about timing and other conditions).

13 City deals

- (1) A local authority may prepare proposals for the acquisition by a city within its area of devolved powers.
- (2) Provisions about the preparation, determination and implementation of proposals in accordance with subsection (1) shall be made by Act of Parliament.
- (3) Proposals for the acquisition of devolved powers take effect only if approved by a majority of those voting in a referendum held by the proposing local authority.

14 Regional devolution

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- (1) Two or more unitary authorities may prepare joint proposals for the creation of a region with devolved powers.
- (2) Proposals shall be prepared, determined and implemented in accordance with provision to be made by Regional Devolution Act.
- (3) Proposals for the acquisition of devolved powers take effect only if approved, in a referendum held by the proposing unitary authorities in accordance with a Regional Devolution Act, by—
 - (a) a majority of those voting, and
 - (b) a majority of those voting in the area of each of the proposing local authorities.

PART 4

SCOTLAND

15 Scottish Parliament

- (1) The Scottish Parliament shall continue to exercise legislative and other jurisdiction and functions in accordance with the Scotland Act 1998 and other relevant enactments.
- (2) This Part requires the amendment of the Scotland Act 1998 to ensure that the Scottish Parliament and the Scottish Government have competence in all matters except the central policy areas assigned to Parliament and Her Majesty's Government by Part 2.
- (3) The amendments required to be achieved by this Part shall be made—
 - (a) by Act of Parliament, to which the Scottish Parliament has consented by motion, or
 - (b) by regulations made by the Secretary of State during the period of 6 months beginning with the commencement of this section.
- (4) Regulations under subsection (3)(b)—
 - (a) shall be made by statutory instrument;
 - (b) may include incidental, consequential or transitional provision;
 - (c) may not be made unless a draft has been laid before and approved by resolution of the Scottish Parliament and of each House of Parliament.

16 Scottish Government

The Scottish Government shall continue to exercise functions in accordance with the Scotland Act 1998 and other relevant enactments.

17 Elections to Scottish Parliament

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The Scotland Act 1998 shall be amended so that the powers of the Secretary of State in section 12A (power of the Secretary of State to make provision about elections) become powers of the Scottish Ministers.

18 Abolition of powers to intervene

- (1) Section 35 of the Scotland Act 1998 (power to intervene in certain cases) shall be repealed.
- (2) Section 58 of the Scotland Act 1998 (power to prevent or require action) shall be repealed.

19 Public money

The following provisions of the Scotland Act 1998 shall be repealed—

- (a) section 64(5) to (7) (payment of designated receipts from Scottish Consolidated Fund into the Consolidated Fund);
- (b) sections 66, 67 and 67A (borrowing by Scottish Ministers);
- (c) section 68 (borrowing by statutory bodies); and
- (d) section 72 (accounts of loans to Scottish Ministers).

PART 5

WALES

20 Senedd Cymru / Welsh Parliament

- (1) The Senedd Cymru / Welsh Parliament shall continue to exercise legislative and other jurisdiction and functions in accordance with the Government of Wales Acts and other relevant enactments.
- (2) This Part requires the amendment of the Government of Wales Acts to ensure that the Senedd Cymru / Welsh Parliament and the Welsh Government have competence in all matters except the central policy areas assigned to Parliament and Her Majesty's Government by Part 2.
- (3) The amendments required to be achieved by this Part shall be made—
 - (a) by Act of Parliament, to which the Senedd Cymru / Welsh Parliament has consented by resolution, or
 - (b) by regulations made by the Secretary of State during the period of 6 months beginning with the commencement of this section.
- (4) Regulations under subsection (3)(b)—

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- (a) shall be made by statutory instrument;
- (b) may include incidental, consequential or transitional provision;
- (c) may not be made unless a draft has been laid before and approved by resolution of the Senedd Cymru / Welsh Parliament and of each House of Parliament.

(5) In this Act “the Government of Wales Acts” means—

- (a) the Government of Wales Act 1998,
- (b) the Government of Wales Act 2006,
- (c) the Wales Act 2014, and
- (d) the Wales Act 2017.

21 Welsh Government

The Welsh Government shall continue to exercise functions in accordance with the Government of Wales Acts and other relevant enactments.

22 Elections to the Senedd

The Government of Wales Act 2006 shall be amended so that the powers of the Secretary of State in section 13A (power of the Secretary of State to make provision about the combination of polls) become powers of the Welsh Ministers.

23 Abolition of powers to intervene

- (1) Section 82 of the Government of Wales Act 2006 (power to prevent or require action) shall be repealed.
- (2) Section 114 of the Government of Wales Act 2006 (power to intervene in certain cases) shall be repealed.

24 Public money

The following provisions of the Government of Wales Act 2006 shall be repealed—

- (a) section 120(3) to (7) (payment of designated funds to Secretary of State);
- (b) sections 121, 122 and 122A (borrowing by Welsh Ministers); and
- (c) section 123 (accounts of loans).

PART 6

NORTHERN IRELAND

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25 Northern Ireland Assembly

The Northern Ireland Assembly shall continue to exercise legislative and other jurisdiction and functions in accordance with the Northern Ireland Act 1998 and other relevant enactments.

26 Northern Ireland Executive

The Northern Ireland Executive shall continue to exercise functions in accordance with the Northern Ireland Act 1998 and other relevant enactments.

PART 7

PARLIAMENT

Abolition of House of Lords Option

27 Introduction

This group of sections—

- (a) makes provision for the abolition of the House of Lords and the restructuring of Parliament; and
- (b) comes into force if in the commencement referendum provided for by Part 11 a majority of the votes cast in the United Kingdom as a whole, and in each of England, Wales, Scotland and Northern Ireland, are in favour of the abolition of the House of Lords.

28 Restructuring overview

- (1) The House of Commons shall become known as the United Kingdom Parliament (“UK Parliament”) and shall continue to be elected as set out in section 29.
- (2) The House of Lords shall be abolished in accordance with section 30.
- (3) A Scrutiny Committee for the UK Parliament shall be constituted in accordance with section 31 by delegates elected for that purpose by the member legislatures.
- (4) A Scrutiny Committee for each of the member legislatures shall be constituted by the relevant national members of the UK Parliament in accordance with section 32.
- (5) In this Part “member legislatures” means—
 - (a) the English Parliament;
 - (b) the Scottish Parliament;
 - (c) the Senedd Cymru / Welsh Parliament; and

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(d) the Northern Ireland Assembly.

29 UK Parliament

- (1) The UK Parliament (the former House of Commons – see section 28) shall continue to be elected with representatives from throughout the United Kingdom.
- (2) In place of the existing constituencies, new arrangements shall be specified by a Representation of the People Act for the election of 146 Members of Parliament.
- (3) The Representation of the People Acts shall continue to apply to elections to the UK Parliament.
- (4) The UK Parliament has exclusive legislative competence in relation to central areas.
- (5) The UK Parliament continues to exercise the authority of the Sovereign Parliament of the United Kingdom.
- (6) Nothing in this Act diminishes or otherwise affects the extent of that Sovereignty.
- (7) Her Majesty may by Order in Council make arrangements for the exercise of ceremonial functions by the Sovereign in Parliament (including signification of Royal Assent, the Opening of Parliament and other ceremonial functions); and an Order in Council under this subsection—
 - (a) may amend an Act of Parliament, and
 - (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.
- (8) For the avoidance of doubt, it is open to the UK Parliament to pass Acts of Parliament amending or repealing this Act.
- (9) After the commencement of this Act the Enactment Formula for Acts of Parliament shall become—

“Be it enacted by the Queen’s Most Excellent Majesty, by and with the advice and consent of the Commons in this present Parliament assembled, and by the authority of the same, as follows:—”.
- (10) In this Act—
 - (a) a member of the UK Parliament returned for a constituency in England is referred to as an “English MP”;
 - (b) a member of the UK Parliament returned for a constituency in Scotland is referred to as a “Scottish MP”;
 - (c) a member of the UK Parliament returned for a constituency in Wales is referred to as a “Welsh MP”; and

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- (d) a member of the UK Parliament returned for a constituency in Northern Ireland is referred to as a “Northern Ireland MP”.

30 Abolition of House of Lords

- (1) On the commencement of this section the House of Lords shall cease to form part of Parliament.
- (2) The following are repealed—
 - (a) the House of Lords (Expulsion and Suspension) Act 2015;
 - (b) the House of Lords Reform Act 2014;
 - (c) the House of Lords Act 1999;
 - (d) the House of Lords Costs Taxation Act 1849;
 - (e) the House of Lords Precedence Act 1539; and
 - (f) the European Parliament (House of Lords Disqualification) Regulations 2009.
- (3) The Life Peerages Act 1958 shall continue to have effect, with the omission of references to the right to sit in the House of Lords.
- (4) Her Majesty may by Order in Council—
 - (a) make other repeals and consequential amendments to reflect the provisions of this section;
 - (b) make provision about the deployment of the premises and property of the House of Lords;
 - (c) make transitional provision in connection with the implementation of this section (which may include provision allowing former members of the House of Lords access to facilities of Parliament other than the right to participate in proceedings).
- (5) An Order in Council under subsection (4)—
 - (a) may amend Acts and instruments, and
 - (b) may not be made unless a draft has been laid before and approved by resolution of Parliament.
- (6) On the commencement of this section a reference in this Act to each House of Parliament becomes a reference to the UK Parliament.

31 UK Parliament Scrutiny Committee

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- (1) Each of the member legislatures shall elect members to serve as the Scrutiny Committee of the UK Parliament.
- (2) The Scrutiny Committee shall perform whatever revising or other functions are conferred on it by or under—
 - (a) Act of Parliament; or
 - (b) Standing Orders of the UK Parliament.
- (3) An Act of Parliament may confer on the Scrutiny Committee powers to—
 - (a) delay the progress of Bills;
 - (b) exercise functions in relation to the scrutiny of subordinate legislation; and
 - (c) exercise such other functions as it may specify.

32 Scrutiny Committees

- (1) The English MPs shall constitute the Scrutiny Committee of the English Parliament.
- (2) The Scottish MPs shall constitute the Scrutiny Committee of the Scottish Parliament.
- (3) The Welsh MPs shall constitute the Scrutiny Committee of the Senedd Cymru / Welsh Parliament.
- (4) The Northern Ireland MPs shall constitute the Scrutiny Committee of the Northern Ireland Assembly.
- (5) Each of the Scrutiny Committees shall perform whatever revising or other functions are conferred on them by or under—
 - (a) legislation of the relevant Parliament or Assembly; or
 - (b) Standing Orders of the relevant Parliament or Assembly.
- (6) An Act of the English Parliament, Scottish Parliament, Senedd Cymru / Welsh Parliament or Northern Ireland Assembly may confer on the relevant Scrutiny Committee powers to—
 - (a) delay the progress of Bills in that Parliament or Assembly;
 - (b) exercise functions in relation to the scrutiny of subordinate legislation; and
 - (c) exercise such other functions (including functions relating to the scrutiny of the relevant Government or Executive) as it may specify.

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33 Introduction

This group of sections—

- (a) makes provision for the restructuring of the House of Lords; and
- (b) comes into force if in the commencement referendum provided for by Part 11 a majority of the votes cast in the United Kingdom as a whole, and in each of England, Wales, Scotland and Northern Ireland, are in favour of the restructuring of the House of Lords.

34 Restructuring overview

- (1) The House of Lords shall be reformed in accordance with section 35.
- (2) A Scrutiny Committee for each of the member legislatures shall be constituted as set out in section 36 as follows—
 - (a) the Scottish MPs shall constitute the Scrutiny Committee of the Scottish Parliament;
 - (b) the Welsh MPs shall constitute the Scrutiny Committee of the Senedd Cymru / Welsh Parliament; and
 - (c) the Northern Ireland MPs shall constitute the Scrutiny Committee of the Northern Ireland Assembly.

35 House of Lords

- (1) After the commencement of this section the House of Lords shall consist of—
 - (a) 292 elected members, and
 - (b) 100 appointed members.
- (2) A Representation of the People Act shall make arrangements for the constituencies for the election of members; and—
 - (a) each member shall be elected for a single term of 15 years;
 - (b) elections shall be held at intervals of 5 years;
 - (c) the arrangements for which members are to be elected at each of the 5-yearly elections shall be determined in accordance with the Representation of the People Acts; and
 - (d) transitional arrangements shall be as set out in the Representation of the People Acts.
- (3) There shall be a House of Lords Appointments Commission.

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- (4) In making appointments the Appointments Commission shall aim to ensure that the appointed members of the House of Lords—
 - (a) are independent of government (including local, regional and national government),
 - (b) have no association with any political party, and
 - (c) are able to contribute knowledge and experience of a wide range of commercial, professional, cultural and social matters.
- (5) The members of the Appointments Commission shall be appointed by Letters Patent, on the recommendation of the Prime Minister made with the consent of the leader of each political party with more than 2 MPs.
- (6) Further provision about the constitution and proceedings of the Appointments Commission shall be made by a House of Lords Act.
- (7) Appointments are for a term of 15 years; and a person who has served in the House of Lords (whether as an elected or appointed member) is no longer eligible for appointment.
- (8) Further provision for the following matters shall be made by a House of Lords Act—
 - (a) resignation of members of the House of Lords;
 - (b) early retirement from the House of Lords on medical grounds; and
 - (c) exclusion from the House of Lords of members convicted of serious criminal offences.
- (9) A House of Lords Act may make transitional arrangements in respect of persons who are members of the House of Lords when this Act comes into force.
- (10) A House of Lords Act may amend the Parliament Act 1911 to ensure that the role of the House of Lords is confined to revision of legislation and scrutiny of the Executive.

36 Scrutiny Committees

- (1) The Scottish MPs shall constitute the Scrutiny Committee of the Scottish Parliament.
- (2) The Welsh MPs shall constitute the Scrutiny Committee of the Senedd Cymru / Welsh Parliament.
- (3) The Northern Ireland MPs shall constitute the Scrutiny Committee of the Northern Ireland Assembly.
- (4) Each of the Scrutiny Committees shall perform whatever revising or other functions are conferred on them by or under—

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- (a) legislation of the relevant Parliament or Assembly; or
 - (b) Standing Orders of the relevant Parliament or Assembly.
- (5) An Act of the Scottish Parliament, Senedd Cymru / Welsh Parliament or Northern Ireland Assembly may confer on the relevant Scrutiny Committee powers to—
- (a) delay the progress of Bills in that Parliament or Assembly;
 - (b) exercise functions in relation to the scrutiny of subordinate legislation; and
 - (c) exercise such other functions (including functions relating to the scrutiny of the relevant Government or Executive) as it may specify.

PART 8

PUBLIC MONEY

Introductory

37 Public finance principles

- (1) The public finance principles of the Union are—
1. That central functions should be exercised with a view to maintaining financial stability, including—
 - (a) protection and enhancement of the resilience of the financial systems of the UK and its members (including maintaining capability to address pressures and emergencies);
 - (b) the continuity of the provision of essential financial services; and
 - (c) public confidence in the resilience of the financial systems of the UK and its members and in the provision of essential financial services.
 2. That the sustainability of public finances should be maintained for the UK and its members.
 3. That central functions should be financed from central taxes.
 4. That the member governments should be free to raise local taxes and spend them on local functions, in accordance with the principles—
 - (a) that it is in the interests of the stability of the United Kingdom as a whole to control tax competition between the member governments (in particular, to avoid harmful competition);

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- (b) that local taxation should result in increased resources for local spending (“the additionality principle”).
- 5. That tax revenue should be retained and applied by the member governments so far as possible, in a manner that—
 - (a) maintains clear links between decisions on taxation and decisions on spending (“the responsibility principle”); and
 - (b) supports accountability of member governments to their electorate (“the accountability principle”).
- 6. That central taxes should be shared within the Union in a manner that reflects—
 - (a) differential local need;
 - (b) differential taxable capacities;
 - (c) a balance between equitable distribution to ensure fair and equal access to public services, and ensuring responsibility for the consequences of local decision-making.
- 7. That member governments should be able to raise funds through public borrowing, but not at the expense of the financial stability of the United Kingdom.
- (2) In exercising functions under this Act or any other enactment public authorities of the United Kingdom, or of any part of the United Kingdom, shall aim to apply the public finance principles.
- (3) In this Part—
 - (a) “central functions” means functions of the United Kingdom Government relating to central policy areas within the meaning of Part 2;
 - (b) “central taxes” has the meaning given by section 38; and
 - (c) “member governments” means the English Government, the Scottish Government, the Welsh Government and the Northern Ireland Executive.

Central taxation

38 Central taxes

- (1) The following are “central taxes” for the purposes of this Act—
 - (a) income tax (subject to subsection (2));
 - (b) corporation tax;
 - (c) inheritance tax (subject to subsection (3));

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- (d) VAT (subject to subsection (4));
 - (e) any other tax for the collection and management of which Her Majesty's Commissioners of Revenue and Customs are made responsible by section 5 of the Commissioners for Revenue and Customs Act 2005.
- (2) Where a member legislature increases the rate of income tax, amounts raised in excess of the amounts that would otherwise have been collectable shall be treated for the purposes of this Act as local tax revenue.
 - (3) Where a member legislature increases the rate, or otherwise expands the application of, inheritance tax, amounts raised in excess of the amounts that would otherwise have been collectable shall be treated for the purposes of this Act as local tax revenue.
 - (4) Where a member legislature increases the rate, or otherwise expands the application of, VAT, amounts raised in excess of the amounts that would otherwise have been collectable shall be treated for the purposes of this Act as local tax revenue.
 - (5) Any tax imposed by or under an Act of a member legislature is a "local tax" for the purposes of this Act.
 - (6) In this Part "member legislature" means—
 - (a) the English Parliament;
 - (b) the Scottish Parliament;
 - (c) the Senedd Cymru / Welsh Parliament; and
 - (d) the Northern Ireland Assembly.
 - (7) In this section a reference to a tax includes a reference to any levy of a fiscal nature (irrespective of what it is called).
 - (8) The list of central taxes in this section may be amended by a Finance Act (whether or not giving effect to recommendations of a review by the UK Funding Committee under section 41).

39 Application and raising of central taxes

- (1) Central taxes shall be—
 - (a) applied first to the funding of central functions, and
 - (b) then shared within the Union, in pursuance of the core purposes and the public finance principles, in accordance with the provisions of this Part.
- (2) Decisions on the raising of central taxes must be made—

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- (a) by the Treasury, but
- (b) on the basis of consultation with the member governments.
- (3) In making decisions in relation to taxation the Treasury must maintain mechanisms by virtue of which it is accountable to Parliament for those decisions.

40 Revenue sharing

- (1) This section deals with the distribution of central funds, being—
 - (a) amounts collected by way of central taxes and not required for central functions, and
 - (b) other taxes raised in accordance with Act of Parliament.
- (2) Central funds shall be distributed in accordance with the principles laid down from time to time by Act of Parliament to be known as a Public Spending Act.
- (3) The principles laid down by Public Spending Act shall—
 - (a) include a starting presumption of distribution in accordance with an average per capita formula, and
 - (b) provide for such modifications or adjustments as appear necessary or desirable in the light of differential need and incomes, and other demographic and other considerations.
- (4) The principles laid down by Public Spending Act shall reflect—
 - (a) the conclusions of the UK Funding Committee's first Central Fund Distribution Convention; and
 - (b) the conclusions of any later recommendations by the UK Funding Committee.

41 UK Funding Committee

- (1) The Treasury must establish and maintain a UK Funding Committee, composed of—
 - (a) the Chancellor of the Exchequer;
 - (b) a sufficient number of other Ministers of the Crown, appointed by the Chancellor of the Exchequer, to ensure a majority on the Committee;
 - (c) 3 English MPs, elected by the body of English MPs;
 - (d) 3 Scottish MPs, elected by the body of Scottish MPs;
 - (e) 3 Welsh MPs, elected by the body of Welsh MPs; and

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- (f) 3 Northern Ireland MPs, elected by the body of Northern Ireland MPs.
- (5) The UK Funding Committee shall convene a Central Fund Distribution Convention within the period of 6 months beginning with the date of commencement of this section; and the Convention must include arrangements—
 - (a) for the advice of a group of persons with experience of local, national and international economic practice; and
 - (b) for producing a report, within the period of 12 months beginning with the date of commencement of this section, setting out detailed principles for the distribution of central funds.
- (6) The UK Funding Committee shall meet—
 - (a) at least once in each period of five financial years (“a 5-year major review”), and
 - (b) at least once in each financial year in which a 5-year Major Review is not held (“an interim annual review”).
- (7) At each 5-year major review the UK Funding Committee shall make recommendations about—
 - (a) the operation of the Public Spending Act, and
 - (b) any amendments that in the opinion of the Committee ought to be made to the Public Spending Act.
- (8) The UK Funding Committee shall before each 5-year major review conduct a review of the list of central taxes in section 36 and—
 - (a) make any recommendations that appear appropriate to the Committee for changes to the list, to be effected by Finance Act;
 - (b) make any recommendations that appear appropriate to the Committee for changes to the treatment of local taxes, to be effected by Finance Act; and
 - (c) make any other recommendations that appear appropriate to the Committee in connection with the division between central taxes and local taxes, to be effected by Finance Act.
- (9) The UK Funding Committee may take action of a kind described in subsection (7)(a) or (b) or (8)(a) to (c) at an interim annual review.
- (10) The UK Funding Committee—
 - (a) shall appoint a UK Funding Commission consisting of independent experts to advise on changes to the Public Spending Act from time to time required to ensure that it continues to reflect the public finance principles; and

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- (b) may refer issues to the UK Funding Commission as to the rules for the distribution of central taxes, and agree to be bound by the Commission's recommendations.
- (11) The UK Funding Committee—
- (a) shall appoint a Responsibility and Compensation Commission, to advise on achieving a balance between a compensation mechanism based on indicators of differential local need, and a responsibility and accountability mechanism reflecting increased or diminished revenues based on the achievement of policy objectives; and
- (b) shall have regard to advice and recommendations of the Responsibility and Compensation Commission.
- (12) In exercising its functions the UK Funding Committee shall take all reasonable steps—
- (a) to reach decisions on the basis of consensus and without votes or minority reports;
- (b) to reach decisions that are in the best interests of the UK as a whole and of each member of the UK.
- (13) The UK Funding Committee must publish in respect of each of its decisions a report setting out how it has aimed to achieve the objectives in subsection (12)(a) and (b).

Public borrowing

42 Power to borrow

- (1) Each of the member governments may borrow money to fund public expenditure, but subject to the provisions of this Act.
- (2) In this Act a reference to borrowing money to fund public expenditure is a reference to the issue of bonds or other securities of any kind.
- (3) The Treasury may by regulations provide that specified actions or classes of action—
- (a) are to be treated as borrowing money for the purposes of this section, or
- (b) are not to be treated as borrowing money for the purposes of this section.
- (4) Before making regulations under subsection (3) the Treasury must consult—
- (a) each of the member governments, and
- (b) the independent members of the Public Borrowing Board.
- (5) Regulations under subsection (3)—

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- (a) shall be made by statutory instrument; and
- (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.

43 Public Borrowing Board

- (1) There shall be a body corporate, to be known as the Public Borrowing Board, to exercise the functions conferred by this section or any other enactment.
- (2) There shall be 15 members of the Public Borrowing Board, of whom—
 - (a) 2 shall be appointed by the Prime Minister,
 - (b) 2 shall be appointed as representatives of England;
 - (c) 2 shall be appointed by the First Minister of Scotland;
 - (d) 2 shall be appointed by the First Minister of Wales;
 - (e) 2 shall be appointed by the First Minister and deputy First Minister of Northern Ireland acting jointly; and
 - (f) 5 shall be appointed by the other members of the Board, as experts in national economics who are independent of any public authority (“the independent members”).
- (3) The Board—
 - (a) shall consider borrowing proposals made by member governments;
 - (b) may impose requirements as to the presentation of borrowing estimates and proposals by member governments;
 - (c) may by order limit or impose conditions on borrowing by a member government.
- (4) In exercising its functions the Board shall take all reasonable steps—
 - (a) to reach decisions on the basis of consensus and without votes or minority reports;
 - (b) to reach decisions that are in the best interests of the UK as a whole and of each member of the UK.
- (5) The Board must publish in respect of each of its decisions a report setting out how it has aimed to achieve the objectives in subsection (4)(a) and (b).
- (6) The Treasury shall by regulations make further provision about—
 - (a) the constitution, functions and proceedings of the Board;

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- (b) timing and procedure for the presentation to the Board of borrowing estimates and proposals; and
 - (c) the process, content and enforcement of limits and conditions on borrowing imposed by the Board.
- (7) Regulations under subsection (6)—
- (a) shall be made by statutory instrument, and
 - (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.

44 Borrowing controls

- (1) The Board may establish one or more funds from within which a member government may borrow.
- (2) A fund—
- (a) may relate to borrowing by member governments generally or only to borrowing by one or more specified member governments; and
 - (b) may be subject to specified terms and conditions as to amounts of borrowing, spending controls, repayment arrangements or otherwise.
- (3) A member government may make a specific borrowing proposal to the Board—
- (a) from a fund established in accordance with subsection (1), or
 - (b) from financial markets.
- (4) Where the Board approves a member government's borrowing proposal, the Board shall publish a certificate of authorisation, identifying—
- (a) the nature and extent of the borrowing authorised by the Board, and
 - (b) any conditions (including time limits) attached to the authorisation.
- (5) The Public Spending Act may include provisions designed to impose a charge on a member government in respect of unauthorised borrowing.

Central Bank

45 Central Bank UK

- (1) The Bank of England is by this subsection renamed the Central Bank of the United Kingdom (“Central Bank UK”).
- (2) The Bank of England Act 1988 is hereby renamed the Central Bank UK Act 1988.

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- (3) The Chancellor of the Exchequer must make arrangements designed to ensure that the court of directors of Central Bank UK appointed under section 1 of that Act—
 - (a) are appointed following consultation with each of the member Governments; and
 - (b) include persons with knowledge and experience of the needs and conditions of each of the UK members.
- (4) In exercising its functions Central Bank UK shall take all reasonable steps—
 - (a) to reach decisions on the basis of consensus and without votes or minority reports;
 - (b) to reach decisions that are in the best interests of the UK as a whole and of each member of the UK.
- (5) Central Bank UK must publish in respect of each of its decisions a report setting out how it has aimed to achieve the objectives in subsection (4)(a) and (b).
- (6) The Treasury shall by regulations make consequential amendments of the Bank of England Acts and other enactments to reflect subsections (1) and (2).
- (7) Regulations under subsection (6)—
 - (a) shall be made by statutory instrument; and
 - (b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

46 Central bank functions

- (1) Central Bank UK shall exercise—
 - (a) central banking functions for the United Kingdom (including, in particular, taking action that appears to Central Bank UK to contribute to—
 - (i) the formation and application of monetary policy for the UK, or
 - (ii) the financial stability of the UK and of each of its members);
 - (b) other functions conferred on it by this or any other enactment; and
 - (c) any economic affairs functions (listed in the Schedule of central policy areas) that the Chancellor of the Exchequer instructs Central Bank UK to exercise on behalf of Her Majesty's Government.
- (2) For the purposes of any international obligations or arrangements to which the United Kingdom is a party—
 - (a) Central Bank UK is the central bank of the United Kingdom; and

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- (b) no other financial institution, or arrangements made by the government of any part of the United Kingdom, is entitled to exercise central banking functions.
- (3) The Chancellor of the Exchequer may by regulations—
 - (a) specify functions which are to be treated as central banking functions;
 - (b) specify functions which are not to be treated as central banking functions;
 - (c) make provision for the exercise (by the Treasury, member governments or otherwise) of functions which by virtue of the order are not to be treated as central banking functions.
- (4) Regulations under subsection (3)—
 - (a) may not be made unless the Treasury have consulted Central Bank UK;
 - (b) may include consequential provision (including amendment of enactments);
 - (c) shall be made by statutory instrument; and
 - (d) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

47 Membership

- (1) The members of the Board of Central Bank UK shall be persons with knowledge and experience of banking and economic affairs and shall, in particular, include persons with knowledge and experience of—
 - (a) tax; and
 - (b) international financial affairs.
- (2) The members of the Board of Central Bank UK, and of each of its statutory Committees, shall include persons with knowledge and experience of the conditions in and interests of—
 - (a) England;
 - (b) Scotland;
 - (c) Wales; and
 - (d) Northern Ireland.
- (3) The Treasury shall make regulations about persons appointed in accordance with subsection (2); and the regulations—

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- (a) shall determine the number of appointments;
 - (b) shall determine the periods of appointment;
 - (c) may specify terms and conditions of appointment (including remuneration and allowances); and
 - (d) may specify qualifications or disqualifications for appointment.
- (4) An Act of Parliament may make provision in relation to the manner of selection and appointment of persons with knowledge and experience of conditions in and the interests of England.
- (5) An Act of the Scottish Parliament may make provision in relation to the manner of selection and appointment of persons with knowledge and experience of conditions in and the interests of Scotland.
- (6) An Act of the Senedd Cymru / Welsh Parliament may make provision in relation to the manner of selection and appointment of persons with knowledge and experience of conditions in and the interests of Wales.
- (7) An Act of the Northern Ireland Assembly may make provision in relation to the manner of selection and appointment of persons with knowledge and experience of conditions in and the interests of Northern Ireland.

Transitional

48 Transitional protection

- (1) The UK Funding Committee must establish a Transitional Protection Sub-Committee.
- (2) The Sub-Committee—
- (a) must be established within the period of one month beginning with the commencement of this section;
 - (b) must be dissolved by the Committee as soon as reasonably possible after the end of the period of 10 years beginning with the commencement of this section.
- (3) The function of the Sub-Committee is to recommend transitional modifications of the rules for revenue-sharing set out in the Public Spending Act, so as to ensure that the transition to the new system under this Act—
- (a) is orderly;
 - (b) is affordable;
 - (c) allows member governments and other public authorities to make appropriate preparation for the implementation of the new system; and

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- (d) so far as possible, avoids defeating legitimate expectations or creating undesirable anomalies.

PART 9

DEFENCE AND SECURITY

49 Public sector general duty

- (1) A public authority of the United Kingdom or of any of its members must in exercising its powers aim to ensure that Union protects and enhances the security of the citizens of—
- (a) the United Kingdom as a whole; and
 - (b) each of its members.
- (2) In this section “public authority” means any person if and in so far as it exercises public functions.

50 Duty to cooperate

- (1) The public authorities of each part of the United Kingdom must cooperate with each other, and with any other public authority of the United Kingdom, for any purpose connected with defence and security.
- (2) In this Part “defence and security” includes—
- (a) defence of the realm,
 - (b) security and intelligence,
 - (c) cyber-security,
 - (d) protection against terrorism, and
 - (e) resilience to natural and other emergencies.
- (3) The Minister for the Cabinet Office must make arrangements to prepare, in agreement with the governments of the members of the UK, plans (“crisis plans”) for dealing with financial, health, security and other classes of emergency; and a crisis plan must, in particular—
- (a) specify the statutory and other powers that are expected to be (or not to be) used in connection with specified classes of crisis; and
 - (b) include arrangements for distribution of functions, and liaison, between member governments and the UK government.

51 Liaison

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- (1) The Secretary of State must establish and preside over a Defence and Security Liaison Committee.
- (2) The purpose of the Committee is to ensure that the public authorities of each part of the United Kingdom—
 - (a) are appropriately briefed and consulted on matters of defence and security;
 - (b) liaise appropriately on matters of defence and security;
 - (c) cooperate appropriately on matters of defence and security.

PART 10

HOME AFFAIRS

The courts

52 Court hierarchy

- (1) The Supreme Court shall remain the most senior court of the United Kingdom, with the jurisdiction conferred on it by Act of Parliament.
- (2) The other courts provided for the constituent parts of the United Kingdom by Act of Parliament shall continue to have the jurisdiction conferred on them by those Acts.

53 Wales

- (1) The Lord Chancellor and the Lord Chief Justice shall make arrangements for the division of the High Court into the High Court of England and the High Court of Wales.
- (2) The Lord Chancellor and the Lord Chief Justice shall make arrangements for division of the county court into a county court for England and a county court for Wales.
- (3) The Lord Chancellor shall take all necessary steps to initiate primary or subordinate legislation required to give effect to arrangements under this section.

UK governance

54 Unified civil service

- (1) The civil service of the State continues to be a United Kingdom service as constituted in accordance with Chapter 1 of Part 1 of the Constitutional Reform and Governance Act 2010.
- (2) In performing functions under section 3 of that Act (management of the civil service) the Minister for the Civil Service shall have regard to the desirability of sharing civil service experience, knowledge and expertise between the United Kingdom as a whole and each of its constituent nations and parts.

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- (3) In relation to the civil service code under section 5 of that Act—
- (a) in subsection (2) for the words “covering civil servants who serve the Scottish Government or the Welsh Government” substitute “covering civil servants who serve the English Government, the Scottish Government, the Welsh Government or the Northern Ireland Executive”, and
 - (b) the Minister for the Civil Service shall include provision dealing with arrangements for facilitating, through secondment or otherwise, the sharing of civil service experience, knowledge and expertise between the United Kingdom as a whole and each of its constituent nations and parts.

55 Ministerial Council

- (1) The Prime Minister shall make arrangements for convening a Ministerial Council.
- (2) The Ministerial Council must include—
- (a) one or more Ministers of the Crown;
 - (b) representatives for England;
 - (c) representatives of the Scottish Government;
 - (d) representatives of the Welsh Government; and
 - (e) representatives of the Northern Ireland Executive.
- (3) The Ministerial Council shall meet at such times as the Prime Minister, after consultation with the First Ministers of Scotland, Wales and Northern Ireland, determines.
- (4) The functions of the Ministerial Council are to—
- (a) provide a forum for its members to influence the development of policy relating to matters not within the administrative competence of the members or the legislative competence of the devolved legislatures;
 - (b) facilitate cooperation and collaboration in relation to matters within the administrative competence of the members or the legislative competence of the devolved legislatures; and
 - (c) discuss matters that seem appropriate to its members.

PART 11

COMMENCEMENT REFERENDUM

56 Commencement principle

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(1) The preceding Parts of this Act shall not come into force unless their commencement is approved in a referendum held in accordance with this Part (“the commencement referendum”) by all of the following—

- (a) a majority consisting of at least 65% of the votes cast in the United Kingdom as a whole; and
- (b) a majority of the votes cast in England; and
- (c) a majority of the votes cast in Scotland; and
- (d) a majority of the votes cast in Wales; and
- (e) a majority of the votes cast in Northern Ireland.

(2) In this section “votes” means valid votes.

57 The Questions

(1) The First Question to be put in the commencement referendum is as follows—

Do you want the constitutional arrangements set out in the Act of Union 2021 to come into effect?

Yes / No

(2) In Wales, the First Question shall also be put in the following form—

A ydych yn dymuno i'r trefniadau wedi eu gosod allan yn y Ddeddf Uno 2021 i ddod i rym?

Ydwyf / Nac ydwyf

(3) The Second Question to be put in the commencement referendum is as follows—

Which of the following arrangements do you want for Parliament? (You can only choose one)

(a) The abolition of the House of Lords; or

(b) The restructuring of the House of Lords.

(4) In Wales, the Second Question shall also be put in the following form—

Pa un o'r newidiadau canlynol yr ydych yn ei ddeisyf ar gyfer Senedd y Deyrnas Gyfunol? (Dim ond un gallwch ddewis)

(a) Diddymu Tŷ'r Arglwyddi; neu

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(b) Ailstrwythuro Tŷ'r Arglwyddi.

- (5) In England, the commencement referendum is to include the following additional Question—

Which of the following arrangements do you want for England? (You can only choose one)

(a) The establishment of an English Parliament; or

(b) The arrangements for English regional devolution.

- (6) The Secretary of State may by regulations make additional provision about the form and appearance of the referendum Ballot Paper (including additional provision about the Welsh Ballot Paper).
- (7) The Question shall not appear in any other language versions on the Ballot Paper; but the referendum authority may issue explanatory material in such languages as it thinks fit.
- (8) Regulations under subsection (6)—
- (a) shall be made by statutory instrument, and
 - (b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

58 Effect of positive vote

- (1) If commencement is approved in accordance with section 56, the provisions of the preceding Parts of this Act shall come into force.
- (2) The Secretary of State shall by regulations make provision in connection with the commencement of this Act.
- (3) The regulations may, in particular, make the commencement of particular provisions dependent on the commencement of Acts dealing with supplementary and ancillary provisions, as specified in other provisions of this Act.
- (4) The regulations—
- (a) shall be made by statutory instrument, and
 - (b) may not be made unless a draft has been laid before and approved by resolution of each House of Parliament.

59 Effect of negative vote

- (1) If commencement is not approved in accordance with section 56, this Act shall cease to have effect at the end of the day on which the result of the referendum is published.

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- (2) Subsection (1) is without prejudice to the operation of section 16 of the Interpretation Act 1978.

60 Referendum date

- (1) The commencement referendum is to be held on a date appointed by the Prime Minister by order made by statutory instrument.
- (2) The appointed date must be not less than 4 months, and not more than 8 months, after the end of the period of 6 months beginning with the date of Royal Assent.
- (3) Before appointing a date the Prime Minister must consult—
 - (a) the First Minister of Scotland,
 - (b) the First Minister of Wales, and
 - (c) the First Minister and deputy First Minister of Northern Ireland acting jointly.

61 Franchise

- (1) A person who would be entitled to vote in a general election held on the day of the referendum is entitled to vote in the referendum.
- (2) No other person is entitled to vote in the referendum.
- (3) The Secretary of State may by regulations make supplementary provision about the franchise for the referendum (including transitional provision in connection with the registration of voters).
- (4) Regulations under subsection (3)—
 - (a) shall be made by statutory instrument, and
 - (b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

62 Referendum arrangements

- (1) The Secretary of State may by regulations make supplementary provision about the administrative arrangements for the referendum.
- (2) Regulations under subsection (1)—
 - (a) shall be made by statutory instrument, and
 - (b) shall be subject to annulment in pursuance of a resolution of either House of Parliament.

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63 Legal challenge

- (1) No aspect of the arrangements for or result of the commencement referendum may be questioned or challenged in any court or tribunal except in accordance with this section.
- (2) Any aspect of the arrangements for or result of the commencement referendum may be challenged by application to the Supreme Court.
- (3) An application may be made only—
 - (a) during the period ending 3 weeks before the date of the ballot; or
 - (b) during the period of 21 days beginning with the day after the date of the ballot.

PART 12

FINAL PROVISIONS

64 Commencement

- (1) This Part and Part 11 come into force on Royal Assent.
- (2) Parts 1 to 10 come into force in accordance with the provisions in Part 11.

65 Extent

This Act extends to the whole of the United Kingdom.

66 Short title

This Act may be cited as the Act of Union 2021.

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SCHEDULE

CENTRAL POLICY AREAS

PART 1

LIST OF CENTRAL POLICY AREAS

Constitution

1. The Crown.

Note 1: This paragraph includes—

- (a) succession to the Crown; and
- (b) regency.

Note 2: This paragraph does not—

- (a) prevent an Act of a member legislature, or an instrument made under an Act of a member legislature, from making provision about application to the Crown, to Crown land, to the Duchy of Cornwall or to the Duchy of Lancaster;
- (b) include Her Majesty's prerogative and other executive functions of government; or
- (c) include Crown property.

2. The United Kingdom.

Note: This paragraph includes—

- (a) the provisions of this Act; and
- (b) the constitutional structure of the United Kingdom, including the relationship between its constituent units.

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3. Parliament.

Note: This paragraph includes—

- (a) elections to Parliament;
- (b) the practices and procedure of Parliament;
- (c) Parliamentary privilege.

4. The following Acts—

- (a) the Scotland Acts 1998 and 2016;
- (b) the Government of Wales Acts;
- (c) the Northern Ireland Act 1998.

5. Ministers of the Crown.

Note 1: This paragraph includes—

- (a) appointment of Ministers of the Crown;
- (b) codes of practice and conduct governing the behaviour of Ministers of the Crown.

Note 2: This paragraph does not prevent an Act of a member legislature, or an instrument made under an Act of a member legislature, from conferring functions on, or altering or removing functions of, Ministers of the Crown (where there is legislative competence to do so).

Foreign affairs

6. Foreign affairs.

Note: This paragraph includes—

- (a) diplomatic and other relations with foreign countries;
- (b) consular matters.

7. International treaties and conventions.

Note: This paragraph does not include implementing, enforcing and complying with treaties and conventions once entered into.

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8. Membership of the European Union.

Note: This paragraph does not include implementing, enforcing and complying with obligations of European Union law.

9. The European Economic Area.

Note: This paragraph does not include implementing, enforcing and complying with obligations of the European Economic Area.

10. Defence.

Note: This paragraph includes—

- (a) defence of the realm;
- (b) the naval, military and air forces of the Crown, including reserve forces;
- (c) visiting forces;
- (d) international headquarters and defence organisations;
- (e) war (including the law of war).

11. The North Atlantic Treaty Organisation.

Rights

12. Human rights.

Economic affairs

13. Central Bank functions.

Note: This paragraph includes—

- (a) Central Bank UK;
- (b) the exchange rate with non-UK currencies;
- (c) the issue and circulation of money; and
- (d) all functions conferred on Central Bank UK by Part 8 of this Act.

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14. Monetary policy.

Note: This paragraph includes all functions conferred on Central Bank UK by Part 8 of this Act.

15. Financial stability.

Note: This paragraph includes—

- (a) macroprudential policy, designed to identify and mitigate threats to financial stability;
- (b) microprudential policy, designed to secure and support resilience of banks and other financial institutions generally and, in particular, in relation to payment systems and exchanges;
- (c) principles of preparation for, and handling of, financial emergencies (including the financial implications of political or social emergencies).

16. Government borrowing.

Note: This paragraph includes—

- (a) borrowing by the government of the United Kingdom;
- (b) borrowing by member governments in accordance with Part 8 of this Act; and
- (c) the provisions of Part 8 of this Act referring to borrowing.

17. Currency.

Note: This paragraph includes—

- (a) coinage;
- (b) bank notes;
- (c) legal tender; and
- (d) any digital currency issued by Central Bank UK.

18. Regulation of financial services.

Taxation

19. The central taxes listed in section 8.B.1 (as amended by Finance Act from time to time).

Social security

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20. Expenditure on social security.

Note 1: This paragraph includes expenditure on state pensions.

Note 2: This paragraph—

- (a) does not prevent a member legislature from making provision for social security benefits in addition to provision made by the UK Parliament; and
- (b) does not prevent a member government from incurring expenditure on social security benefits in addition to expenditure incurred by Her Majesty's Government.

Law and order

21. The Supreme Court.

Note 1: This paragraph includes—

- (a) the appointment and tenure of judges; and
- (b) practice and procedure.

Note 2: This paragraph does not prevent an Act of a member legislature, or an instrument made under an Act of a member legislature, from making provision—

- (a) conferring jurisdiction on the Supreme Court (directly or indirectly);
- (b) removing or altering jurisdiction conferred on the Supreme Court by or under an Act of that legislature, or by an instrument made by the relevant member Government.

22. National security.

Note: This paragraph includes—

- (a) terrorism (including cyber-terrorism);
- (b) all aspects of cyber-security, including the development of cyber resilience and cyber defence;
- (c) treason.

Home affairs

23. Nationality.

Note: This paragraph includes the acquisition of national statuses by naturalisation or otherwise.

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24. Immigration.

Note: This paragraph includes—

- (a) the Immigration Rules (under section 1 of the Immigration Act 1971);
- (b) temporary immigration;
- (c) deportation;
- (d) visas and other entry requirements;
- (e) issue of passports and other travel documents.

25. Extradition.

26. Emergency powers.

Public service

27. The Civil Service.

Note 1: This paragraph includes—

- (a) appointments to the Civil Service;
- (b) other matters of practice and procedure and administration of the Civil Service;
- (c) codes of practice and conduct governing the behaviour of the Civil Service;
- (d) disciplinary procedures in the Civil Service;
- (e) the relationship between the Civil Service and the member legislatures and governments.

Note 2: This paragraph does not prevent an Act of a member legislature, or an instrument made under an Act of a member legislature, from conferring functions on, or altering or removing functions of, officials of the Civil Service.

28. Political parties.

Note 1: This paragraph includes legislation about the regulation and funding of political parties.

Note 2: This paragraph does not—

- (a) prevent an Act of a member legislature, or an instrument made under an Act of a member legislature, from referring to membership of political parties (for example, in requiring parties to be consulted or represented for specified purposes); or

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- (b) prevent a member legislature from making arrangements to make payments to members of political parties, or to political parties, in connection with the performance of member legislature duties.

PART 2

AMENDMENT OF LIST OF CENTRAL FUNCTIONS

Introduction

1. This Part sets out the mechanism for the amendment of the list of central functions in Part 1.

Amending Acts

2. Part 1 may be amended by Act of Parliament.

Amendments on HMG initiative

3. A Bill for an Act of Parliament to amend Part 1 may be presented to Parliament by a Minister of the Crown.

4. Before presenting a Bill to amend Part 1 the Minister must consult—

- (a) the English Government or English regional government representatives;
- (b) the Scottish Government;
- (c) the Welsh Government; and
- (d) the Northern Ireland Executive.

5. When presenting a Bill to amend Part 1 the Minister must lay before Parliament—

- (a) the consultation responses received under sub-paragraph (2);
- (b) the Government's reaction to those responses; and
- (c) a document explaining the reasons why the Government is satisfied that the amendment of Part 1 made by the Bill—
 - (i) is required;
 - (ii) accords with the principle of subsidiarity; and
 - (iii) complies with any relevant memorandum of understanding between the Government and any of the bodies listed in paragraph 4.

Amendments on devolved government initiative

Act of Union Bill

6. A Bill for an Act of Parliament to amend Part 1 may be presented to Parliament by—
 - (a) a Member for a constituency in England, acting on behalf of an English Minister;
 - (b) a Member for a constituency in Scotland, acting on behalf of a Scottish Minister;
 - (c) a Member for a constituency in Wales, acting on behalf of a Welsh Minister; or
 - (d) a Member for a constituency in Northern Ireland, acting on behalf of a Northern Ireland Minister.

7. Before a Bill to amend Part 1 is presented by an English Minister, the English Government must consult—
 - (a) the Secretary of State;
 - (b) the Scottish Government;
 - (c) the Welsh Government; and
 - (d) the Northern Ireland Executive.

8. Before a Bill to amend Part 1 is presented by a Scottish Minister the Scottish Government must consult—
 - (a) the Secretary of State;
 - (b) the English Government or English regional government representatives;
 - (c) the Welsh Government; and
 - (d) the Northern Ireland Executive.

9. Before a Bill to amend Part 1 is presented by a Welsh Minister the Welsh Government must consult—
 - (a) the Secretary of State;
 - (b) the English Government or English regional government representatives;
 - (c) the Scottish Government; and
 - (d) the Northern Ireland Executive.

10. Before a Bill to amend Part 1 is presented by a Northern Ireland Minister the Northern Ireland Executive must consult—
 - (a) the Secretary of State;

Act of Union Bill

- (b) the English Government or English regional government representatives;
- (c) the Scottish Government; and
- (d) the Welsh Government.

11. When presenting a Bill to amend Part 1 an English Minister, Scottish Minister, Welsh Minister or Northern Ireland Minister must lay before Parliament—

- (a) the consultation responses received under paragraphs 7 to 10;
- (b) the reactions of the English Government or regional representatives, the Scottish Government, the Welsh Government or the Northern Ireland Executive to those responses; and
- (c) a document explaining the reasons why the authority presenting the Bill is satisfied that the amendment of Part 1 made by the Bill—
 - (i) is required;
 - (ii) accords with the principle of subsidiarity;
 - (iii) complies with any relevant memorandum of understanding between that Government and Her Majesty's Government or any of the other bodies listed in sub-paragraph (b).

No other amendments

12. A Bill to amend Part 1 shall not be presented to Her Majesty for the signification of Royal Assent unless it has been presented to Parliament in accordance with the preceding paragraphs of this Part.
