

# Labour's federal plan for Scotland is very bad news for...

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The [Guardian has reported](#) that:

*Scottish Labour is considering backing a second independence referendum in a dramatic reversal of policy by the party leader, Richard Leonard.*

*Party sources have told the Guardian that Leonard will raise that possibility at Labour's Scottish executive committee on Saturday, where it could also discuss demands for it to split formally from the UK Labour party.*

*Leonard told his shadow cabinet on Monday he wanted to hold a special conference in May to decide Scottish Labour's position on a fresh independence referendum, where he would present proposals for Labour to back a federal UK.*

Let's just discuss the politics of this, and not the rights and wrongs of independence, per se.

First, given Labour has exited Westminster for all practical purposes as far as Scotland is concerned, this makes sense. Scottish Labour as well now concentrate on Scottish politics, where it still has some representation.

Second, given how dire Labour's result was for Scottish Labour to think to it can do better with its own policies might also make sense. Even Richard Leonard has got as far as reading the runes correctly on this.

Third, this is a spoiler by Labour. The Tories say no to independence. The SNP says yes. So Labour triangulates and says the middle ground looks like an option. It's classic stuff.

But the question is, will it work?

The fear for the SNP is it might: in a three-way vote federalism might win.

The hope for the Tories is it might let them cut the SNP largely out of Westminster and cut the block grant but let Johnson say he kept the Union together.

The gain for Labour would be hard to assess: they reduce their chances of forming a government at Westminster and nothing right now is going to get them back into office in Scotland, nor will that change for a long time to come, I suspect.

So what for the people of Scotland?

People often opt for compromise. Labour is playing on that hope. But this will be a dire compromise for Scotland. Economic policy would remain with the currency in Westminster. So whatever else is said, Scotland will not have its own central bank, or its own currency and its own control of its own economic and fiscal policy. Under federalism Scotland will remain a glorified council. And as a result federalism will offer no gains to Scotland at all. The chance of prosperity that independence would bring is lost. Instead, all it offers is a downside: Scotland will be treated as responsible when it will not be, and marginal, which it will become to an even greater extent than at present.

As pure politics go there is only one winner in this, and that's Labour. They help the Tories on the way.

For Scotland this looks like very bad news. By and large Scotland has realised that this is what Labour is for it. I hope that they will appreciate that this is the case here as well.