

Funding the Future

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From this morning's [National newspaper](#) as Scotland awaits the latest annual publication of Government Expenditure and Revenue Scotland, the statement that has always been designed to show the Scottish financial position in the worst possible light:

The National / Wednesday, August 24, 2022

New GERS figures due today – and they'll still be CRAP*

***A completely rubbish approximation of the truth ...**

I HAVE been writing about Government Expenditure and Revenue Scotland (GERS) for a long time. I had no plan to do so, but once I had looked at the figures I could not ignore them. I realised it was pure and utter drivel and someone had to say something.

There are so many problems with GERS that the figures are not the only today – that it is hard to know what to begin, but here goes.

There is one problem with GERS that is not set out in the figures and that is that no set of accounts, what is GERS, is an entity that does not exist and yet that is precisely what GERS does. It is an account for Scotland, which is not a separate entity, it is incurred outside Scotland without Scottish consent or benefit. In effect, it is a financial statement that describes a Vision of Scotland into which they sink an army of accountants and economists to make it appear that Scotland is a lunatic that they are, inexplicably, funding.

As a set of accounts, GERS is also hopelessly flawed. The income is hopelessly skewed. The expenditure includes a great deal of what is not a genuine Scottish involvement. The fundamental requirement of good accounting is to have a balance between income and spending. This is not present in GERS, which is hopelessly skewed. The GERS CRAP which stands for a "completely rubbish approximation of the truth", is GERS. Part of this problem is that

all the tax paid on that spend in Scotland which is not spent in Scotland is not then credited as income. That is a deliberate misrepresentation, of course, intended to make the Scottish financial situation worse than it really is.

There is more than that though. For example, none of the taxes due on investment, savings, interest, insurance and other financial costs are paid from Scotland to south-east England. They are credited to Scotland in land that should be Scotland's and the only fair and fair view of what is really due in Scotland.

It is a financial tool and as a piece of accounting GERS is, in that case, total nonsense that is not even a set of accounts. In that case what we have to ask is, why, after so long in office, does the SNP continue to insist that still produces this nonsense with which the Universities insist with which it is?

Is it that the SNP/Lab government always having to defend the GERS figures is a bit embarrassing that reform of GERS is beyond it? Might it actually fear that GERS would expose the financial situation Scotland might look like?

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Or does it just believe it has no choice but to perpetuate what Westminster once set up? That is the real reason why GERS is, and that no amount of analysis of its data will ever change that. The questions on why GERS still exists are what really interests me. It is not what we have to go through the annual ritual relating to its

I would love to be able to answer the question, but I cannot. If I cannot, I am genuinely bemused as to why GERS still exists when the SNP/Lab government has the power to change it. But in that case, let me make a suggestion.

What I would like to hear is that this year's GERS is the last in its current form and that next year, in its place, we will have a new one. To see, the Scottish Government will publish a new estimate which is based on what the Scottish Government might raise with existing tax rates if it were to have control of its own tax rates. This should then be compared with the spending Scotland might have if it had control of its own tax rates.

Of course, the result might be a deficit. In fact, I would expect it. After all, Scotland and the UK have run up since 1984, and the UK has had a balanced budget for many years as the government spent into the economy to try to keep the economy from going to sleep. But there could then be a mature debate on what the UK government might do if it were to be funded entirely when all GERS creates is pretty可疑 of Scotland's financial situation. What would be that much to hope for?

SCOTLAND's Children's Commissioner has challenged Ofgem to review the energy price cap, warning more families will be pushed into fuel poverty. Bruce Adamson (pictured) expressed his concerns in a letter to the energy regulator's chief executive, Andrea D'Urso. Adamson highlighted particular concern about the impact of the decision for millions of children, with some relying on life-saving medical equipment.

He said: "The experience of poverty can severely affect a child's development," while highlighting the impact on mental and physical health, education, family relationships, and social outcomes.

"Children have told us that they feel poverty robs them of their childhood and makes it inevitable," he wrote.

"Poverty is a political choice; a choice of a decision made by the UK and Scottish Government Regulators and others who have the power and levers can choose to either mitigate or exacerbate it to power."

"It is beyond dispute that the introduction of the energy price cap is pushing many more children into poverty, and leaving them more vulnerable to poverty and disease," he said.

Adamson also highlighted the fact that Scotland has a disproportionately high number of households with no access to mains gas, particularly in rural areas.

He said: "For those households are not only protected by the cost of gas, but by the cost of being in excess of it in some cases."

In June, after the Gas Law Project issued a notice of court action should Ofgem fail to protect vulnerable customers.

COMMENT BY RICHARD MURPHY

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I will be doing a live stream on GERS for [The National at 11.30, here](#). Please join us then.