

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:

6 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) since 2014. I had no plan to do so, but once I had looked at what GERS was, and is, I realised it was pure and utter drivel and someone needed to talk about it.

There are so many problems with GERS – the latest figures are due out today – that it is hard to know where to begin, but perhaps the biggest problem is that no set of accounts, which is what GERS claims to be, should be prepared for an entity that does not exist and yet that is precisely what GERS does.

It is not, after all, an account of what the Scottish Government does. Nor is it an account for Scotland, because much of the spend in it is incurred outside Scotland without Scottish consent or benefit. In fact, it is just a work of fiction that describes a fairy vision of Scotland into which they can sink as many costs as possible so that they can make it appear that Scotland is a haven that they are, inexplicably, desperate to keep control of.

As a set of accounts, GERS is also hopelessly flawed. The income is only that recorded in Scotland. The expenditure includes a great deal spent outside Scotland without Scottish involvement. The essential requirement of good accounting is that there be a consistency in approach between income and expenditure. This is not present in GERS, which is why long ago I described it as CRAP, which stands for a "completely rubbish approximation of the truth".

Where is what is not seen in GERS. Part of this problem is that



COMMENT BY RICHARD MURPHY

all the tax paid on that spend for Scotland which is not spent in Scotland is not then credited as Scottish income. That's 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 the massive flows of rent, interest, insurance and other financial costs that flow from Scotland to south-east England are credited to Scotland in GERS when that should very obviously be done to give a true and fair view of what tax is really due in Scotland.

As an economic tool and as a piece of accounting GERS is, in that case, total nonsense that is deeply misleading. But in that case what we have to ask is why, after so long in office, an SNP-led Scottish Government still produces this nonsense with which the Unionists seek to bait it each year?

Is it that the SNP-led government enjoys having to defend the indefensible? Or does it believe that reform of GERS is beyond it? Might it actually fear that GERS really is what an independent 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?

Given that we all know how bad GERS is, and that no amount of analysis of its dull data will remedy its defects or falsehoods, these questions on why GERS still exists are what really interests me now, even down to the fact that we have to go through the annual ritual relating to its publication.

I would love to be able to answer the questions I have asked, but I cannot. I'm genuinely bemused as to why GERS still exists when the SNP has had so long to do something about 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 anticipation of the referendum to come, the Scottish Government will publish a new estimate which is of the income that the Scottish Government might raise with existing tax rates if it were to have control of its own tax borders. This should then be compared with the spending Scotland might have if it took command of its own economy. Of course, the result might be a deficit. In fact, I rather hope it is. After all, England and then the UK has run one since 1994, and that fact was the foundation of its success for many years as the government spent into the economy to provide it with the support it needed to grow. But there could then be a mature debate on what that all means, and how it might be orderly funded when all GERS creates is petty squabbling of no further benefit to anyone. Is that too much to hope for?

### Children's Commissioner challenges Ofgem on energy prices

SCOTLAND'S Children's Commissioner has challenged Ofgem over the decision to raise the energy price cap, warning more families will be pushed into poverty this winter.

Bruce Adamson (pictured) expressed his concerns in a letter to the energy regulator's chief executive, Jonathan Brearley.

Adamson highlighted particular concerns about the impact of the decision for families with disabled children, with some relying on life-saving electrical equipment.

He said the experience of poverty can "severely affect a child's development", while having a negative impact on mental and physical health, education, family relationships, aspirations and life chances.

"Children have told us that they feel poverty rises them of their childhood, but this is not inevitable," he wrote.

"Poverty is a political choice: a consequence of decisions made by the UK and Scottish Governments. Regulations and others who hold economic levers can choose to either mitigate or contribute to poverty."

It is beyond dispute that unregulated and unmitigated energy price rises risk pushing more children into poverty, and these children already in poverty into destitution. The short and long-term consequences to individuals and to society will be devastating.

Adamson also asked Ofgem to demonstrate how it has considered the impact of another price cap rise, particularly on vulnerable groups.

The letter also highlighted the fact that Scotland has a disproportionate number of households with no access to mains gas, particularly in rural and island areas.

Costs for these households are not fully protected by the price cap, with increased costs being in excess of it in some cases.

It comes after the Good Law Project issued a notice of court action should Ofgem fail to protect vulnerable customers.

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