# THE SNP RECORD: good or bad?

A review of the impacts and outcomes of SNP Government policies



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#### A review of the impacts and outcomes of the SNP Government's policies

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#### Foreword

#### by Rt Hon Dr Liam Fox MP

"Scotland has not failed; its leadership has failed". These were the words of Alex Salmond, speaking after the SNP government was found to have acted unlawfully in its handling of an investigation into harassment complaints against him.

The behaviour of the Scottish government under Nicola Sturgeon had, he said, "shed a light on a government whose actions are no longer true to the principles of openness, accountability and transparency, which are the core principles on which this Scottish parliament was founded." It was a damning indictment.

Yet that damning indictment can be extended to many areas of Scottish life under SNP rule.

This report sets out that far from the "progressive" politics that the SNP claims to represent, the Scottish people have suffered in many key areas of life under SNP government.

While poverty rates had been steadily declining in Scotland for many years, once the SNP took over that decline stopped and poverty began increasing again. By contrast, in the UK as a whole, absolute poverty fell by 1.4 percentage points between 2010-11 and 2018-19. The situation in Scotland cannot be blamed on anyone but the SNP government itself.

What is worse, this dismal record has occurred at a time when UK taxpayers have funded spending in Scotland that is 17% above the UK average.

In other areas where the SNP has had complete authority under devolution the picture is the same.

When I attended one of Scotland's biggest comprehensive schools in East Kilbride, Scottish education was respected the world over. Since 2006 Scottish pupils have fallen in international rankings from 10th to 19th in science, from 11th to 23rd in reading and from 11th to 24th in maths. It

is a handicap that the next generation of young Scots will have to bear as a result of SNP failure.

When I trained as a doctor at Glasgow Royal Infirmary in the 1980s, I would not have believed that by 2021 Glaswegian men would have a lower life expectancy than men in Venezuela, Libya, or Iran, well below the rest of the UK and further behind the most affluent parts of Scotland. The figures are even worse on drug deaths. Under the SNP, Scotland is the drug death capital of Europe.

Drug deaths in Scotland are three-and-a-half times the drug deaths in the UK as a whole yet England and Wales operate under the same drug legislation as Scotland. The only people who can possibly be to blame are those in the SNP government.

Similar failures can be seen in policing, local government and in basic rights such as freedom of speech where the SNP's much hated hate crime legislation means that Scots, who led the global enlightenment, are now less free to speak than other parts of the UK.

All of this comes alongside questions about unspent and unaccounted for funds including potential investigations into how the SNP handles its own funds and the lack of transparency in its accounts.

All of these issues, and others, should be the core of political debate in Scotland because they are the issues that affect ordinary Scottish men, women and children. The Scottish nationalists constantly want to talk about the constitutional issue of independence because it distracts attention from the SNP's appalling failure in government in Scotland.

The issues explored in this report should be the key debates in the Scottish parliament, among Scottish politicians and in the Scottish media, but too often they are not.

It is time for that to change.

Rt Hon Dr Liam Fox MP

#### I. Executive summary

DATA, MOSTLY PRODUCED by the Scottish government itself, demonstrates that the SNP, despite being in power over the last 14 years, has a record of failure in every policy area.

#### Poverty

Scotland under the SNP is doing worse in respect of all the main measures of poverty – relative poverty, persistent poverty, child poverty, severe poverty, inwork poverty and pensioner poverty. While poverty rates had been steadily declining in Scotland for many years, once the SNP took over that decline stopped and poverty began increasing again.

Data just released by the Scottish Government at the end of March 2021 shows that 26% of children - around 260,000 young people - were living in relative poverty in 2019/20, a big jump from 23% in 2018/19, when around 230,000 children were living in relative poverty.

The latest figures published by the Scottish Government show that persistent poverty has risen from 10 per cent in the 2012-16 period to 12 per cent in 2015-19.

Persistent poverty rates are even higher for children. While 13 per cent of children were in persistent poverty after housing costs in the 201-16 period this has risen to 16 per cent in the 2015-19 period. For pensioners, the persistent poverty rate after housing costs has increased from 8 per cent in 2010-17 to 12 per cent in the latest period.

As far as relative poverty is concerned, the SNP has also managed a substantial increase. Latest figures show that 20 per cent of Scotland's population (1.03 million people each year) were living in relative poverty after housing costs in 2019-20. This is a substantial increase over the 16 per cent recorded in 2010/11.

Pensioners are also suffering from higher poverty rates. The percentage of pensioners in relative poverty after housing costs increased from 12 per cent in 2012-16 to 14 per cent in 2017-20. Scotland has the highest rate of persistent pensioner poverty in the UK with the number of older people in difficulty equal to the population of Dundee.

The number of those in severe poverty, (below 50% of UK median income after housing costs), has also increased over the last year from 13% in 2018/19 to

15% in 2019/20, with a bigger jump in the proportion of children in severe poverty from 16% to 20%.

The SNP has failed to develop a comprehensive anti-poverty strategy, or to put much concentrated effort into addressing any of the underlying causes of poverty in Scotland. The result is a shameful record of rising poverty across all measures

#### Life expectancy

Residents of Scotland can expect to die on average two years earlier than citizens of Britain as a whole. Even worse, if you live in one of the most deprived areas of Scotland you can expect to live for 13 years less than Scots in the least deprived areas. That's if you are a man. If you are a woman then on average you will live for 10 years less. Moreover the latest figures show that life expectancy has FALLEN in 13 of Scotland's 32 Council Areas and in the rest growth has effectively flat-lined.

Life expectancy in Scotland is worse than in a number of Eastern European countries. For example, an Albanian man can expect to live longer than a Scottish man. Life expectancy in Scotland overall is also worse than in some developing countries such as Costa Rica and Barbados, where men live longer than those in Scotland.

Life expectancy is lowest in Glasgow City, where females can expect to live for 78.5 years and males for 73.6 years. This means that Glaswegian men have a lower life expectancy than men in Uzbekistan, Egypt, Venezuela, Jamaica, Nicaragua, Belarus, Libya, Cape Verde, Bangladesh, Algeria, Mexico, Iran, and Mongolia.

#### Education

"Let me be clear – I want to be judged on this," said Nicola Sturgeon. Improving education was the SNP's central commitment but when annual surveys of numeracy and literacy continued to show declining levels of performance, the SNP scrapped them. Sturgeon also withdrew Scotland from two of the three international comparative reviews in which it participated.

Sturgeon is refusing to publish the latest results from the remaining international survey, the OECD Pisa Report. However, the most recent results from the 2018 PISA report showed near-constant decline and a fall in science rankings from 10th to 19th, reading from 11th to 23rd, and maths from 11th to 24th since 2006. By 2019, Scottish pupils now only performed at the OECD average in maths and reading, and below it in science. Scotland was achieving the lowest scores in maths and science since it started participating in the survey 20 years before.

A further nail in the coffin of the SNP's record in education is seen in literacy and reading comprehension, areas in which Scottish children used to excel. While

Scottish pupils once had the highest level of reading comprehension in the UK and Ireland, they have now slipped below Northern Ireland and fallen roughly in line with England.

The SNP has also failed to close Scottish education's woeful attainment gap between the performance of pupils from the most and least deprived areas. This sees 60 per cent of pupils from the most affluent areas heading to university – while the comparative figure for deprived areas is only 26 per cent.

A March 2021 Audit Scotland report was very critical of the SNP's continuing failure to close the attainment gap, saying "The poverty-related attainment gap remains wide.....Progress on closing the gap has been limited". The report highlighted the fact that the "gap is wider at higher levels of award," pointing out that "in 2018/19, the proportion of school leavers achieving five or more awards at level 5 was 82.7 per cent for pupils from the least deprived areas, compared to 46.5 per cent for school leavers from the most deprived areas – a gap of 36.2 percentage points", and that the poverty-related attainment gap, in terms of expected levels of literacy and numeracy, is also evident at primary school level and early secondary school level".

#### Childcare

In 2014 Nicola Sturgeon pledged to double free early learning childcare places. 7 years later the pledge has not been fulfilled with only 13% of target centres ready. Under the SNP less than 30% of local authorities have enough childcare for parents working full-time, compared to 56% in England.

New regulations introduced by the SNP are actually leading to a reduction in childcare provision. Nurseries are pulling out of council funding agreements for three and four year-olds, saying that the Scottish government's new scheme does not cover their staffing costs and bars them from charging top-up fees to plug the gap.

#### Healthcare

The number of whole time equivalent GPs in Scotland dropped by 160 from 2013 to 2017. In 2018 25 per cent of GP practices had an unfilled vacancy.

GP practices have been closing completely all over Scotland because of GP shortages including in Dumfries and Galloway, Ayrshire, Edinburgh, West Lothian, 11 surgeries in Grampian, 14 in Highlands and Islands.

The current vacancy level for consultants in Scottish hospitals is close to 500. Health boards spent £102 million pounds on medical agency locums in the last financial year, which would pay some 1,000 permanent staff.

The Scottish NHS missed 6 out of 8 national waiting time standards in 2018/19. The missed standards included Child and Adolescent Mental Health Service referrals seen within 18 weeks and patients starting cancer treatment within 62 days. Between 2017/18 and 2018/19 there was an increase of 2.2 per cent in people waiting for outpatient appointments and an increase of 6.1 per cent in people waiting for inpatient appointments.

In 2000 the number of medical students in Scotland who were Scottish was 63 per cent. By 2016 the number of medical students in Scotland who were Scottish had dropped to 51 per cent, because it is more lucrative for universities to take non-Scottish applicants.

Healthy Life Expectancy is declining in Scotland. (Healthy life expectancy (HLE) is an estimate of the number of years lived in 'very good' or 'good' general health, whereas life expectancy is the number of years an individual is expected to live). A Glaswegian man now has a healthy life expectancy of just 54.6 years. There is a huge 25 year gap in healthy life expectancy at birth between the most and least deprived areas.

Healthy life expectancy in Scotland is the lowest in Europe. National Records of Scotland states that "it is estimated that a baby boy expects to live 61.7 years in good health and a baby girl 61.9 years in good health". By contrast, according to WHO data, the average healthy life expectancy in Europe is 68.3 years with all other European countries having higher HLE than Scotland. At 69.1 years even Albania has considerably higher healthy life expectancy. Scotland fully qualifies for the sad title of 'Sick Man of Europe.'

Fewer boys eat the recommended five a day now as compared to the second year of SNP rule. The mean portions of fruit & vegetables per day eaten by boys was 2.7 in 2008; and in 2019 a lower 2.6. Obesity has increased from 27% in 2008 to 29% in 2019.

Food insecurity has worsened under the SNP. In 2017, 8% experienced food insecurity (defined as being worried during the past 12 months that they would run out of food due to lack of money or resources). This figure rose to 9% in 2018 and has remained at the higher percentage.

Food insecurity is actually most prevalent among the younger than older age groups. 13% of 16–44-year-olds experienced food poverty according to the most recent Scottish Health Survey. 8% of those aged 45-66, and 2% aged 65+.

More tragic still, 31% of single parent households report being food insecure, and 20% of single adult households.

The SNP has failed to tackle the deprivation that leads to bad health outcomes. Scotland, under the SNP, has become the 'sick man of Europe'. Mortality statistics of Glaswegians when compared to equally deprived Liverpool and Manchester, provide alarming reading. Deaths caused by lung cancer amongst Glaswegians were 27 per cent higher, by suicide 70 per cent higher, by alcohol-related causes 130 per cent higher, and by drug-related poisonings 250 per cent higher.

#### **Drug deaths**

The drug death total in Scotland reached a shameful 1264 deaths in 2019 – that's an average of 24 funerals a week for families in Scotland. Our death rate from drugs is 15 times worse than Germany and 35 times worse than France. Under the SNP, Scotland is the drug death capital of Europe.

Drug deaths in Scotland are three-and-a-half times the drug deaths in the UK as a whole yet England and Wales operate under the same drug legislation as Scotland. The number of Scottish drug deaths has increased steadily since 2013. When the SNP came to power there were 352 rehab beds and 455 annual drug deaths but – after SNP funding cuts – by 2018 the rehab beds had dropped to 70 and the annual drug deaths had risen to 1187.

#### **Homeless deaths**

Scotland's homeless death rate is currently the worst in Britain, at a rate of 52.2 per million of the population aged 15-74 compared to just 18.0 in England and 14.3 in Wales. That's a death rate three-times higher than that in England.

This figure includes those found dead in the street and in temporary homeless accommodation, which includes homeless B&Bs and hostels. The average age at death for homeless people was 43-years-old for males and 39-years-old for females.

#### **Covid-19: Vaccination**

If the SNP had been able to implement their policy on vaccination procurement – to take part in the EU vaccination scheme – then as of the beginning of April 1.6 million fewer Scots would have been vaccinated. While over 2.5 million Scots have been vaccinated to date, only 877,952 would have been vaccinated at the EU's average vaccination rate. Scotland, like most EU countries, would be in the grip of a third Covid wave, and many more Scots would have died, likely around two to three thousand.

The SNP had a rocky start to the vaccination drive in Scotland, vaccinating many fewer proportionately than in the rest of the UK. Nicola Surgeon's vaccination targets for the end of January were missed. However, assistance was provided from the British armed force and after a period the vaccination effort in Scotland caught up with the rest of the UK.

#### Scotland's Economy

The Scottish economy has long been lagging behind the UK economy but now the prognosis must be considered as dire. In 2019 Scotland's GDP was 8% lower that of the UK as a whole. While GDP in the UK grew at a rate of 1.7% between 2000 and 2019, in Scotland it grew at a much smaller 1.3%. Employment from 2000 to 2019 grew at 0.9% in the UK as a whole, but only at 0.6% in Scotland.

The failure to match the UK average GDP growth really matters and has cost the Scottish people some £11bn of beneficial economic activity every year and with it £3.9bn of lost tax receipts – enough to fund a housing budget twice the current level.

Scotland has the smallest number of businesses per head of any part of the UK with the exception of northeast England" Statistical data shows that Scotland has a particularly low rate of business scale-ups and the number actually fell between 2015 and 2018. In 2018, there were 40.3 scale-ups per 100,000 people in Scotland, compared with a UK average of 51.

Innovation is key to business growth but data from the 2019 UK innovation survey showed that the proportion of Scottish businesses that were innovation-active fell between 2016 and 2018. Productivity is lower in Scotland than the UK average

SNP economic management of the Covid pandemic has been poor. Implementing the strictest lockdown the UK while failing to distribute relief funds supplied by the UK Treasury, the effect on Scottish businesses has been dire. In December, the Scottish economy was 7.2% below pre-pandemic levels, a contraction of 6.2% in the UK economy.

While Britain has the longest tax code in the world the Scottish version is even more complex, with a generally higher income tax and an absurdly onerous and expensive Land and Buildings Tax both of which penalise greater productivity and dynamic mobility that drive an economy to expand and grow.

#### Policing

The SNP's creation of a single state police force has failed. The elimination of regional police forces, done without consulting the police themselves, was essentially a national takeover by Strathclyde Police. A one-size-fits-all Strathclyde approach involves armed police on regular duty all over Scotland and performing 1,000s of stop and searches on children. Local accountability and local flexibility have gone, and studies reveal the merger has failed to increase crime clear-up rates.

#### Freedom of speech

The SNP's hate crime legislation has trashed freedom of speech. Private speech has been criminalised in our homes.

Allegations made by individuals after an argument at a dinner party, or similar social event, can be investigated by the police. Conversations on contentious issues could be repeated innocently by children at school and lead to intervention by the police, who would have no choice but to investigate and take witness statements from others present at the time of the speech, including someone's own children.

Over 2,000 organisations protested against the legislation, but to no avail. For example the Network of Sikh Organisations said that the new law "will make Scotland one of the most hostile places for freedom of expression in Europe".

#### **Local Government**

The SNP has slashed local council funding with cuts to local services equating to a shocking £1,544 per household since 2014 Glasgow has suffered a real-term reduction in local authority spending of £233 per Glaswegian resident from 2014-2019, a fall of 11 per cent. Glasgow City Council has reported a funding gap of £12.2 million for next year.

Figures from the independent experts at the Scottish Parliament Information Centre (SPICe) show that between 2013-14 and 2019-20, the Scottish government's revenue budget was cut by 2 per cent by the UK Government. Over the same period, however, the SNP Government has hit councils with a staggering 7 per cent reduction in funding in real terms. That's more than three times the fall in funding from Westminster. The SNP is grabbing funds to hoard centrally, for spending on election bribes & independence campaigning. Potholes get worse and bins are uncollected. Local councils can't cope and are having to make widespread redundancies.

#### Unspent and unaccounted for funds

The SNP pursues a policy of announcing big spending projects and support schemes which often fail to materialise. In previous years this was costly, now with the pandemic it's deadly.

The Scottish Auditor General confirmed in February that the SNP government had received an extra £9.7 billion from the UK government to deal with COVID-19 in the 2020/21 financial year and highlighted that if you check the 170 public spending announcements related to Coronavirus, only £7 billion is accounted for. Somewhere, £2.7 billion is lying both uncommitted and unspent by the SNP.

In 2017 Nicola Sturgeon announced that the Digital Growth Fund for businesses would distribute £36 million in loans to businesses with the aim of improving digital skills but by 2021 only £6m had been spent.

The UK government gave out Bounce Back Loans to 79,000 Scottish businesses while 15,000 Scottish businesses are waiting for their initial application for support from the SNP made seven months ago to be processed.

By the end of January 2021, only \$55m of the £715m Covid support funds promised by Sturgeon at the beginning of October had actually been paid out. Of the 30 business support funds announced by the SNP government in 2020, only 7 are actually in operation.

In March 2020 the UK government supplied £100 million to the SNP in order to deal with the crisis of dangerous cladding. No funds have been delivered by the SNP.

The SNP has withheld at least £14m of emergency funding from hospices, more than half the amount allocated by the UK Treasury.

#### Procurement

In 2015 the SNP chose the highest bidder, the shipyard Ferguson Marine, to build two ferries. Construction began before design was completed and six years later the ferries are still not complete and a £97 million contract is now expected to cost at least £230 million.

The ferries ordered were three times as large as was necessary for the routes they are meant to serve. The firm building the ferries went bust and was nationalised, with Scottish Government loans of £45m written off by the SNP. By January 2020, more than two years after both of the ferries were due to have begun service, Tim Hair, the SNP-appointed turnaround director for the yard, announced that the ferries were "significantly less than half built" and that 95% of the ships' designs had still not been agreed.

The £840 million Queen Elizabeth University Hospital in Glasgow, which eventually opened in 2015, was another SNP procurement disaster, with sewage leaking into operating theatres and a series of other dangerous contamination problems that caused 4 deaths.

Other procurement disasters include:

- the infamous sick children's hospital in Little France, Edinburgh, which was originally due to open in 2012, but is still not in operation almost a decade later.
- Police Scotland's new computer system which cost an additional £100 million

- A £3 billion dualling project of the A9 from Perth to Inverness, pledged to be complete by 2025, but delayed for years
- the Aberdeen bypass, which opened two years late at an additional cost of £64 million.
- the SNPs flagship superfast broadband plan, two years late at least with the rollout to the Highlands five years late.

These large project failures demonstrate the SNP's lack of interest in and aptitude for effective administration of government.

#### Investment in business

The SNP's extensive track record of failure in business investment is yet further evidence of its basic administrative incompetence.

Launched by the SNP in July 2015 'Our Power Energy' was pitched as a not-for-profit initiative that would cut fuel bills. Four years later the company was forced to fold – with the further loss of £12.5m Scottish government loans to the company, and 38,000 customers left in the dark.

Other investment failures include:

- Bifab, a fabrication company that received a £37m loan from the Scottish government which is now valued at £2m.
- Prestwick Airport, whose survival relies on SNP loans from Transport Scotland of £40m that are now worth only £7m.
- The Scottish Stock Exchange project, which collapsed with the loss of all jobs, but not before the SNP government had awarded it a grant of £750,000.
- The Scottish Enterprise quango which had, over a decade to 2018, given out £95 million to 698 firms which had gone on to fail.

The support for Sanjeev Gupta's faltering empire is another good case study. The SNP government lent him £7M to buy two steel plants, which has never been repaid. Sturgeon also provided a £575m guarantee to Gupta to help him buy the Lochaber aluminium & hydro plants, in return for a promise that he would create 2,000 jobs in an alloy wheels factory. Gupta sold the hydro for profit and the promised alloy factory hasn't been built, although he recently bought a £42m London mansion.

Gupta's main financier has gone bust and his company may go bust too. Much financing was done on the basis of imaginary invoices. Gupta is defaulting on supplier and tax payments. Scottish taxpayers could face a bill of  $\pounds$ 600m.

#### **Foreign Affairs**

The SNP Government is operating its own costly foreign policy and establishing a proto-embassy network, to promote and operate a paradiplomacy, despite foreign affairs being outside its legal competence. The SNP finances seven 'Innovation and Development Hubs' in Brussels, Berlin, Paris, Dublin, Washington DC, Beijing and London. These cost £7.6m and do not focus on trade and investment alone but also handle political, social and cultural affairs.

The SNP Government also finances a 'Constitution, Europe & External Affairs' department with a budget of £26.8m, despite the constitution, Europe and external affairs being reserved matters outside its competence. It also finances a  $\pounds$ 10m International Development Fund.

The SNP simply had to slash 16% off the affordable housing spend. They cut more than £100m from the Affordable Housing Supply Programme but spent over £44m duplicating reserved foreign policy functions.

#### 2. Poverty

THE SNP HAS failed to tackle poverty in Scotland, which has become appreciably worse under the Salmond-Sturgeon administrations. While poverty rates had been steadily declining in Scotland for many years, once the SNP took over that decline stopped and then poverty started increasing again.

Scotland under the SNP is doing worse in respect of all the main measures of poverty – relative poverty, persistent poverty, child poverty, severe poverty, inwork poverty and pensioner poverty. The data is all published by the Scottish Government itself, and the latest release pre-dates the Covid crisis.

By contrast the situation in the UK as a whole is more positive. Relative poverty among working age adults without children has fallen since 2011-12, with relative poverty as a whole remaining constant since that time. Absolute poverty fell by 1.4 percentage points between 2010-11 and 2018-19. In 2018-19 only 12 per cent of non-pensioners lived in households where no-one was in paid work, down by a third from a figure of 18 per cent in 94/95.

Data just released by the Scottish Government at the end of March 2021 shows that 26% of children - around 260,000 young people - were living in relative poverty in 2019/20, a big jump from 23% in 2018/19, when around 230,000 children were living in relative poverty.

This recent Scottish Government data is in line with recent research on child poverty in Scotland, released in October 2020 by the End Child Poverty Coalition and conducted by Loughborough University. This showed that child poverty has risen in nearly every Scottish local authority and Westminster constituency since 2014/15.

It increased more in Glasgow than anywhere else in Scotland, with more than five and a half thousand children forced into poverty in the last four years. The research showed that in October 2020 there were 31,823 children in Glasgow living in a household whose income is below 60 per cent of the average, up from 26,146 Children four years ago.

The research found a national increase in child poverty from 22 per cent to 24 per cent, but a much higher increase in certain localities, with the Glasgow increase of 4.8 per cent to 31.8 per cent, the highest in Scotland. Indeed, in the Glasgow Central constituency 41 per cent of children are living in poverty, the highest rate

in Scotland. Six of the seven other constituencies in Glasgow have the highest child poverty rates in in Scotland, which each of them being above 30 per cent.

The Scottish Government has set targets for the reduction of child poverty, but with poverty actually increasing there appears to be no chance of these being met. As the Joseph Rowntree Foundation stated in a highly critical report:

"Poverty has been rising and Scotland is not on course to meet its interim child poverty targets within three years. Currently, 230,000 children are growing up in poverty (24 per cent) – an increase on 5 years earlier – while the target is to reduce this number by a quarter to 18 per cent by March 2024."

The failure to tackle child poverty is a national tragedy and embarrassment. As the Understanding Glasgow Project lamented: "Children living in the poorest neighbourhoods can expect to live 14 years less than those in wealthier areas. Poverty also has a negative impact on physical and mental health and educational and social development. This becomes a vicious circle, where poor physical and mental health and low educational achievement increase the risk of lower earning capacity and of continued poverty throughout life."

Who is responsible for increasing poverty in Scotland? Surveys, such as that commissioned by the Edinburgh Poverty Commission, have shown that most people believe the Scottish Government to be primarily responsible. They are correct.

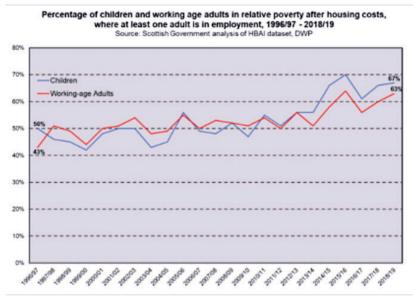
Persistent poverty involves individuals who have lived in relative poverty for three or more of the last four years. Suffering from poverty for a significant period of time is more damaging than brief periods on a low income, and the effects can scar an individual for life.

The latest figures published by the Scottish Government show that persistent poverty has risen from 10 per cent in the 2012-16 period to 12 per cent in 2015-19.

Persistent poverty rates are even higher for children. While 13 per cent of children were in persistent poverty after housing costs in the 201-16 period this has risen to 16 per cent in the 2015-19 period. For pensioners, the persistent poverty rate after housing costs has increased from 8 per cent in 2010-17 to 12 per cent in the latest period.

The picture for in-work poverty is also dire. 'In-work poverty' involves individuals living in households where at least one household member is working (either full or part-time) but where the income of the household is below the relative poverty threshold (<60 per cent of the median UK income in the same year).

In 2018/19, in-work poverty after housing costs increased for working age adults from 60 per cent in 2017/18 to 63 per cent, and for children from 66 per cent in 2017/18 to 67 per cent in 2018/19. When the SNP took charge of the Scottish Government in 2007, in-work poverty was at 53 per cent for all adults and 48 per cent for children. The rise in respect of children is particularly large and especially unfortunate.



As far as relative poverty is concerned, the SNP has also managed a substantial increase. Latest figures show that 20 per cent of Scotland's population (1.03 million people each year) were living in relative poverty after housing costs in 2019-20. This is a substantial increase over the 16 per cent recorded in 2010/11.

Pensioners are also suffering from higher poverty rates. The percentage of pensioners in relative poverty after housing costs increased from 12 per cent in 2012-16 to 14 per cent in 2017-20. Scotland has the highest rate of persistent pensioner poverty in the UK with the number of older people in difficulty equal to the population of Dundee.

The number of those in severe poverty, (below 50% of UK median income after housing costs), has also increased over the last year from 13% in 2018/19 to 15% in 2019/20, with a bigger jump in the proportion of children in severe poverty from 16% to 20%.

Only in respect of absolute poverty, has there been no significant increase in

poverty rates, rather the improvements seen before the SNP came to power have ceased. As the Scottish Government's own report on poverty states, "After a long decline since the beginning of this time series in the mid-nineties, absolute poverty rates have stagnated since 2006-09."

The devolved government has control of all of the primary levers that can be used to address poverty: health and social services, education, training, housing, economic development, and welfare. Many new welfare powers were devolved in 2016, including control over benefits affecting some of the most vulnerable, responsibility for disability and carers' benefits; benefits for maternity, maternity, funeral and heating expenses; and powers to vary the housing cost element of Universal Credit and UC payment arrangements. The Scottish Parliament has the power to legislate for discretionary payments to people in any area of welfare. The Scottish Government has its own employment programmes to help the longterm unemployed into work. It runs its own Scottish social security agency.

Addressing poverty effectively requires an integrated approach across many policy areas. Take childcare for example. Under the SNP less than 30 per cent of local authorities have enough childcare for parents working full-time, compared to 56 per cent in England. As the Joseph Rowntree Foundation reports, "Scotland has one of the lowest provisions of childcare for full-time working parents, compared to the rest of the UK. Previous JRF research has shown that families on a low income are more likely to work atypical hours, and therefore accessing childcare that fits those hours is important. In Scotland, just over 20 per cent of local authorities do not report any availability of childcare for parents working atypical hours."

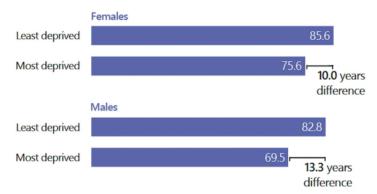
One Scot in poverty, Drew from Fife, explained: "You're being pressured to or need to get a job to boost your income, but I've got a one-year-old and don't qualify for any funded childcare ... I know for me personally finding and affording childcare at this stage makes it even more difficult to get into work. How am I supposed to change my situation? Where do you make the cuts when you're already on a low income?"

The simple fact is that the SNP has failed to develop a comprehensive antipoverty strategy, or to put much concentrated effort into addressing any of the underlying causes of poverty in Scotland. The result is a shameful record of rising poverty across all measures.

#### 3. Life expectancy

ACCORDING TO the facts set out by the Scottish Government, residents of Scotland can expect to die on average two years earlier than citizens of Britain as a whole.

Even worse, if you live in one of the most deprived areas of Scotland you can expect to live for 13 years less than Scots in the least deprived areas. That's if you are a man. If you are a woman then on average you will live for 10 years less. Here is the Scottish Government's own graphic that sets out these facts:



Life expectancy at birth by deprivation (years)

The official report recently released by National Records Scotland sets out the unpalatable reality. While life expectancy in Scotland had increased steadily since the early 1980s it has now remained "virtually unchanged since 2012-2014".

"The majority of Scotland's council areas have experienced a slow-down or a stall in life expectancy growth since 2012-2014 and many areas now have decreasing life expectancy", concluded the report, for example Inverclyde, Glasgow City, Fife, Highland, Midlothian, Moray and others. Life expectancy is actually falling in thirteen (forty per cent) of Scotland's 32 council areas.

Here is the detail of life expectancy by council:

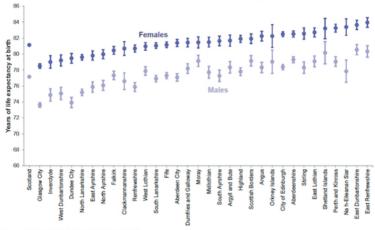
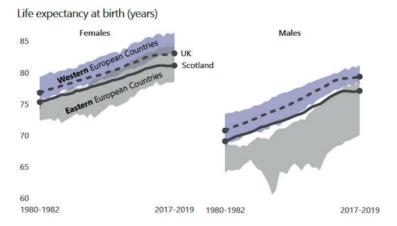


Figure 9. Life expectancy at birth in council areas with 95% confidence intervals, 2017-2019 (ordered by female life expectancy)

Source: National Life Tables for Scotland (NRS)

Scotland has the lowest life expectancy at birth of all UK countries, two years less than the average British citizen in the case of both males and females. Scotland has the lowest life expectancy in Western Europe, as shown in the National Records of Scotland illustration below:



Life expectancy in Scotland is worse than in a number of East European countries. For example an Albanian man can expect to live longer than a Scottish man. Life expectancy in Scotland overall is also worse than in some developing countries such as Costa Rica and Barbados, where men live longer than those in Scotland. Of course these are much poorer countries than Scotland with many fewer resources. Albania's per capita GDP is a mere US\$4,898, whereas Costa Rica's is US \$12,238 and Barbados's US\$18,148. Scotland's per capita GDP is by contrast a huge \$42,079 – almost ten times that of Albania. With those resources we should be doing very much better. For example health care spending in Scotland per person was £2,346, whereas in Albania, Costa Rica and Barbados it was £201, £669 and £958 respectively. It is not resources that is the problem, but rather the ability of the SNP Government to manage them effectively.

While the comparative picture for Scotland as a whole is bad, that for particular areas of Scotland is even worse.

As the National Records of Scotland Report sets out "life expectancy was lowest in Glasgow City, where females could expect to live for 78.5 years and males for 73.6 years." This means that Glaswegian men have a lower life expectancy than men in Uzbekistan, Egypt, Venezuela, Jamaica, Nicaragua, Belarus, Libya, Cape Verde, Bangladesh, Algeria, Mexico, Iran and Mongolia.

An important contributor to lower life expectancy in parts of Scotland like Glasgow is premature mortality, defined as deaths before the age of 65. The Understanding Glasgow project concluded that "premature mortality in Glasgow is 30 per cent higher than in Liverpool and Manchester, cities with similar socioeconomic profiles and histories of deindustrialisation."

Across the whole of Scotland, premature mortality is 20 per cent higher than in England and Wales. This indicates failure by the Scottish authorities to adopt an effective set of policies to address the problem.

Failure to tackle deprivation is a significant contributor to lower life expectancy. As National Records Scotland points out, "while life expectancy varies between geographical areas like council areas and health boards, the difference in life expectancy is far greater when we split Scotland by deprivation".

The figure below from the official report shows life expectancy at birth in SIMD (Scottish index of multiple deprivation) deciles. For males born in 2017-2019, life expectancy at birth was 69.5 years in deprivation decile 1 (the 10 per cent most deprived areas) compared with 82.8 years in decile 10 (the 10 per cent least deprived areas), a gap of 13.3 years. For females born at the same time, life expectancy was 75.6 years in decile 1 and 85.6 years in decile 10, a gap of 10.0 years.

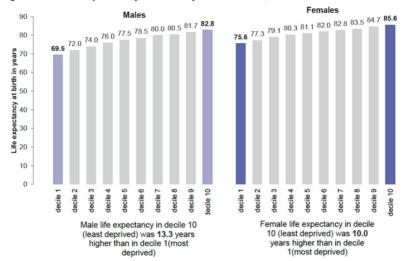


Figure 12: Life expectancy at birth by SIMD decile, 2017-2019

The conclusion is stark. Get born in the wrong area and you will die at least 10 years before many other Scots, quite apart from residents of other parts of Britain, who will live even longer.

The SNP has been running Scotland since 2007, during which time Scottish life expectancy has stagnated or worsened, depending on where you live.

Of course the SNP is not greatly motivated to tackle the problem. In fact some of its politicians and activists see the real problem as being old people themselves – a barrier to independence. Tommy Sheppard, SNP MP and Spokesperson said "The demographics are with us on this journey. One of the most important groups of people who rejected independence were the over-60s... But time moves on. Memories fade and people die." Similar comments were made recently by former SNP Deputy Leader Angus Robertson. Neil Hay, an SNP candidate in Edinburgh South, suggested that older people should not be allowed to vote at all because "umpteen poor souls in the elderly bracket can vote but barely know their own names."

The age at which a Scottish voter is more likely to support the Union is now around 55. It is thus understandable why the SNP is not very warmly disposed towards older voters. This is not however to suggest that the SNP's failure to address the life expectancy crisis is primarily due to active malice towards old people. Aside from a lack of motivation, incompetence in administration appears to be the main cause.

A good example of this incompetence is provided by Scottish Public Health Minister Joe FitzPatrick, who completely failed to tackle the drug death pandemic and was eventually fired because he couldn't even remember the number of drug rehabilitation beds in Scotland, (answer: 365 almost all run by private firms or charities, with only 22 being fully funded by the Scottish Government). Funding for drug rehabilitation has been cut by the SNP Government despite the drugs death crisis – 1,264 drug deaths last year, three and a half times the number in Britain, 15 times the number in Germany.

During their 13+ years in power the SNP has failed to tackle Scotland's major problems, preferring to concentrate instead on a public relations approach to achieve its goal of independence. The earlier deaths that will be suffered by most Scots are unfortunate testimony to that failure.

#### 4. Education

"Let me be clear – I want to be judged on this. If you are not, as First Minister, prepared to put your neck on the line on the education of our young people then what are you prepared to? It really matters."

THESE ARE the now-infamous words of Nicola Sturgeon in August 2015, when she was still riding high on the SNP's landslide in the General Election three months before.

The Curriculum for Excellence, or CfE, was designed to be the saviour of Scottish education. Famed in the 20th century for its ability to offer great success to the "Lad O' Pairts"– the young Scot from a humble background– Scottish education was suffering by the time of a 2002 Scottish Executive consultation, at the end of which the idea of the CfE was born.

The new curriculum eventually shaped up to offer a "joined up", "holistic" approach to the education of Scotland's children, with implementation starting in 2010. At the time, 46 per cent of teachers were "barely confident" or "not confident at all" in its guidance, which they perceived as vague. This was a barely heard warning of the problems to come.

Fast-forward to December 2015, when an OECD review of the refreshed system was released. International experts decided that the reforms could provide a "watershed moment" – the curriculum could potentially restore Scotland to its former educational greatness with encouraging elements such as positive relationships between students and teachers and high levels of social inclusion. The OECD nevertheless warned of declining scores in maths, many pupils with poor reading comprehension and a sharp drop-off in positive attitudes at secondary schools.

The ball was in the SNP's court – it was up to Sturgeon and Swinney to deliver their promises. When annual surveys of numeracy and literacy continued to show declining levels of performance, the SNP scrapped them. The surveys were replaced by standardised tests that were then watered-down by the unions such that they were no longer standardised and their results, helpfully, could not be compared with those of the years prior.

Sturgeon also withdrew Scotland from two of the three international comparative reviews in which it participated. Only PISA remained, and there was little to celebrate in its 2018 report, which showed near-constant decline and a fall

in science rankings from 10th to 19th, reading from 11th to 23rd, and maths from 11th to 24th since 2006. By 2019, Scottish pupils now only performed at the OECD average in maths and reading, and below it in science. Scotland was achieving the lowest scores in maths and science since it started participating in the survey 20 years before. The SNP had passed the watershed moment, and it failed.

Much attention has been given to Scottish education's woeful attainment gap, which sees 60 per cent of pupils from the most affluent areas heading to university – while the comparative figure for deprived areas is only 26 per cent. This gap narrowed slightly between 2018 and April 2020, though that was due to the fact that fewer pupils from affluent areas reached a "positive follow-up destination" than their peers in poorer areas. The outcomes were levelling down, not up. Hardly a cause for celebration.

"Multi-level teaching" goes some way to explaining these saddening results. This is a component of the CfE which expects teachers to instruct pupils from different levels in the same class. It is not practised in affluent, high-attainment areas such as East Renfrewshire. All schools in North Lanarkshire, meanwhile, use multi-level teaching and see their attainment suffer.

To solve this, the SNP employs a strategy known as "Throw Money At The Problem Until It Hopefully Goes Away." Designated "Challenge Authorities" receive so much extra funding that there is, along with no resulting improvement in attainment, a concern that a two-tier funding system is emerging that will threaten the constitution of Scottish education. Audit Scotland just concluded with regard to the extra funding that it is "too early to see evidence of longterm impact on outcomes." They also pointed the absence of any link between spending and outcomes: "Councils spend just over a quarter of their revenue budgets on education. There is wide variation in councils' spending per pupil but no link between that and attainment levels."

That March 2021 Audit Scotland report was very critical of the SNP's continuing failure to close the attainment gap, saying "The poverty-related attainment gap remains wide.....Progress on closing the gap has been limited". The report highlighted the fact that the "gap is wider at higher levels of award," pointing out that "in 2018/19, the proportion of school leavers achieving five or more awards at level 5 was 82.7 per cent for pupils from the least deprived areas, compared to 46.5 per cent for school leavers from the most deprived areas – a gap of 36.2 percentage points", and that the poverty-related attainment gap, in terms of expected levels of literacy and numeracy, is also evident at primary school level and early secondary school level". A 36% attainment gap is huge and highlights the complete failure of the SNP to tackle this issue, despite their promises to make it their number one priority.

Declining results across the board offer no respite. A report on Scottish Highers results had to be dragged out via a Freedom of Information request, was delayed for six months and published late in the evening one Thursday in February 2020. Significant attainment drops in key subjects provided shocking reading. 1,515 fewer pupils passed Higher English, 5.5 per cent fewer than the previous year and the lowest result since 2014. Advanced Higher English saw its pass rate drop by 8.8 per cent. The drop for mathematics was 2.1 per cent, and Higher history pass rates dropped by an overall 14.6 per cent . The number of school leavers who had at least one pass at the Higher level fell from 62 per cent to 60 per cent from 2017-2019.

The SNP clings onto a handful of successful statistics in education. They celebrate that the percentage of school leavers achieving one level 5 qualification rose from 71 per cent to 85 per cent since the SNP took office – these are the lowest of bars and ones which a "world-class" education system should barely notice leaping over.

The final nail in the coffin of the SNP's record in education is seen in literacy and reading comprehension, areas in which Scottish children used to excel. While Scottish pupils once had the highest level of reading comprehension in the UK and Ireland, they have now slipped below Northern Ireland and fallen roughly in line with England.

The responsibility for this sad demise of a once famed system of schooling lies solely with the Scottish National Party. Nicola Sturgeon should indeed by judged by her track record on educating Scotland's young. Her behaviour towards it is no different from her behaviour towards everything else – to deny, deflect from and ignore consistent failures – or simply accuse any critics of talking Scotland down. This time there is no deflection for a failure of this magnitude – the SNP has failed Scotland's children.

"There is wide variation in performance across councils, including examples of worsening performance in some councils on some indicators. Between 2014/15 and 2018/19 the poverty-related attainment gap in the percentage of school leavers achieving five or more awards at level 5 narrowed in most councils, although it increased in ten.

#### 5. Childcare

THE ABSENCE of effective provision for childcare in Scotland is a longstanding problem that the SNP Government has failed to address, despite Nicola Sturgeon promising many times to do so. A seminal report issued by Citizens Advice Scotland in 2014, seven years after the SNP had come to power revealed that:

- Parents in Scotland spend 27 per cent of their household income on childcare, while the average in developed (OECD) countries is just 12 per cent.
- The average annual cost of childcare in Scotland was an unaffordable amount of over £5,000 for 25 hours care per week for children under the age of five.
- Only 23 per cent of Scotland's Local Authorities stated that childcare for working parents in their area was sufficient, compared with 54 per cent of English Local Authorities

Since then the Scottish Government has continued to fail to address the childcare crisis. Back in 2014 Nicola Sturgeon, who had just taken over as SNP leader, announced plans to double the amount of free early learning childcare available for children from the then 600 hours. There would be a "childcare revolution", she said. This promise had also formed part of the SNP's Yes campaign during the independence referendum of that year. Seven years later, the promise is still unfulfilled. Some revolution!

The pledge to double childcare to 1200 hours was watered down to 1140 hours, but there are no signs that the SNP will ever achieve this. The Scottish Government's August 2018 target to recruit 435 additional graduates to nurseries in the most deprived areas was missed – and still missed a year later. The SNP pledged to build or revamp 750 nurseries but by mid-2019 they had only managed to build 13 new ones and retrofit or extend 84 – 13 per cent of Sturgeon's target.

The failure of the SNP to implement its pledge is no surprise, in 2018 the independent watchdog Audit Scotland issued a damning report that criticised SNP Ministers for failing to begin detailed planning for the policy once it was announced and identified a range of failings including recruitment delays, lack of childcare infrastructure and inadequate funding. Of course the SNP Minister responsible insisted that the government remained "on track to deliver 1,140 hours by 2020", which, needless to say has turned out not to be true.

A March 2020 update from Audit Scotland, issued three months before the 1140 hours policy was meant to be fully implemented, noted that 50 percent of the necessary infrastructure had yet to be completed and, as of late 2019, councils 26

had only recruited half of the necessary additional staff. The SNP tried to blame its failure to expand hours on Covid, but the truth is that neither the necessary infrastructure nor staff were available.

Audit Scotland was not the only body to warn the SNP's childcare policy was failing. A year later the National Day Nurseries Association (NDNA) warned that too little was being done to recruit staff to nurseries, which were facing a "workforce crisis." Moreover, new regulations introduced by the SNP are actually leading to a reduction in childcare provision. Nurseries are pulling out of council funding agreements for three and four year-olds, saying that the Scottish Government's new scheme does not cover their staffing costs and bars them from charging top-up fees to plug the gap.

Previously parents could top up the "funded" hours by paying for the remaining cost themselves. Now many parents will be unable to pay the whole bill and will be forced to remove their children from childcare.

The SNP's failure on childcare of course has knock-on effects, notably on poverty, which is rising in Scotland under all metrics. The Joseph Rowntree Foundation reported in 2020, "Scotland has one of the lowest provisions of childcare for fulltime working parents, compared to the rest of the UK. Previous JRF research has shown that families on a low income are more likely to work atypical hours, and therefore accessing childcare that fits those hours is important. In Scotland, just over 20 per cent of local authorities do not report any availability of childcare for parents working atypical hours."

It is the poor that suffer most from the absence of affordable childcare. Citizens Advice Scotland provides the example of "a lone parent with a two-year-old. She has to leave for work every day at 5.30am so needs to rely on her father to take her daughter to a child minder early in the morning. The childminder costs £140 per week which the client is struggling to pay and has built up rent arrears and other debt. She feels the current arrangements are unsustainable and has looked for full-time work with a later start time, but without success. She wants to know if she would be better off giving up work and claiming Income Support."

It is a sad fact that under the SNP less than 30 per cent of local authorities have enough childcare for parents working full-time, compared to 56 per cent in England. Scotland has one of the lowest provisions of childcare for full-time working parents, compared to the rest of the UK, despite the SNP promising seven years ago to tackle the issue. This was a key commitment made by Nicola Sturgeon personally. Yet she failed to deliver. This whole episode demonstrates yet again that the SNP's focus is on performative government – talking about things – as opposed to actual government – getting things done.

#### 6. Healthcare

THE SNP'S HEALTH record is lamentable. The SNP formed a government in 2007. Nicola Sturgeon was the health secretary from 2007 to 2012. In 2008 the BMA warned that Scotland faced GP shortages. The warnings for Nicola Sturgeon were there right from the start.

Despite that BMA warning in 2008 the Royal College of General Practitioners predicts a shortfall of 856 whole time equivalent GPs in Scotland by 2021. The SNP focus on independence took precedence over everything, including the health service.

The Royal College of General Practitioners has long called for general practice to receive 11 per cent of the health budget in order to provide an adequate general practice service. In 2005 it was 9.8 per cent but by 2019 it had actually dropped to 7.35 per cent. Hard to believe – but true.

This underfunding inevitably had a detrimental impact on general practice - whole time equivalent GPs in Scotland dropped by 160 from 2013 to 2017. In 2018 25 per cent of GP practices had an unfilled vacancy. The shortage of GPs had consequences. The number of practices that had returned their contracts to the health board, feeling unable to meet their obligations, was 59 in 2019. This was because they were not able to provide a safe medical service. Such a decision would have been an agonising one for every practice and the decision would not have been taken lightly.

We have even had GP practices closing completely in Scotland because of GP shortages. This has happened all over Scotland including Dumfries and Galloway, Ayrshire, Edinburgh, West Lothian, 11 surgeries in Grampian, 14 in Highlands and Islands.

The situation is not much better in hospitals. The current vacancy level for consultants in Scottish hospitals is close to 500. Health boards spent £102 million pounds on medical agency locums in the last financial year. That amount of money would pay for about 1000 permanent consultants.

In 1998 the Dumfries hospital was full of long term permanent consultants. Now the hospital, and it is an excellent new hospital with excellent staff, has 22 consultant vacancies and the hospital spend on locums is 7 million pounds. That would pay for about 70 permanent consultants. Thank goodness we do have locums in our hospital, otherwise patient care would collapse.

The reason for consultant vacancies is multifactorial - the after-effects of the divisive referendum in 2014, higher tax rates in Scotland, uncertainty around a second vote on separation with the threat of currency turmoil, spending cuts and tax rises will all be contributing. Significantly the distinction awards budget was frozen by the SNP in 2010 with no new awards and no progression through the scheme. These awards are given to consultants for clinical excellence and are still available in England and Wales. Ambitious, highly motivated consultants from the rest of the UK are therefore deterred from coming to work in Scotland and potential Scottish consultants attracted to move south.

The high level of consultant vacancies nationally helps explain why the Scottish NHS missed 6 out of 8 national waiting time standards in 2018/19. The missed standards included Child and Adolescent Mental Health Service referrals seen within 18 weeks and patients starting cancer treatment within 62 days. This is not good enough. Young and old are suffering.

For the situation to change we need to look at how we choose medical students for Scotland's medical schools. In 2000 the number of medical students in Scotland who were Scottish was 63 per cent.

By 2016 the number of medical students in Scotland who were Scottish had dropped to 51 per cent. This is poor planning because research shows that medical students domiciled in Scotland are twice as likely to stay and work in Scotland after graduation compared to students from elsewhere. The problem is that SNP policy means that universities receive more money from students from the rest of the UK or abroad than they do from students domiciled in Scotland. This results in fewer medical students staying to work in the NHS in Scotland after graduation. Enthusiastic Scottish youngsters are desperate to study medicine. They have their five As at highers and they would make excellent doctors, but they apply to Scottish medical schools and they do not get in. This needs to change.

The health service in Scotland is crumbling. And yet, even after the clear result of the independence referendum, the SNP was still parading around the streets, waving flags, when they should have been concentrating on the health service. We should never have reached this point, where GPs are handing their keys back to health boards and practices are closing for ever because of a shortage of GPs.

The evidence also shows that the SNP's response to Coronavirus has been poor. We have one of the highest number of excess deaths due to Covid-19 in the world. Elderly patients with Coronavirus being moved from hospitals to infect nursing homes was a deadly mistake. It is wasteful that the SNP has not availed of the expertise of Professor Hugh Pennington, the reason being he does not support the SNP. Nationalism damages your health.

A cursory glance indicates the appalling state of health in Scotland and the poor health outcomes that result. A Glaswegian man has a healthy life expectancy of just 54.6 years. (Healthy life expectancy (HLE) is an estimate of the number of years lived in 'very good' or 'good' general health, whereas life expectancy is the number of years an individual is expected to live). There is a huge gap in healthy life expectancy at birth between the most and least deprived areas of 25.1 years for males and 21.5 years for females.

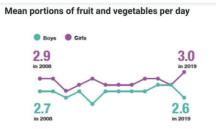
Healthy life expectancy in Scotland is the lowest in Europe. National Records of Scotland states that "it is estimated that a baby boy expects to live 61.7 years in good health and a baby girl 61.9 years in good health". By contrast, according to WHO data, the average healthy life expectancy in Europe is 68.3 years with all other European countries having higher HLE than Scotland. At 69.1 years even Albania has considerably higher healthy life expectancy. Scotland fully qualifies for the sad title of 'Sick Man of Europe.'

And be under no illusions, the SNP carry the can for this situation. Life expectancy itself in Scotland had been increasing since the early 1980s until 2012-2014. Since the 2012-14 period, Scottish council areas have experienced slowing or stalling improvements in life expectancy. Data also indicates that many areas are now witnessing decreasing life expectancy.

Julie Ramsay, Head of Vital Event Statistics at National Records Scotland (NRS) said in January this year, "The decrease in healthy life expectancy coincides with a stalling of growth in life expectancy in recent years, and has resulted in a lower proportion of life being spent in good health"

The SNP has held power since 2007, and health is a devolved competency. The first SNP Health Minister was none other than Nicola Sturgeon.

We do not need to look far to begin to understand how this situation has occurred under the nationalist administration. If we examine ScotGov's own data on childhood diet and health, things have got worse regarding efforts to get boys to eat healthier.



Fewer boys eat the recommended five a day now as compared to the second year of SNP rule. If you look at figure 1 above, you see the mean portions of fruit & vegetables per day eaten by boys was 2.7 in 2008; and in 2019 a lower 2.6. Not merely no progress, in fact things have deteriorated.

Overall obesity levels in Scotland also reveals a picture of deteriorating individual health throughout the life of this nationalist administration. Figure 2 shows that two in three adults were overweight including obesity in 2019. This is the highest prevalence in the Scottish Health Survey time series since 2003. Also shown is the rise in obesity, up from 27% in 2008 to 29% in 2019. That entire time-period is within the life of the current nationalist administration.

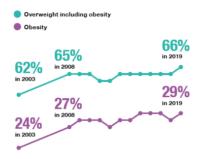


Figure 2: Scottish Health Survey time series on obesity in Scotland

But it is not just a story of widening midriffs and poorer male youth diet. The images from Glasgow of hundreds queuing in the frigid snows for a soup kitchen were shocking. Figure 3 is the image of hundreds of people queuing for food just yards away from the Corinthian columns, mahogany banisters and shining marble of the SNP controlled City Chambers.

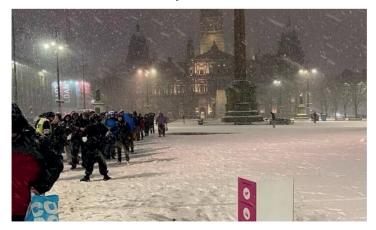


Figure 3: Community Group Kindness Homeless Street Team say 200 people queued for food in Glasgow's George Square in sub-zero temperatures in February 2021.

Part of the reason for this disturbing image (above) is the rise of food insecurity under the SNP (alongside appalling stats on poverty, inequalities, and social deprivation). In 2017, 8% experienced food insecurity (defined as being worried during the past 12 months that they would run out of food due to lack of money or resources). This figure rose to 9% in 2018 and has remained at the higher percentage. More live with food insecurity under the SNP. Hard to square this dismal fact with Nicola Sturgeon's 2016 era rhetoric of a 'fairer' and 'healthier' nation. And the youth feel the food insecurity the hardest in today's Scotland. Food insecurity is actually most prevalent among the younger than older age groups. 13% of 16–44-year-olds experienced food poverty according to the most recent Scottish Health Survey. 8% of those aged 45-66, and 2% aged 65+.

More tragic still, 31% of single parent households report being food insecure, and 20% of single adult households. This is a national shame, and the SNP are culpable.

Naturally when discussing public health, it is necessary to also refer to other major societal factors, such as urban and rural deprivation, poverty, deindustrialisation. Socioeconomic deprivation is the primary factor behind poor health across the world. And on this score, there is not much positive news for the SNP to write home about. If we take the First Minister's own constituency of Glasgow Southside, we see an appalling mixture of poor health, poverty, and deprivation. The Scottish Index of Multiple Deprivation (SIMD) reveals Govanhill is ranked in the 10% 'most deprived areas' in income, education, housing, and crime. Second most deprived in employment & health. Figure 6 shows the SIMD map for 'all dociles'.



Figure 4: SIMD interactive map 2020 'all dociles', Govanhill in the First Minister's constituency of Glasgow Southside Nicola Sturgeon has been either Deputy First Minister, Health Secretary or First Minister since 2007. Her personal salary as First Minister rose from £144,687 (2015) to £157,861 (2020). Has she sufficiently earned that pay rise.

There is no doubt that Scotland, under the SNP, has become the 'sick man of Europe'. Mortality statistics of Glaswegians when compared to equally deprived Liverpool and Manchester, is alarming reading. The New Statesman reports that "Deaths caused by lung cancer amongst Glaswegians were 27 per cent higher, by suicide 70 per cent higher, by alcohol-related causes 130 per cent higher, and by drug-related poisonings 250 per cent higher."

Under this administration we have witnessed the 'nationalist effect' on individual health. Declining life expectancy, deteriorating childhood health and diet for boys and expanding waistlines amid a worsening obesity crisis. Haunting images of the poor queuing in freezing snow for soup; scenes reminiscent of a Warsaw Pact country. Rising food insecurity, negatively impacting the youngest the most; rendering the lives of single parent households more precarious.

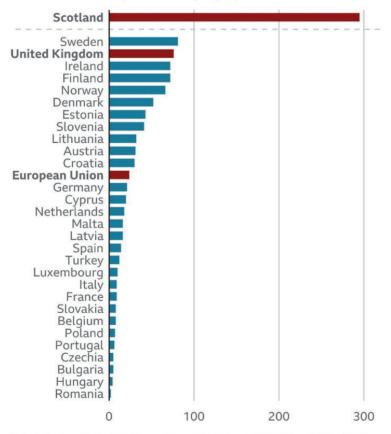
The fundamental problem in Scotland is that we have a nationalist SNP government in power which does not believe in devolution; whose sole focus is separating Scotland from our family and friends in the rest of the UK. The health service comes way down their list of priorities – and it shows.

#### 7. Drug deaths

THE GRAPH BELOW of drug deaths in Scotland is so bad it looks like fake news. **But this is real.** 

### Scotland has far more drug deaths per capita than any European country

Number of deaths per million people, latest available data



Note: Latest available data for most countries is from 2018, although UK-wide figure is from 2017. Data shown for Scotland is from 2018. No data is available for Greece

Source: EMCDDA, National Records of Scotland

The drug death total in Scotland is shameful. 1264 deaths in 2019 – that's an average of 24 funerals a week for families in Scotland.

Our death rate from drugs is 15 times worse than Germany and 35 times worse than France. Under the SNP Scotland is the drugs death capital of Europe.

Drug deaths in Scotland are three-and-a-half times the drug deaths in the UK as a whole yet England and Wales operate under the same drug legislation as Scotland. The number of Scottish drug deaths has increased steadily since 2013. This is a failure.

Claims that the Scottish figures are not comparable with how they are recorded in the rest of the UK are false, confirmed by an exposé of the false claims made by SNP supporters after an investigation by *The Ferret*.

When the SNP came to power there were 352 rehab beds and 455 annual drug deaths but – after SNP funding cuts – by 2018 the rehab beds had dropped to 70 and the annual drug deaths had risen to 1187. The public health minister was questioned on these figures on STV's Scotland Tonight but seemed unsure about the figures.

The SNP knows it is responsible. There was a debate recently in the Scottish parliament and the SNP agreed to support a Labour amendment that stated cumulative cuts of £40m over five years had "negatively impacted on the provision and capacity of essential addiction services." The SNP would not back a Conservative amendment for £15m of emergency funding because it was not tied to having more powers over drug laws. The SNP continues to put political power before saving lives.

A recent conference organised by academics Barry Sheridan and Iain McPhee with Labour MSP Neil Findlay claimed there has been a net cut in drugs funding of 50 per cent since 2007.

The drug deaths are an SNP problem. The SNP's mono-obsession with separation means real life and death problems are neglected and ignored. We must deal effectively with the disgraceful number of drug deaths in Scotland. The current calamity is not inevitable – Portugal in the 1990s was known as the heroin capital of Europe but effected change in 2001 and Portugal now has the lowest drug-related death rate in Western Europe.

The current drugs death rate in Scotland highlights the need for Scotland to have a government in power that concentrates fully on our vital public services.

### 8 Homeless deaths

IT ONLY TAKES a few scratches for the SNP's progressive sheen to begin wearing away. Beneath it, an ugly truth – the nationalist party is unconcerned with providing basic standards for the people it claims to represent.

The statistics speak for themselves.

#### The worst homeless death rate in Britain

Scotland's homeless death rate is currently the worst in Britain, at a rate of 52.2 per million of the population aged 15-74 compared to just 18.0 in England and 14.3 in Wales. That's a death rate three-times higher than that in England.

This figure includes those found dead in the street and in temporary homeless accommodation, which includes homeless B&Bs and hostels.

The average age at death for homeless people was 43-years-old for males and 39-years-old for females.

The causes of homelessness are complex but for the number of deaths of homeless people to be three times higher in Scotland than England cannot be brushed off lightly nor blamed on others. The Scottish Government must take responsibility.

National Records of Scotland data shows that homeless deaths have been increasing for at least three years in a row now, from 164 in 2017 to 216 in 2019. Inverclyde holds the title for the highest homeless death rate at 213.2 deaths per million.

In 2019/2020, 31,333 households were assessed as homeless or threatened with homelessness. That is a 4 per cent rise on the previous year. Those households contain 51,365 people, 15,711 of which are children.

11,665 households were in temporary accommodation as of the 31st of March last year, an increase of 676, or 6 per cent compared to 2019. 4,595 homeless households were not offered temporary accommodation by the state in 2019/20. 3,835 of them could be found in Glasgow.

#### Covid not to blame

This data was collected up until the 31st of March 2020, which means the Scottish figures included only one week of Coronavirus restrictions. Gordon MacRae, assistant director of Shelter Scotland, said, "figures show that Scotland's homelessness system was failing people even before the pandemic hit."

Councils are continually allowed to break the rules on who can be put where and for how long when it comes to homelessness. For the third year running Edinburgh City Council places the most pregnant women and children in unsuitable accommodation, breaking the rules 375 times.

Once the pandemic hit, the SNP rushed to house the homeless in accommodation like hostels and hotels, but the founder of Kindness Homeless Street Team Laura McSorley reports that some in temporary housing only receive a small box of cereal and a piece of fruit every day from the Scottish government. Crisis also warns that conditions in this accommodation are often terrible, lacking in furnishing and with only a kettle for kitchen appliances.

As always, the SNP was quick to blame the UK government. Housing minister Kevin Stewart decried a "shortfall of over £500m in consequentials for housing as a result of decisions taken in the UK government's Spending Review last autumn."

It would be easier to believe Mr Stewart if £2.7 billion of UK Government Covid-19 support funds weren't unaccounted for, or if the SNP wasn't ploughing ahead with its mega-spend projects such as the newly created Scottish National Investment Bank, for which the SNP has earmarked £2 billion, or yet another £50m to the delayed disaster that is the Ferguson Marine ferry-building fiasco. How much the SNP really care about the homeless is demonstrated by their decision to slash the Affordable Housing Supply Programme next year by more than £100m, a full 16%.

The SNP cannot blame Westminster for this one. Neither can it claim that it is doing everything it can – actions during the pandemic prove this is a matter of political will. Does Sturgeon have the will to protect Scotland's most vulnerable? These figures speak to a worrying answer.

### 9. Covid-19:Vaccination

AS OF THE END of March 2021 31 million people in Britain had been vaccinated for Coronavirus, with just under 60% of the adult population having received their first dose, and some 52% of all residents having been vaccinated.

In the EU on average only around 16% of all residents had been vaccinated, with the programme moving forward at a slow pace. In total we have given more vaccination doses than the 10 largest EU countries combined.

SNP Ministers bemoaned the UK's decision to opt out of the EU vaccination scheme, labelling the move "short-sighted and increasingly isolationist." Mike Russell, the Constitution Secretary, described the UK decision to run its own vaccination programme as "this idiotic refusal is all about Brexit and nothing to do with the pandemic. It will cost lives."

Thankfully the British government ignored the SNP and set about securing priority orders for millions of vaccines. The EU's centralised vaccine purchase scheme, meanwhile, has been an unmitigated disaster. Avoiding competition among states and opting instead to eradicate "vaccine nationalism", the European Commission promised to create serious buying power with the pooled budget of participating states – thus securing strong terms for purchasing vaccines.

Were it so easy. Arrogant EU bureaucrats omitted to order enough supplies, assigning an initial vaccine budget of only  $\notin 2$  billion – for comparison, the UK is set to spend over £12 billion purchasing jabs. The EU ordered so few Pfizer shots in the summer of 2020 that it went to the back of the queue for more.

What would have happened if the SNP had been able to implement its own approach to vaccination – full participation in the EU scheme and a reliance on the EU's own regulator, the EMA, for approval?

As of the beginning of April 1.6 million fewer Scots would have been vaccinated. While over 2.5 million Scots have been vaccinated to date, if one applies the average vaccination rate across the EU to Scotland, this figure would have been only 877,952. Scotland, like most EU countries would be in the grip of a third Covid wave, and many more Scots would have died, likely around two to three thousand. Many more deaths would have been a direct consequence of SNP policy on vaccination procurement, had the SNP been able to implement it, which thankfully they were not.

And Scotland, if it were independent as the SNP most desperately desires, would miss out on other key vaccine benefits of being part of the UK. As *The Scotsman* pointed out, "one of the reasons the UK was able to become the first country in the world to approve its use was because of the expertise of the UK Medicines and Healthcare products Regulatory Agency (MHRA). Would Scotland, as an independent nation, be able to afford a similar agency with capacity to move so quickly?" Moreover, *The Scotsman* went on to say that while "re-joining the EU – which would not be as simple a process as some like to believe – would give access to the European Medicines Agency" this would take some years and only result in having access to the EU's ineffective bureaucratic vaccine systems.

Right now we are also able to take advantage of UK Government investments in vaccine manufacturing capability, including the English-based Vaccines Manufacturing Innovation Centre (VMIC), a £158 million super-factory that will, when put into operation later this year, be able to provide doses for the entirety of the UK, including those to deal with new mutant Covid-19 variants. Based in Oxfordshire, the facility's 70 million dose production capacity will give the UK vaccine self-sufficiency at a time when supply chains can be fragile.

The SNP had a rocky start to the vaccination drive in Scotland, vaccinating many fewer proportionately than in the rest of the UK. Nicola Sturgeon's vaccination targets for the end of January were missed. However assistance was provided from the British armed forces and after a period the vaccination effort in Scotland caught up with the rest of the UK.

Scotland's situation when it comes to vaccines is a very positive one, thanks to our place in the Union. It was the forward thinking and buying power of the British government that secured speedy access to effective vaccines. Had we been forced to follow SNP policy and partake in the EU's scheme, Scotland would be in a considerably worse condition, with many more months of deaths and lockdowns to contend with.

### 10. Scotland's economy

THE SCOTTISH ECONOMY is in a desperate state. It has long been lagging behind the UK economy but now the prognosis must be considered as dire. In 2019 Scotland's GDP was 8% lower that of the UK as a whole. While GDP in the UK grew at a rate of 1.7% between 2000 and 2019, in Scotland it grew at a much smaller 1.3%. Employment from 2000 to 2019 grew at 0.9% in the UK as a whole, but only at 0.6% in Scotland.

Only a growing economy makes it possible for public services to help the disadvantaged – while a shrinking economy must result in belt tightening austerity. Tightening the belt around your waistline might be uncomfortable in the belief you might adjust or be able to loosen it in time, but tightening a straitjacket that restricts your ability to exist is beyond sense. The economic statistics now tell us we have moved from the former to the latter.

During the halcyon days of the Union, Scotland's record in entrepreneurship, business and creativity was literally world leading. Not just besting the rest of the Britain but outranking the world. It was through taking advantage of the opportunities of Union that this was achieved – why should it not be our goal again?

Kelvin, James Watt, Watson Watt and McAdam are names that stand out, but there were so many others such as those who innovated and championed the rise of advertising for Haig's whisky and Sandeman's port. While there remains centres of excellence in Scotland they are too few and far between. Do not expect a new Dolly the Sheep to come along any time soon.

Scottish politicians in Holyrood have fallen to worshipping the precautionary principle, preferring ever more regulations that hold back advancement and economic progress. Is it any surprise then that Scotland's economic growth lags the UK average and revenues suffers as a result?

Scotland has the smallest number of businesses per head of any part of the UK with the exception of northeast England. The Scottish business environment, according to the Hunter Foundation, "is characterised by a low business birth rate, relatively low levels of business investment and a low rate of scale-ups." Statistical data shows that Scotland has a particularly low rate of business scale-ups and the number actually fell between 2015 and 2018. In 2018, there were 40.3 scale-ups per 100,000 people in Scotland, compared with a UK average of 51.

Innovation is key to business growth but data from the 2019 UK innovation survey showed that the proportion of Scottish businesses that were innovationactive fell between 2016 and 2018.

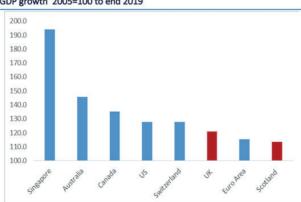
It is a sad and depressing picture. Scotland has been slowly strangled by an increasingly centralised and highly bureaucratic state whose only response seems to be too tax more or launch a new spending initiative. In short, the Scottish Government that wants 'independence' paradoxically ceases to trust its own people. No wonder it wishes to throw its lot back in with a European Union that does not even trust its member states.

Today Scotland is taxed more highly than any other part of the United Kingdom and at a higher level proportionately than at any point since the 1960s. The inconvenient truth is that despite much larger public spending and taxation the outcomes are getting worse, again as regularly reported on ThinkScotland.

Scottish GDP growth has steadily worsened since 2007, when the SNP came to power. falling to a miserable 0.9% in 2018. This failure to match (or better exceed, as it used to) the UK average really matters and has cost the Scottish people some £11bn of beneficial economic activity every year and with it £3.9bn of lost tax receipts - enough to fund a housing budget twice the current level.

Just imagine that; £3.9bn more to spend irrespective of what Westminster sends...

Scotland's underperformance is even more stark compared with our Australian and Canadian cousins, as can be seen from the chart above. There is absolutely no good reason for this and we must raise our sights.



GDP growth 2005=100 to end 2019

Source World Bank, GERS, ONS

There are a number of reasons for Scotland's abject economic record in recent years but a key one has been how the SNP has tested the tax and spend thesis to its limit. Run by people who have never run a business – not even a not for profit business – SNP finance ministers response to any problem is to announce a new spending initiative, regardless of how effective that may be. In most cases they then fail to implement it properly. For example a commitment by Nicola Sturgeon in 2015 to distribute £500m in bank loans, seven years later this has still fallen short by a third.

Their economic management of the Covid pandemic has been similarly poor. Implementing the strictest lockdown the UK while failing to distribute relief funds supplied by the UK Treasury, the effect on Scottish businesses has been dire. In December, the Scottish economy was 7.2% below pre-pandemic levels, compared to 6.2% in the UK economy.

While Britain has the longest tax code in the world the Scottish version is even more complex, with a generally higher income tax and an absurdly onerous and expensive Land and Buildings Tax both of which penalise greater productivity and dynamic mobility that drive an economy to expand and grow. These antigrowth policies are what stifle the productive private sector that ultimately pays for the NHS and a good state education.

The SNP is not only failing to tackle the underlying causes of poorer economic performance but is actually making them worse. Productivity is lower in Scotland than the UK average, moreover as the Hunter Foundation points out, Scotland has "fewer high productivity sectors, and lower productivity within the majority its sectors, compared with the UK as a whole". The worsening education system is a key contributor to low productivity. Scotland has a higher than average proportion of people without any qualifications and Scots in work are less likely to be in managerial or other senior occupations than in the rest of the UK. The proportion of the workforce in job-related training has declined compared with the rest of the UK.

The SNP may have thought that they could rely on the oil and gas sector to bail them out, but it is suffering significant decline as a result of lower oil prices, lower viable reserves and a shift away from carbon fuels. Instead of adopting policies that would encourage the development of innovative new industries, the SNP throws money into businesses that then fail or foolish vote-buying schemes such as free bus travel.

Scotland's economic future looks indeed dismal with this level of mismanagement and lack of understanding and interest on the part of the SNP government. Radical change is long overdue.

### II. Policing

ON THE 7TH of August 2012, the Police and Fire Reform (Scotland) Act received royal assent. It was the most radical step yet taken in public sector reform and served as the SNP's flagship justice policy. On April 1st, 2013, the merger of Scotland's eight regional police forces and the SCDEA, Scotland's specialised crime and drug unit, was brought into force and Police Scotland was born.

It seemed the perfect manifestation of the SNP's dream – to centralise and to control. To scrap all that is local and put in its place a new central organisation that the party can better manipulate – one on which to stick that great immutable banner of "Scotland." The nationalists published their Outline Business Case in September 2011 proposing the reform. A full business case was not prepared, and after a public consultation that, incidentally, involved no mechanism for front-line police officers or staff to provide their perspective, the legislation passed.

It is no surprise that, when police officers were later asked about this process, they were bitter enough. "When the discussion came about whether it was a good idea to have a single police force they didn't actually ask anybody who worked in it," said one officer. Others were unconvinced of the effectiveness of centralisation – they had built their practice around community engagement and local policing. Long-standing local relationships have been time and again proven to provide wide-ranging benefits to policing – a designated officer in a geographically bounded area becomes a familiar face to the local population, acquiring an in-depth understanding of the area and those who live in it. As one officer put it, "you felt that that was your own wee empire if you like and that was yours to look after and you would take it personally to a degree if there were issues in your area it was left to you to solve it." It is remarkable the SNP failed to consult the police themselves before pushing through this sweeping reform – having the ability to assess how a change is operationalised and experienced the street level is crucial to any change of this kind.

Localised police forces deal with local crime patterns which differ between areas. It is not the case that the same style of policing can be applied as successfully on a national level. For example, Strathclyde Police in 2009/10 had to contend with Scotland's highest rate of non-sexual crimes of violence, which stood at 31 per 100,000 people. The second highest, Lothian and Borders, only saw 19. Conversely, crimes of indecency in the same period were a much greater problem for Grampian Police and the Fife Constabulary than they were for Strathclyde. While we can see that Glasgow is beset by crimes of violence, Edinburgh is

plagued by the highest level of crimes of dishonesty – the top 5 hotspots for housebreaking and 11 of the worst 20 areas can still be found in the Lothians.

With the appointment of Stephen House, Strathclyde's Chief Constable since 2007, as Police Scotland's first Chief Constable in 2013, what we saw was essentially a national takeover by Strathclyde Police. Differences in management and conflict within police departments soon proved that a struggle lay ahead. Lothian Police's pragmatic approach towards prostitution in Edinburgh, allowing councillicensed saunas that were commonly thought to host the practice to continue, did not sit well with the Glaswegian management, which had a zero-tolerance approach in their city. The "sauna raids" soon followed, breaking a philosophy of policing that had existed in Edinburgh for more than a decade and casting aside harm reduction as a principle.

Moreover, Edinburgh Police's specialist housebreaking unit, introduced specifically to tackle the local issue and highly successful, was closed down by the new management. Detection rates for housebreaking fell from 40% to just 17%. A more embarrassing example of this deficiency dates back to 2014, when police officers were observed carrying handguns while on regular duties – armed police officers had been rolled out to all parts of Scotland, rural areas included. Police Scotland's management defended the move, stating that all parts of Scotland should have "equal access" to armed police. The same philosophy seems to apply to being stopped and searched in the street without justification, a policy that saw 3,172 searches carried out on children below the age of 15 between April 2018 and June 2019.

The Scottish Police Authority was set up along with Police Scotland to act as its oversight body. It too has been tainted, this time by its appointment procedure, which leaves it an SNP plaything with toothless and unpopular management that has a habit of quitting before it can get anything done. Scotland's regional police forces used to be part-council funded with councillors sitting on the local police boards, which allowed for a level of local accountability that the SNP obliterated. Scrutiny of the police now barely exists, to an extent that arguably allows for the Nationalists to "pressurise" Police Scotland on political issues.

Has Police Scotland at least managed to increase the crime clear up rate? An analysis of clear up rates in the four years prior to centralisation and those following shows there was only one meaningful change in the rates for crime groups: a rise in the clearing up of crimes relating to "fire-raising and vandalism." For every other crime group – except "sexual crimes", where there has been a fall in clear-up rates – there has been no statistically significant effect.

The SNP's police reform has been a failure. Police Scotland has been marred by Chief Constables forced to step down after major scandals and bullying 44

allegations, a failed IT system reform that failed miserably to achieve any of the predicted £200 million savings from the merger, and an almost unbelievable spend of £8 million on Brexit "contingency planning" in 2019, dedicated to preparing for "civil unrest" after the UK's departure from the EU.

A report on the centralisation move by the Justice Committee of the Scottish Parliament was highly critical, identifying "systemic problems" created as a result of the centralisation. It stated that poor financial management, unclear lines of responsibility and a failure to focus on the views of officers and staff lay at the root of many of the problems faced by Police Scotland.

The pragmatic local touch of police services has been lost by a blundering supermanagement as front line police are forced to perform office jobs instead of being out on the street due to budget cuts. But improving service was never the aim of the SNP, instead it achieved its aim of giving policing that sacred "Scottish" brand it values so highly above service delivery in its drive for independence.

## **12. Freedom of speech**

The SNP's Hate Crime Bill is an illiberal attack on our human right to free speech. The Bill has had a troubled passage since being presented almost a year ago. More than 2,000 people and groups from across the political spectrum felt compelled to respond to the consultation including faith groups, secularists, writers, academics, comedians and human rights campaigners.

MSPs have heard time and again, whether by written submission or by oral evidence, from individuals and a hugely diverse array of organisations that the Bill is not sufficiently precise.

Victim Support Scotland provided a briefing prior to the debate, stating: "Victims of hate crime in Scotland are relying on MSPs to pass robust legislation that will offer them the protection they need."

Despite fervent and passionate attempts to amend it, the Bill does not give the same protections to women as it does to other groups who are specifically referenced. Women are not a "protected group" under the legislation. It is difficult to fathom, given recent tragic events and the voices raised about the lived experience of women, why women are not included in a Bill that says it is about protecting people from hate.

Susan Dalgety in *The Scotsman* said: "We are now in the astonishing position where Scots law offers protection against the "stirring up of hatred" on the basis of someone's race, religion, disability, transgender identity (including a person who cross-dresses), sexual orientation and age. But not on the basis of sex. Not women. Not girls."

In a further submission, Amnesty International stated:

"...the Scottish Parliament has a duty to ensure the Bill balances protection for freedom of expression with the obligation to prohibit incitement to discrimination, hostility or violence".

This Bill does not get that balance right. In many respects, that's not surprising because we know from research that most Scots agree that 'hatred means different things to different people'. And so does a judgement about what is "reasonable" when assessing whether the "reasonable person" test has been met.

The Bill contains a Freedom of Expression clause which many groups, from many different perspectives, remain unhappy with despite Justice Secretary Humza 46

Yousaf's increasingly desperate attempts to find a formulation which would appease everyone.

The Law Society says in its briefing note: "We also have concerns that the freedom of expression provisions will not now be as easily understood, lack a degree of clarity and send confusing messages."

Hardeep Singh of the Network of Sikh Organisations said: "if enacted it [this Bill] will make Scotland one of the most hostile places for freedom of expression in Europe".

That is an incredible statement about a law being introduced in modern Scotland. Who will arbitrate this? Logically, it will be the police who at first instance will have to decide the parameters of the "reasonable person" test of being "abusive" or "threatening"? Will it happen? Only a few weeks ago the Scottish Police Federation wrote to the justice committee convenor saying:

"...there is substantial potential for many more people coming to adverse police attention as a consequence of elements of this legislation, regardless of potential... freedom of expression provisions under consideration".

And Roddy Dunlop QC agreed, stating: "...concerns will remain about weaponisation". All of which means there must be a risk that this Bill will have a "chilling effect" on freedom of expression.

Prosecution under these stirring-up laws over private conversations in the home must surely constitute a violation of privacy and the human right to a family and private life. During evidence taking, the Committee investigating the bill heard concerns that allegations could be made by individuals after an argument at a dinner party, or similar social event, and investigated by the police. The SPF warned that conversations on contentious issues could be repeated innocently by children at school and lead to reporting.

The police would have no choice but to investigate and take witness statements from others present at the time of the speech, including someone's own children. Without a "private and family life" defence, this Bill could lead to the scenario where parents are censoring themselves in their own homes because they are anxious their children might repeat out of context something they've said.

It should not be the job of the police to investigate private disputes and to use the criminal law to set the parameters of acceptable opinion even in the private sphere. There is precedent for such a private and family life defence: Section 18 of the Public Order Act provides that the offence is not committed if the accused's behaviour takes place inside a dwelling and is not seen or heard by others. The financial memorandum, which accompanies Bills, to explain how much they might cost, states that these offences will "more accurately define" hate crime but adds that "the conduct in question would already constitute existing criminal offences such as breach of the peace or threatening or abusive behaviour".

This was a point reinforced by Murray Blackburn MacKenzie's submission which says: "[It is] not clear how expanding stirring up offences will fill a legislative gap on paper, or reduce in practice the number of hate-related attacks on individuals in particular groups". The enforcement of this legislation will make Scotland the most backward and illiberal countries in Europe from a human rights and freedom of expression perspective.

## 13. Local Government

THE SNP ARGUES constantly that Tory austerity imposed by an overbearing Westminster government is an evil that strongly affects Scotland. The reality is the SNP leadership has imposed more widespread and extremely damaging cuts than ever considered in Westminster.

Local councils are amongst the worst-affected by a slew of cuts inflicted by the SNP since its politicians came to power. Glasgow has suffered a real-term reduction in local authority spending of £233 per Glaswegian resident from 2014-2019, a fall of 11 per cent. Glasgow City Council has reported a funding gap of £12.2 million for next year. South Lanarkshire Council will in 2021 miss out on £53 million. Unfortunately, SNP-controlled councils refuse to fight back. They instead toe the party line, endorse every new cut from Sturgeon in Edinburgh, and endlessly express gratitude for any small funds that are promised by central government.

The results? Farce. SNP Glasgow council leader Susan Aitken has now asked residents of the city to help clean it up themselves before the COP26 climate change conference in November.

Councils can't afford to fix potholes, a huge problem for motorists, although garages are benefitting. "Pothole damage is keeping my business going very well," said Marie Aitkenhead, owner of Byres Road Garage in Glasgow. "In a week I would do around 15 to 20 cars which have been damaged because of problems with road surfaces". Some potholes are so big that they can be seen from space. Most other basic services such as bin collection are also suffering cuts, with waste collection only occurring every three weeks in some areas.

The SNP government likes to blame the Conservatives but the truth is quite different. SNP austerity is the problem. Figures from the independent experts at the Scottish Parliament Information Centre (SPICe) show that between 2013-14 and 2019-20, the Scottish Government's revenue budget was cut by 2 per cent by the UK Government. But over the same period, the SNP Government has hit councils with a staggering 7 per cent reduction in funding in real terms. That's more than three times the fall in funding from Westminster – the reality is that Scotland's austerity is made in Scotland – by the Scottish Government!

A 2 per cent cut might be managed by efficiency gains and improved productivity – but a cut of 7 per cent requires hard-hitting austerity measures, meaning the cancelation of services has become a stark reality.

As Anas Sarwar has pointed out, the SNP's continuing reluctance to provide local authorities with much-needed and promised funds has, combined with the effects of unmatched inflation, led to a gap of £3.86 billion since 2014 in the budgets of councils across Scotland. This equates to a shocking £1,544 per household that is sorely missed.

Councils are nevertheless forced by the SNP government to deliver on its lofty (but unfulfilled) promises of expanded childcare provision and ringfenced funding. This means that they will have to find the money in their core budgets, reserved for basic services. The SNP Government has cut councils' non-ringfenced revenue funding by £937.3 million in real teams between 2013-14 and 2021-22.

Centralisation is a core SNP aim. In 2010 the SNP Government closed down the Highlands and Islands Partnership Programme, a highly successful project that allocated structural spending to the region, in order to control the money itself from Edinburgh. It is not the only programme of this kind to be shut down and its funds centralised.

Instead of funding being placed in the hands of accountable local councils it is instead funnelled through the incompetent SNP central government to be released both later and less efficiently. As another example, while the £5 billion for shops, bars and restaurants in England announced in the budget is being distributed through local authorities, the SNP Government has chosen to control itself the additional funding provided by the UK Government.

Cosla, the organisation that represents Scotland's councils, has warned that years of unending cuts have led to widespread redundancies in local authorities and a lapse in the work of councils on basic work like potholes and bin collection. Meanwhile, the SNP has blindsided local officials by forcing a further freeze on council tax, the revenue from which some had hoped would alleviate the worst effects of cuts.

The SNP cries "power grab" whenever anyone proposes that money goes directly to communities instead of being sent through the bureaucratic sewage pipes of Scotland's maligned central government. Every attempt by Westminster to fund development in Scotland without handing the SNP a blank cheque prompts further angry protest from nationalists. Yet where were these cries when the EU funded infrastructure and development in some of Scotland's most deprived areas?

The SNP has already shown itself to be ludicrously inept at directing money anywhere and with any efficiency. It burns cash on disastrous ferry projects, is duped by dodgy businessmen and hoards funds in its coffers for an independence campaign. Its centralisation and control mania has deprived accountable and intouch local councils from receiving desperately needed millions to fix the roads and collect the bins.

Sturgeon's party machine is now more desperate than ever to retain the grip it has on an increasingly centralised Scotland. It doesn't want people to see progress on the streets as being the result of hard work by council officials or local police forces – it wants loyal citizens to endlessly thank their gracious benefactor, the SNP. The only problem is the SNP-controlled bureaucracy can't be as effective as these local systems once were. Scots are beginning to notice the potholes, and realise that the SNP won't fill them.

### 14. Hoarded funds

ON 25 FEBRUARY 2021 Stephen Boyle, Scotland's Auditor General, released his latest report on the impact of the Coronavirus pandemic. He noted that the Scottish Government had received an extra £9.7 billion from the UK Government to deal with COVID-19 in the 2020/21 financial year and highlighted that if you check the 170 public spending announcements related to Coronavirus, only £7 billion is accounted for. Somewhere, £2.7 billion is lying both uncommitted and unspent by the SNP.

#### **Digital skills?**

There seems to be a problem at the core of the SNP Government – its hatred of spending money on a given purpose after promising its delivery. In 2017 Nicola Sturgeon announced that the Digital Growth Fund for businesses would distribute £36 million in loans to businesses with the aim of improving digital skills. But in January, Kate Forbes was forced by a written question to reveal that just over £6 million had been sent out to businesses since that announcement was made. Only 121 businesses have received any cash – even as applications have been rising year-on-year. Back in 2017 Sturgeon said of digital competency that "Scotland cannot afford to ignore this prize. That's why we will now boost our support for digital skills." This iron determination seems to have disappeared somewhere, along with the promised funds to businesses.

#### Back-to-work?

Comparing back-to-work schemes for 16-24-year-olds helps to reveal the SNP's austerity mindset. The UK Government's Kickstart Scheme, started in July last year, has an average spend per capita of £2,976. The SNP's Young Person's Guarantee scheme only spends £1,176 per head. This isn't due to a lack of funds – the SNP has received billions of extra funding to cope with Coronavirus. It is deeply worrying that Scotland's young people are more greatly disadvantaged to the tune of almost £2000 per person.

#### **Business support?**

The UK Government's hand in Coronavirus support in Scotland also reveals the SNP's inability to provide quick and effective support to businesses that need it. The UK Government gave out Bounce Back Loans to 79,000 Scottish businesses while more than 15,404 are still waiting for their initial application for support from the SNP seven months ago to be processed, when that fund closed in July last year. One third of the cash earmarked for business support during the October "circuit breaker" lockdown wasn't paid out. Sturgeon's team proclaimed in December that support would be available for small businesses like wedding

suppliers and taxi drivers – but that fund cannot even be applied for yet. Why is the SNP so reluctant to support its people?

#### **Misleading narrative?**

Instead of doing their job, the SNP politicians use any opportunity that comes their way to push a caustic narrative of Scottish nationalism that ignores the facts and views all else as expendable. Kate Forbes lashes out at the UK Government, demanding it releases what she calls "Scotland's share" of the COVID-19 Response fund – in full possession of the knowledge that the majority of the money in that fund is to be spent on the UK-wide testing and vaccination procurement programme. Forbes also conveniently ignores the existence of Scotland's own £700 million reserve, which the SNP refuses to dip into.

#### A sprinter's or snail's pace?

A quarter of Scottish businesses have "no, or less than three months" of cash reserves according to a recent Business Impact of Coronavirus Survey. If ever the SNP Government truly needed to distribute business support funds in a hurry, it is now. And yet, after all of the press conferences and daily briefings, the Scottish Government spending figures now released show the snail's pace at which funding is being distributed. As of January 22nd, only £55 million had been paid out to businesses of the £715 million promised by Sturgeon at the beginning of October. Of the 30 business support funds announced by the SNP Government in December, only 7 are actually in operation. Local government is unable to deliver funds because the SNP has failed to send detailed criteria on what can be spent. This is while savings are running out and businesses are dying. Of course another reason local government may have difficulty in responding is because its capacity has been shredded by huge spending cuts imposed by the SNP, some £1,500 per head.

#### Is the SNP tight for a reason?

The SNP's bizarre failure to spend money or even to acknowledge that it exists is not limited to Coronavirus spending. In March 2020 the UK Government supplied £100 million to the SNP in order to deal with the crisis of dangerous cladding. Few know of the delivery of the sum because the Scottish Government largely failed to acknowledge it. The Ministerial Working Group on Mortgage Lending and Cladding, which is responsible for allotting the funds and ensuring they are spent effectively, has not published its minutes since April last year. How many more funds is the SNP Government holding onto that we don't even know about? Why is it hiding and hoarding money? Is it to splurge on election campaign bribes, as Iain Murray MP has suggested, or is it to spend on its planned second independence campaign? Certainly the desire to hoard money is extreme, as evidenced by the withholding of at least £14m of emergency funding from hospices, more than half the amount allocated by the UK Treasury.

#### Costing businesses? Costing lives?

Scotland is clearly worse-off for this austere SNP Government. The SNP leadership doggedly pursues its policy of making exciting public announcements of big spending projects and support schemes, followed by, in most cases, almost nothing happening at all. In previous years this trend was disappointing – but now it is deadly. An inability to distribute crucial support funds is killing businesses. The UK Government can't pick up all of the slack – thousands are slipping through the net. The SNP Government needs to get its act together if Scotland is going to recover from this pandemic and its own pandemic restrictions.

### **15. Procurement**

FAILING AND DELAYED procurement projects are burning a very big hole in Scottish taxpayers' pockets – SNP ministers can't seem to stop themselves from scuppering contracts they oversee themselves.

The scandal of the CalMac ferry contract is a good example. In 2015 the SNP chose the highest bidder, the shipyard Ferguson Marine, to build two ferries. Constriction began before design was completed and six years later the ferries are still not complete and a £97 million contract is now expected to cost at least £230 million.

The £840 million Queen Elizabeth University Hospital in Glasgow, which eventually opened in 2015, was another SNP procurement disaster, with sewage leaking into operating theatres and a series of other dangerous contamination problems. At least four people died as a consequence. Infections caused by pigeon droppings spreading through contaminated air vents caused the deaths of two patients. Staff had raised concerns about safety but were ignored. For example, in 2014, before the hospital opened, a consultant microbiologist raised issues in writing but was told, "you're new to Glasgow, but here we don't put things in writing because of inquiries and things." The SNP has since been forced to appoint a public inquiry but these take time and will not report until well after the May 2021 elections.

Other procurement disasters include the saga of the sick children's hospital in Little France, Edinburgh, which was originally due to open in 2012, but only opened at the end of March after incessant delays over the last decade. It was originally meant to cost £150 million, but faults in the air conditioning and drainage systems not only delayed opening, but added a further £90 million to the bill while it lay empty. An inquiry into the repeated failure of the Edinburgh hospital is due to begin in September 2021.

Delayed and costly procurement failures add up. IT contracts in major sectors such as policing, the health services and government quangos have led to extra costs of over £250 million. Police Scotland's new computer system cost an additional £100 million, while NHS 24's IT system cost £131 million to fix, £55.2m more than the £75.8m that had been expected. Smaller extra costs include £120,000 on a skills development online scheme and £440,000 on the Scottish Prison Service Procurement System. It keeps adding up.

A £3 billion dualling project of the A9 from Perth to Inverness, split into eleven sections and initially pegged to be complete by 2025, will be delayed for years –

"nearer to 2030". Construction has not begun for miles of the route. Meanwhile, rail transport infrastructure from Perth to Inverness has remained largely unimproved for a century.

The litany of SNP failures in major projects goes on and on. There is of course the Aberdeen bypass, which opened two years late at an additional cost of £64 million. In January 2020 the SNP admitted its flagship superfast broadband plan, which aimed to provide high-speed internet to every home in Scotland at the cost of £600 million, would be two years late. This programme, known as R100, was heavily trumpeted in the SNP's 2016 manifesto – Nicola Sturgeon pledged to "deliver 100 per cent superfast broadband coverage for Scotland by the end of the next Parliament." The Cabinet Secretary for Rural Economy, Fergus Ewing, even promised to resign if the target was not fulfilled.

By March 2021, the SNP admitted that rollout to the Scottish highlands will not be complete until 2026, a delay of five years caused by a botched procurement process. Every home in Scotland was promised superfast broadband by this year. A Caithness businessman commented that:

"The never-ending promises made to Highland communities and businesses from successive SNP ministers have shown to be meaningless, with thousands left without even the most basic form of broadband in every corner of remote and rural Scotland. How can we believe that the Scottish Government will deliver a gigabit network in five years' time when they have failed miserably to deliver speeds a 30th of that level in the last four years."

The delays came, at no surprise, as a result of a series of failures to arrange contractor installations of the superfast cables. The SNP failed to spend any funds on the project for some years after the manifesto commitment was made in 2016 but continues to talk the talk. Well, it's now March 2021 and new elections for Holyrood are now in process, while the parliamentary session ends at the end of April – with no possibility of the target being met. No resignation has yet been announced.

These large project failures demonstrate the SNP's lack of interest in and aptitude for effective administration of government. The SNP is much more concerned with spending large amounts on political posturing and advertising budgets. The boring job of just getting government done competently is clearly not one which interests the SNP.

### 16. Case Study: The CalMac ferries scandal

THE SNP HAS cost taxpayers some £200m by failing to complete two hugely over-specified ferries in such an astonishing display of incompetence that other motives have been alleged. Asked by MSPs why the SNP Government had chosen the most expensive of six bids to build the ferries, Roy Pedersen, a member of the Scottish Government's Ferry Industry Advisory Group, said: "I don't know the answer but three things spring to mind – one is incompetence, the other is vested interest and the other is corruption."

Another member of the Ferry Industry Advisory Group, Alf Baird, a former professor of maritime business at Edinburgh Napier University, said the contract that was awarded was "specifying what is in effect a mini-cruise vessel to run a utilitarian shuttle ferry which is basically a bus." Pederson said the SNP is "building a ship with a far higher specification, far higher expense to build, far more expensive to operate than necessary". He said: "Why build a ship with a capacity of 1,000 passengers for a route, namely the Uig routes, on which there has never been more than 312 passengers carried on any sailing, and when the average carryings are half that and in the winter time even less than that?" Indeed, all very puzzling.

When Ferguson Shipbuilders Ltd went bust in the summer of 2014, it seemed that the closing of its shipyard in Port Glasgow would be the final nail in the coffin for shipbuilding on the lower Clyde. Within weeks, however, the yard was purchased by Scottish business tycoon Jim McColl's Clyde Blowers Capital (CBC). In August 2015, Ferguson, now called Ferguson Marine Engineering Ltd (FMEL), was granted a £97 million contract by Caledonian Maritime Assets Ltd (CMAL) to build two ferries that would begin service in the first half of 2018. CMAL is run by the SNP government – it owns and manages the harbours, ports, ferries and infrastructure for ferry services on the Firth of Clyde, the west coast, and the Northern Isles. CMAL and associated nationalised companies perform a valued function for the SNP in employing various failed SNP politicians, such as Stewart Maxwell, an MSP who lost his seat in 2016 and then served as special adviser to First Minister Sturgeon.

Announcing FMEL's successful bid, Ms. Sturgeon had this to say: "This is an excellent result for Ferguson Marine Engineering Limited and I am delighted to name them as preferred tenderer for the contract to build two new ferries, the largest commercial vessels to be built on the Clyde since 2001. Today's announcement proves that Scottish shipbuilding can succeed in a competitive market, with the FMEL team submitting the highest quality bid that offered best value for money."

As with many Sturgeon announcements, this turned out to be somewhat optimistic. A row soon began between FMEL and CMAL as the shipyard was told to begin construction before design and build specifications were agreed, and soon ran out of money. FMEL claims that the SNP quango repeatedly changed designs and incorporated "unforeseen complexity" into its demands for the two hybrid ferries. Jim McColl, the Scottish businessman owning FMEL, claims that Sturgeon announced its successful bid before negotiations were even completed. More concerning is that the quango seemed to ignore the fact that Ferguson did not even have the space to build the two ships side by side in their shipyard.

The MV Glen Sannox was nevertheless launched by Sturgeon on the 21st of November 2017 to much fanfare, despite it being only partially built. Windows were painted on to the ship to make it look less unfinished and less embarrassing to Sturgeon. It has been in the water, semi-finished, for four years now - accumulated rust and water damage will now have to be repaired alongside significant further work. The second ferry, known only as Hull 802, has never left drydock.

In August 2019, Ferguson revealed that it was heading into administration – the SNP had refused to give in during negotiations with the shipbuilders as costs piled up and the two ferries were running behind schedule. SNP ministers quickly began talks with Deloitte, the yard's administrator, to nationalise it and continue work – neither FMEL nor CBC, its owners, were consulted during this process. £45m of Scottish Government loans to the shipyard were written off as the Scottish government finalised nationalisation and began paying the wages of the 300 employees with public money.

Within those loans was a clause, inserted by the SNP, that would allow the Scottish government to buy the shipyard for £1 in the case of its going into administration. Confidential documents revealed by the *Herald* show that the SNP new FMEL was in serious financial trouble more than two years before it actually fell into insolvency. Ferguson's former management has accused the SNP of creating a secret path to nationalisation in order to take over the yard – deliberately keeping them out of negotiations as backstage plans to take over were finalised. It has also been pointed out that since nationalisation, an extremely valuable Royal Navy contract to build five Type 31e Frigates, which would have provided work for six to eight years, was lost. FMEL's HySeas III consortium, a team of engineers who pioneered work on seaborne hydrogen propulsion systems that had won Innovation of the Year at 2019's GreenTech Awards, was disbanded by the SNP.

By January 2020, more than two years after both of the ferries were due to have begun service, Tim Hair, the SNP-appointed turnaround director for the yard, announced that the ferries were "significantly less than half built" and that 95% of the ships' designs had still not been agreed with CMAL. To continue working on

the project,  $\pounds$ 110 million more would be required, as well as new naval architects and marine engineers.

In August 2020 it emerged that work on the costly redesign of the MV Glen Sannox, greenlit by SNP ministers, was being carried out in Romania. A contract worth £2.12 million had been granted without going to competitive tender to International Contact Engineering Ltd, nominally based in the Isle of Man but with the work taking place in their Romanian operating base. Costs have added up during the coronavirus pandemic. The nationalised yard has been closed twice, for four months last year and for four weeks in January, costing £3.3 million and £1 million respectively. The yard is now scrambling to recruit 120 seven-days-a-week workers to accelerate the plagued production process, but is refusing to employ anyone from overseas.

A 129-page cross-party committee report, published in December last year, was a damning indictment on CMAL and the SNP's procurement disaster. It called for a "root and branch" overhaul of the ferry procurement process and savaged the SNP for a catastrophic six years of failure after failure. The SNP islands minister Paul Wheelhouse responded, saying that he was "disappointed" that the committee had not placed more blame on FMEL. He failed to make any reference to the hundreds of millions of pounds of taxpayer money that had been lost, instead stating that "there are some conclusions in the report with which we do not agree".

The two ferries were expected to be ready by 2023, but a further delay to the delivery of the ferries has just been announced, with the shipyard nationalised by the SNP telling MSPs that it was "not possible to provide a definitive schedule for completion of the vessels at this time". This project was due to last three years and cost £97 million. Instead, it will now take at least eight years and cost at least £258 million, provided there are no extra costs in 2021 or 2022, which is highly unlikely. Just recently an additional bill of £5m came in from insurers. Jim McColl believes that the ferries will cost at least £300m and ferry expert Roy Pederson says it would be better to scrap them and start again.

This shocking affair is a failure of the SNP on every count. It has wasted public finances with a recklessness and incompetence that beggars belief, causing the failure of a private shipyard while plotting its takeover. This is not an anomaly. Similar disasters occurred at Bifab, where £50m was lost after it went bust; Our Power Energy, where £12.5m was lost; and at Scottish Enterprise, the SNP quango which squandered £95m on a number of firms that failed. Another disaster is currently unfolding at Lochaber Aluminium, where the SNP committed £575m of taxpayers' money to a business that is now in the process of collapse. Is the SNP just clueless, or has something more sinister been happening?

### **17. Business investment**

A NEW ENERGY company was launched in Edinburgh in July 2015. Our Power Energy was pitched as not-for-profit initiative that would alleviate the strain of fuel poverty for customers paying just too much for their energy. "This ground-breaking company will make a real difference to tens of thousands of low-income households," said the SNP's Social Justice Secretary Alex Neil as the Scottish government pumped £2.5m into it. It is unfortunate, therefore, that four years later the company was forced to fold – with the further loss of £10m further Scottish government loans to the company, and 38,000 customers left in the dark. The volatility of the energy market, especially for small providers, is well known – at least nine similar small companies have gone bust recently – why did the SNP choose to throw taxpayer's money at this market with such bravado?

Another political investment is that in energy giant SSE Renewables' project to construct a large-scale onshore wind farm on Shetland accompanied by a long-range subsea transmission cable, which has unsurprisingly been met with much local anger. Scotland's supply of renewable energy is extensive, which means that the power generated by the wind farm will need to be transmitted onwards to England. Unfortunately, the inadequate cross-border connectors force existing wind farms to be switched off, despite being paid for full capacity output.

Viking Energy's new project will only add to this problem, as well as seeing increased costs for long-range transmission. Meanwhile, the loss of 23 hectares of peatland will release tons of carbon dioxide into the atmosphere – Shetland is home to high-quality peat, which acts as a carbon sink, which, if moved, releases that carbon. The Scottish Environment Protection Agency's objections to the wind farm on these grounds has been ignored by the SNP, which has already pushed the project through the courts. This is an investment that fails on environmental and financial grounds. It is difficult not to conclude that political flash is all that matters to the SNP. There are plenty of examples of SNP failure to invest smartly. Take Bifab, a fabrication company that received a £37m loan from the Scottish government which is now valued at £2m. Or Prestwick Airport, whose survival relies on SNP loans from Transport Scotland of £40m that are now worth only £7m. The Scottish government has now found, on its second attempt, a preferred bidder for the airport after eight years in state hands. Or the new Scottish Stock Exchange project, which collapsed with the loss of all jobs, but not before the SNP government had awarded it a grant of £750,000.

But what about the overall performance of SNP investments? Is it all bad? To answer this, we should look primarily to Scottish Enterprise, a non-departmental

body of the Scottish government that is responsible for dishing out grants to companies across the board. By 2018 this quango had, over a decade, given out £95 million to 698 firms which had gone on to fail. High-profile cases include wave-power company Aquamarine, which received £15m before it sank in 2015, and Pelamis, another wave-power company that received £16m before it went under, literally. In 2018 alone £11.1m in investments was lost by the organisation. Its last annual report in July 2020 reveals a sharp increase in the scale of the losses. In that year Scottish Enterprise abandoned or waived 76 of its investments which had folded, amounting to over £20m. In the same month as the report was published the organisation admitted that it had run out of money and froze all new investments, halted the hiring of new staff, and even prohibited its employees from travelling.

All of this has somehow convinced the SNP that it is a great idea to pump £2 billion of taxpayer funds into a Scottish National Investment Bank that will no doubt be yet another expensive fiasco, as politically attractive projects gain the support of SNP Ministers. Nicola Sturgeon has made clear that it is a "truly transformative" project, which will provide funding according to certain "missions", one of which is "promoting economic inclusion."

One of the lauded ambitions of the new bank, which launched in November 2020, is to help commercialise academic research by funding university spin-off companies. If you were to ask organisations like Scottish Enterprise, however, you would discover that these investments are high-risk, simply because university spin-offs often don't succeed. Last year Scottish Enterprise lost almost £2m in investments in NGenTec Ltd, a University of Edinburgh spin-out that promised to innovate gearbox technology – it was dissolved in April 2019.

Maybe these taxpayer funds are wasted because the SNP just doesn't care, or worse, doesn't understand business? Nicola Sturgeon has attended fewer than half of the meetings of the Scottish government's flagship economic advisory group, the Council of Economic Advisers, since 2014. The current finance secretary, Kate Forbes, has attended only one of the four that have been held while she was in-post. Meanwhile, former RBS head Sir George Mathewson states that Sturgeon lacks both "empathy for business" and a "natural understanding" of it.

The SNP government's extensive track record of failure in business investment is yet further evidence of its lack of basic administrative competence. Placing its frantic drive for independence above all else, it's a sucker for any new project which can get it headlines – and it helps if it has stuck the Scottish flag on its brochure or shoved the word Scottish into its name. Sadly it's the Scottish taxpayer who has been forced to pick up the tab for the tens of millions that have been lost.

### 18. Case study: The Gupta deals

THE SLOW-MOTION collapse of the SNP's aluminium deal at Lochaber and its steel deals at Clydebank and Dalzell are now well underway. When Sanjeev Gupta showed interest in buying the plants in 2016 he was showered with taxpayer support by the SNP Government. The SNP never stopped to think whether it was all too good to be true.

In 2013, with the support of financial services company Greensill Capital, Gupta began to sweep up struggling mining and aluminium businesses from the UK to Australia, promising to rejuvenate them and adopt green practices fit for a climate-conscious world. Take a closer look at exactly what GFG bought, and you see that purchases have been made in areas in which politicians are desperate to save jobs – and are crucially prepared to provide state subsidy to kick the can further down the road.

Scotland's SNP Government proved to be prime suckers. An indiscreet Gupta was reported gleefully recounting tales of his dealings with the Scottish Government at a London dinner. "It was basically a case of 'how much do you want' and 'are you sure that's enough? he said."

But now Mr. Gupta's empire is disintegrating. Its primary financier, Greensill Capital, has gone bust owing billions. The Gupta conglomerate owes some £5 billion to Greensill and has defaulted on its payments. A court filing revealed that Gupta's group had told Greensill in February that it would be insolvent without its funding.

Greensill had first been stripped by the British Business Bank of a government guarantee on loans to the Gupta empire, because it had breached the terms of the Coronavirus Large Business Interruption Loan Scheme. It turns out that companies in Gupta's GFG Empire and others with links to him milked the scheme for £400m, eight times the amount allowed.

In addition Gupta's Wyelands Bank, established by Gupta in 2016, has effectively been shut down by regulators, closing off another source of his cash. In an extremely rare move the Bank of England's Prudential Regulation Authority forced Wyelands, to hand back all deposits to savers.

Back in 2016 the SNP lent Gupta £7m to buy the two steel plants at Clydebank and Dalzell. Amazingly, the loan has never been repaid, with the Scottish taxpayer still being on the hook.

Another of the Gupta Group's purchases in 2016 was the aluminium smelter in Fort William, Lochaber – the only one of its kind in the UK – along with its adjacent power plant in 2016. To enable this deal to occur the SNP Government provided a guarantee worth around £575 million. It is a 25-year guarantee of 80 per cent of the value of a power supply contract between the smelter and the power plant. Given that the aluminium smelter employs around 100 people the guarantee equates toover £5 million behind every job. In 2019 Margaret Hodge MP, former Labour head of the UK's Public Accounts Committee, pointed out that the large financial risk that taxpayers were forced to take to safeguard such a small number of jobs was "bonkers."

The SNP accepted Mr Gupta's promises that he would build a new GFG-owned alloy wheel factory beside the aluminium smelter that would provide 2,000 jobs. Needless to say, that factory is a fiction that is entirely unbuilt. The gullible Nicola Sturgeon stated on the sale of the smelter to Gupta, "We look forward to hundreds of new jobs being created in the coming years. Today is the start of an exciting new chapter in Scotland's manufacturing story and the Scottish Government and its agencies will keep working with Sanjeev Gupta and the GFG Alliance to help them realise their enterprising vision for Lochaber."

Critically the SNP failed to extract any guarantees from Mr. Gupta that he would actually build the factory. Instead Gupta used the Scottish Government guarantee to sell hundreds of millions of pounds of bonds, via the now bankrupt finance firm Greensill, to Swiss fund manager GAM. Were Gupta's firm to default and the Scottish Government guarantee to be called in, the losses would come out of the UK government-funded Scottish capital budget – used primarily to build hospitals and schools.

As security, GFG offered the smelter and the power plant to the SNP – if the grand project fails, then the government and the taxpayer will have to run and fund this loss-making unit. Together the combined debt of the smelter and the power plant is over seven times their operating profit according to Reuters' analysis. This means that the units have a "high credit risk" rating – giving warning that there is a higher chance of loss for bond holders.

However, in November 2020 Gupta sold the Kinlochleven power station to infrastructure investor Equitix for a rumoured £150m. Councillor Andrew Baxter, who chairs the Highland Council's Lochaber Area Committee, expressed severe disquiet about the Guptas, saying "We have heard many promises about how their ownership would transform the future of the factory and the Fort William area. We are still waiting to see any action. Now we hear that they are quietly disposing of valuable assets, which the taxpayer helped to purchase in the first place with a Scottish Government financial guarantee. I am amazed that there hasn't been any form of public parliamentary scrutiny of their commercial behaviour and the

financial agreements with government. It's about time a spotlight is shone on them by our MSPs."

It seems clear that with the sale of the bonds and the power station Gupta has already extracted more cash from his deal with the SNP than the £330m he reportedly paid to buy the facility. The SNP government appears to have been taken for a ride. As Gupta himself commented: "In our experience around the world we have yet to encounter any government as actively supportive and positive as the Scottish Government. We find this enormously helpful."

As we wait to see whether Gupta's whole empire will now collapse, resulting in the closure of the three Scottish plants at Clydebank, Dalzell and Lochaber, the SNP has a lot of questions to answer.

Why has the £7m lent to Gupta never been repaid? Why were binding guarantees not obtained for the promised new investment? Why was Gupta allowed to sell the power station for which guarantees were provided? What has been the cost of each job preserved to date? Critically the typical SNP secrecy must stop. The terms of the deals and guarantees must be published. And the SNP Government must finally follow the Scottish Auditor General's recommendation and provide some transparency in its financial dealings with private companies.

In the 2017/18 Audit of the Scottish Government Consolidated Accounts the Auditor General stated: "There is a need for the Scottish Government to be more transparent about its overall approach in providing significant public funds to support private companies..... there is no framework in place to support the Government's decision making or approach in providing loans to private companies."

This was ignored by the SNP. A year later, in the 2018/19 Audit the same recommendation was made. Again it was ignored by the SNP. Once again, in the latest audit of the Scottish Government relating to 2019/20, the Auditor General repeated the recommendation. Again it has been ignored by the SNP.

It is no surprise that the Scottish taxpayer has to incur major losses when the SNP feels free to ignore the professional recommendations of an independent audit body whose aim is to protect the public interest and just carries on taking ad hoc decisions to suit its own political agenda.

It now seems as if the Gupta empire will indeed collapse, with major job losses. All warning lights are flashing red.

A witness statement provided to the High Court in London by Lex Greensill, head of the bankrupt financier of the Gupta GFG conglomerate, has confirmed Gupta's

looming insolvency, stating "I understand from GFG's CEO, Mr Sanjeev Gupta, that GFG would almost certainly become insolvent if [Greensill] did not continue to provide financing for its future receivables," adding that Gupta had confirmed this in a letter to BaFin, the German financial regulator.

Gupta's GFG has defaulted on payments to Greensill, has laid off staff and failed to pay tax due. The Spanish Government asked Gupta to provide proof of the solvency of his companies, but he couldn't.

Research by financial specialists Bloomberg into corporate information filed by Gupta shows that he has financed his deals by shuffling cash from one part of his business to another. Bloomberg states that "his ascent relied on clinching one deal after the next, raising new financing at every stage, and thus piling debt on top of debt – much of it from Greensill."

The collapsed lender Greensill Capital provided financing to Sanjeev Gupta's business empire based on invoices from ostensibly independent companies with links to the steel magnate, known as "Friends of Sanjeev." Many of these linked companies have their accounts audited by the same tiny accounting firm that audits Gupta's companies.

Bluestone Resources Inc, a company owned by the Governor of West Virginia Jim Justice, has filed a case against Greensill, accusing it of 'continuous and profitable fraud'. In the deposition Bluestone relates how Greensill introduced Bluestone to Gupta's GFG company and was "emphatically encouraged... into a customer relationship with GFG".

As a consequence Bluestone made a coal shipment to GFG in June last year, granting Mr Gupta's company an extended payment period to December. Bluestone was due to ship more in January this year, but withheld the shipment because GFG had not paid the December bill and the coal miner had "concerns regarding the credit risk of GFG". "The Vice-Chairman of Greensill, Roland Hartley-Urquhart, at first vouched for GFG and urged [Bluestone] to continue to do business with GFG despite the late payment, but later agreed that if he were in Bluestone's shoes he would not ship to GFG," the filing said.

Unlike normal invoice-discounting, Greensill has been advancing money to clients, especially Gupta, on the basis of imaginary invoices, ones that might in the "future" be presented by "prospective buyers" including entities that were not and might not ever become customers." Gupta accounted for over half of all Greensill's business.

It has also been revealed that amazingly the SNP was considering extending even more taxpayer support to Mr Gupta. Documents revealed by Freedom of Information requests show that Fergus Ewing, SNP Rural Economy Minister (currently under investigation for allegedly bullying civil servants and making improper farming payments), was discussing a second project with a "further government backstopped power purchase funding arrangement." In the end this did not go ahead but the gullibility of the SNP is demonstrated by its consideration of more taxpayer support before Gupta had delivered on his first promises.

To date the SNP has failed to answer a whole range of questions, such as why, if Gupta owned both the hydro plant and the smelter, was it necessary for the SNP to guarantee the electricity price paid by the smelter, other than to allow him to sell half a billion pounds of bonds based on the guarantee and take the cash? The SNP has also failed to explain what was discussed at hush-hush lunches involving Gupta and Fergus Ewing, at which contrary to the rules no civil servants were present.

What has Gupta done with the money? Well last year, as just revealed by the *Financial Times*, he bought a £42m house in London's exclusive Belgravia district. Decorators are currently at work on the property but when questioned revealed that Mr Gupta was out of the country. He is thought to be in Dubai where he owns a multi-million pound luxury villa. In 2019, flush with the proceeds of his bond sale based on the SNP Government Guarantee, he bought a £19.5m property in Sydney Australia. Gupta also owns the Wyelands Estate in Wales, which he bought for £3.1m and the 114,000 acre Jahama Highlands Estate at Fort William, making him the 5th largest landowner in the UK. He has also acquired a number of private aircraft and yachts.

It would have been much preferable if Mr Gupta had kept to the promise he made to the SNP to build the £120 million plant to manufacture alloy wheels in Lochaber, rather than spending the money on expensive personal real estate and other luxury items. The SNP clearly has an unhealthy relationship with Gupta that even extended to allowing himspecial access to Edinburgh Castle to celebrate his acquisition of the two Scottish steel mills, a purchased financed by a £7m loan from the SNP Government that still hasn't been paid back.

Daniel Johnson, Labour's finance spokesman, has called for Audit Scotland to step in to investigate the deals ministers struck. He said: "Elements of this deal are similar to previous interventions from the Scottish Government, where public funds have been used and there does not appear to be any return to taxpayers."

Was the SNP just prepared to lash out millions of Scottish taxpayer's money for a few photo-ops? Why has it been so naive and gullible? The future of these deals doesn't look good. Moreover as the *Times* has commented Gupta's arrangements are so complex it may be too difficult to disentangle them and rescue some of the parts. It surely is another fine mess that the SNP has created.

### **19.** Foreign Affairs

THERE SHOULD NOT be a section of this report on foreign affairs. Sadly, although Scottish First Minister Nicola Sturgeon frequently demands that London respects devolved competencies; she has never demonstrated any respect for reserved matters such as foreign affairs. In fact, this double standard is part of a deliberate policy geared toward establishing a proto-embassy network, to promote and operate a paradiplomacy.

After all, why else would there even be a 'Scottish Government France' twitter account?

A Freedom of Information request has revealed the extent of the SNP's spending on duplicating reserved foreign policy functions. The existence of seven 'Innovation and Development Hubs' gives the SNP game away. These hubs are located in Brussels, Berlin, Paris, Dublin, Washington DC, Beijing and London. And do not be taken in by their formal title either, these hubs do not focus on trade and investment alone. According to Anthony Salamone; political scientist and Managing Director of European Merchants; "despite the stylistic name, the European offices do not concentrate solely on trade and investment, but instead equally incorporate political, social and cultural affairs depending on the local context"

These hubs altogether cost  $\pounds$ 7,594,000 to run. Our figure 1 shows the cost to taxpayers for operating the offices outside of Scotland.

Office	Posts	Budget 2019/20
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Belgium	19	£	2,079,000
Canada	3	£	575,000
China	4	£	553,000
France	3	£	545,000
Germany	3	£	555,000
Ireland	3	£	525,000
USA	4	£	807,000
London	15	£	1,955,000

[Figure 5]: 2019/20 operating budget for ScotGov offices outside of Scotland

The fact that the largest single allocation is being spent in Brussels is revealing. It is plain as day that ScotGov is spending £2,079,000 to woo international support for a separate Scotland. Brussels is not just the capital of Belgium; it is the beating heart of the entire EU. The SNP is using these hubs to undermine the UK on the global stage; let nobody forget the SNP's 'Europe loves Scotland' light show stunt. That was paid for by taxpayers, and EU officials felt compelled to report the incident to the police.

Indeed, this spending on the 'Innovation and Development Hubs' becomes even less defensible when we consider Scottish Development International (SDI). SDI is the international arm of the Scottish Government and Scotland's enterprise agencies. And since 2001, SDI has operated a large global trade network of small offices. So, the entire rationale for these 'Innovation and Development' Hubs makes even less sense considering the pre-existing mandate of SDI.

But if we step back, the scale of SNP spending on duplication grows larger. The 'Constitution, Europe & External Affairs' department is a case in point. This department covers large swathes of reserved competences and had a budget of £19.9m (2019/20); now inflated to £26.8m (2021/22 budget). It is unclear why the Scottish Government should have any department focusing on the constitution at all; given it is an entirely reserved matter. But the 'Europe and External Affairs' bit makes even less sense, unless of course the goal is to establish a proto-foreign policy behind the back of Westminster.

Government Business and Constitutional Relations Policy and Coordination	Budget 2021- 22 £m
Constitution and Cabinet Directorate	8.7
Organisational Readiness Directorate	2.3
EU Exit Strategy and Negotiation Division	0.7
Portfolio share of Scottish Government's Corporate Running Costs	3.1
Total	14.8

[Figure 6:] ScotGov Business & Constitutional Relations Policy budget supports Constitution, Europe & External Affairs Dept

One should question why the SNP spent  $\pounds$ 700,000 on the EU exit strategy and negotiation division. The Brexit negotiations were a reserved matter, and this money just duplicated UK level operations. Do not forget the embarrassing 68

moment when Nicola Sturgeon attempted to get a meeting with EU Council President Donald Tusk during the Brexit negotiations (only to be refused).

But the picture would not be complete without mentioning the 'International Development Fund' (IDF). This duplicates the UK DfID's old role, costing taxpayers a whopping £10m. All the while the SNP continue to demand more money from London to address bread and butter issues at home.

The SNP is willing to spend £10m on the IDF, £26.8m on a department that should not exist and almost £7.6m on seven proto-embassies masquerading as 'Innovation and Development Hubs'. But they simply had to slash 16% off the affordable housing spend. They cut more than £100m from the Affordable Housing Supply Programme but had all that money for duplicating reserved foreign policy functions. It speaks volumes about the wrongheaded priorities of this SNP government.

Yet all this spending to trespass on Westminster's turf has not resulted in many high-profile successes. The SNP's 'Innovation and Development Hub' in Beijing ended with ScotGov getting embroiled in a scandal over ties to firms accused of corruption. Never mind the linked point that Beijing has a huge interest in disrupting or breaking up one of the key pillars of the western alliance.

Scandals such as the Scottish Government dealing with a blacklisted Chinese firm does not get in the way of the SNP operating this bizarre foreign spending.

This wasteful spending reveals a ScotGov attempting to undercut the UK government's attempts to re-establish a global position post-brexit. It is not coincidental, it is deliberate.

# About ThinkScotland

ThinkScotland.org is an independent, not-for-profit, think-tank and debating platform with a cross-section of topical, political and cultural writing published on a daily basis. Its purpose is to encourage greater discussion in Scotland about economic, social and cultural issues that support an open free-market society.

This report is the result of a four month ThinkScotland project to review and reveal the SNP's record in Government. The report draws primarily on official Scottish Government data as well as other published sources. ThinkScotland would like to thank the primary contributors to the report, Max Young, Dean M. Thomson, Bruce Halliday, Gordon Dean and Ewen Stewart of Walbrook Economics.

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