Finance and Public Administration Committee
27th Meeting, 2024 (Session 6)
Tuesday 1 October 2024

Pre-Budget Scrutiny 2025-26 - Managing Scotland's Public Finances: A Strategic Approach

Purpose

1. The Committee is invited to take evidence from the following witnesses in relation to its inquiry into Pre-Budget Scrutiny 2025-26 – Managing Scotland's Public Finances: A Strategic Approach.

   - Councillor Katie Hagmann, Resources Spokesperson, COSLA,
   - Jamie Robertson, Chair, CIPFA Directors of Finance,
   - Malcolm Burr, Chief Executive, Comhairle nan Eilean Siar, and
   - David Robertson, Chief Executive, Scottish Borders Council.

The inquiry

2. The Committee has agreed to focus its Pre-Budget 2025-26 scrutiny: Managing Scotland's Public Finances: A Strategic Approach on the following three key areas—

   - Progress with the Scottish Government's public service reform programme,
   - The Scottish Government's approach to taxation, including what its Tax Strategy should include and how potential behavioural responses impact business and individuals, and
   - How the Scottish Government is using its capital expenditure to achieve innovation, productivity, and growth.

3. As part of this inquiry, the Committee is also considering whether the First Minister's four priorities (set out below) are the right priorities for the Scottish Budget 2025-26—

   - Eradicating child poverty,
   - Growing the economy,
   - Tackling the climate emergency, and
   - Delivering better public services.

4. The Committee's call for views ran from 10 June until 12 August 2024 and received 44 submissions. The questions asked in the Committee's call for views can be found at Annexe A. SPICe has produced a summary of written evidence to support the inquiry.

5. To inform its Pre-Budget 2025-26 scrutiny, the Committee held an engagement event with young people and business organisations in Dundee on 28 August 2024, with the aim of hearing views on what devolved taxation and spending

policies would best ensure Scotland retains more of its younger working age population. Following a discussion, participants were asked to vote for their three main priorities, the results of which can be found at Annexe B. As part of its Business Planning Day (BPD), the Committee held a fact-finding visit to the School of Life Sciences at the University of Dundee on 29 August to discuss opportunities to achieve innovation, productivity, and growth, as part of its business planning day. A summary of the Committee's fact-finding visit and BPD is available on the inquiry web pages.

Scottish Budget 2025-26: context

Scottish Budget and associated publications

6. The Chancellor of the Exchequer has confirmed that the UK Government's 2025-26 Budget will be published on 30 October 2024 and that a multi-year Spending Review will conclude in Spring 2025 "to embed mission-led government and transform public services".

7. The Cabinet Secretary for Finance and Local Government, in a letter to the Committee dated 20 June 2024, confirmed that the Scottish Government will publish a final Tax Strategy alongside the Scottish Budget 2025-26. In her letter of 23 August 2024, she indicated that "given the announcement of a UK Government multi-year Spending Review, due to conclude in the Spring, it is my intention not to publish a Medium-Term Financial Strategy (MTFS) alongside the 2025-26 Budget". She went on to say that "it is instead my intention to return to the usual schedule for the MTFS and publish a full MTFS in good time ahead of the Budget 2026-27; recognising the precise timing will depend on the timing of the UK's multi-year Spending Review".

8. In a letter dated 24 September 2024, the Cabinet Secretary for Finance and Local Government confirmed that, as requested by the Committee, she "will proceed on the basis of delivering the 2025-26 Scottish Budget in Parliament on 4 December 2024, with introduction of the Budget Bill two weeks later, on 18 December". This timetable, she explains, is contingent on agreement from the Law Officers and the Secretary of State for Scotland to expedite their post-Stage 3 consideration of the Bill.

9. The Cabinet Secretary goes on to say that she plans "to delay publication of our Infrastructure Investment Plan (IiP) pipeline reset until after the UK Spending Review", which is due in Spring 2025. This IiP reset was originally intended to be published alongside the Scottish Budget 2024-25.

10. The Scottish Government's second six-monthly update on its public service reform programme, which was due in May 2024, was delayed when the UK general election was called. This update was provided in a letter to the Committee from the Minister for Public Finance dated 23 September 2024, which sets out—

   - progress since the Scottish Government's first update in December 2023 and key commitments in the initial phase of the programme (to 2026),

- more information on the cashable savings realised through the Scottish Government's efficiency programmes, and
- more information on the Scottish Government's Ministerial Control Framework (MCF) which, the Minister explains, is not the final version and will be subject to review/amendment.

Economic and fiscal developments

11. The Committee heard evidence from the Scottish Fiscal Commission (SFC) on 3 September 2024 in relation to three reports it had published on 27 August 2024 – a Fiscal Update, Forecast Evaluation Report (FER), and Statement of Data Needs 2024 (SDN). Its Fiscal Update, intended to support Parliament's Pre-Budget scrutiny, highlights the following economic and fiscal developments since its December 2023 forecasts—

    - The overall economic context for 2024-25, including Gross Domestic Product (GDP) "is broadly in line with our December 2023 forecast", while Consumer Price Index (CPI) inflation fell back to the 2% target in 2024 Q2, "around a year earlier than we expected in December 2023".
    - Latest Real Time Information data shows that Scotland's earnings growth in the first part of 2024-25 has slowed and is now similar to the UK average, following a period where "tighter labour market conditions in Scotland" had pushed up Scottish earnings relative to the UK.
    - Latest data relating to real disposable income per person show an increase in 2023-24, mainly as a result of lower inflation, following a record fall in 2022-23. The SFC suggests, however, that "the outlook in the near term remains challenging as the downward pressure from higher prices and the recent period of higher interest rates may continue for some time".
    - Statistics showing annual productivity growth in Scotland averaged 0.6% from 2011 to 2023 compared to 1.7% from 1999 to 2010. In December 2023, the SFC forecast annual productivity growth of 1.1 per cent by 2028-29, broadly in line with the OBR's forecast for the UK, with the underlying assumption that productivity growth in Scotland and the UK "will remain subdued and will not return to the pre-global financial crisis average".
    - An 'economic performance gap' in Scottish income tax revenues of £624 million in 2022-23, once taking account of different policy choices in Scotland. The SFC states that, "in addition, the latest data suggests Scottish earnings growth is slowing relative to the UK, meaning the period of catch-up in Scottish income tax revenues may be coming to an end in 2024-25".

12. The SFC also comments on the recently published outturn data as follows—

    - 2022-23 "was a relatively positive year for growth in Scottish income tax revenues, with the provisional income tax net position reaching £257 million". As this net funding position is higher than the projected negative £190 million when the 2022-23 Scottish Budget was set, there will be a positive reconciliation of £447 million applied to the 2025-26 Scottish Budget. The SFC explains that this figure "is less positive than the £732 million we expected in December 2023", and that this reduction is "mostly because of revisions in historical income tax data, which have lowered Scottish revenues relative to UK Government revenues". Income tax forecasts from the OBR and SFC (which are published alongside the UK Budget on 30 October 2024) will provide a more complete picture for income tax funding in the 2025-26 Scottish Budget.

- Social security spending in 2023-24 was £5.3 billion. The SFC estimates that spending exceeded the Block Grant Adjustment (BGA) funding by around £0.9 billion and that this gap will grow to £1.1 billion in 2024-25 and £1.5 billion in 2028-29.

13. The SFC's Fiscal Update further highlights that "since December 2023 there have been no significant confirmed changes in the Scottish Government's funding, but the pressure on spending has increased with public sector pay offers in Scotland now coming in higher than the pay policy published in May 2024", adding "there is significant uncertainty on the level of funding the Scottish Government will receive from the UK Government ahead of the UK Budget" on 30 October 2024. The SFC highlighted that the total public sector pay bill for 2023-24 was around £25 billion, over half of Scottish Government resource spending, and that the public sector in Scotland accounts for 22.6% of total Scottish employment compared to 17.6% for the UK overall. The SFC further suggests that—

   "If a Budget is set based on pay assumptions which are lower than those that materialise, this creates challenges with in-year management of the Budget, requiring the Government to reduce its planned spending on services. The recent emergency spending controls the Scottish Government has put in place for 2024-25 are the result of those challenges".

14. The SFC notes that "policy commitments the Scottish Government has made, such as the council tax freeze in 2024-25, social security spending and more generous pay deals in Scotland contribute to the growing pressure on the Scottish Budget". It also repeats a call made in its December 2023 forecasts for "the Scottish Government to plan its Budget over the short, medium, and long-term".

Scottish Government's Fiscal Statement

15. On 29 July 2024, following a public spending audit 2024-25, the Chancellor announced a series of measures aimed at alleviating a forecast overspend of £21 billion above the resource departmental expenditure limit totals set by HM Treasury in the UK Spring Budget 2024.

16. The Cabinet Secretary then, in a letter to the Committee dated 27 August 2024, stated that she is "working with my Cabinet colleagues to agree the necessary actions to reduce expenditure and ensure our finances are on a sustainable footing". She went on to say that "further to this, additional measures are now necessary following the UK Treasury's recent audit of public spending and lack of clarity over whether their decision to deliver Pay Review Body recommendations will be fully funded". The Cabinet Secretary highlighted the Scottish Government's decision to replicate the UK Government's decision to

restrict eligibility for the Winter Fuel Payment to older people and that "the Scottish Government has also introduced a set of spending controls with the intention of further reduction spend in 2024-25".

17. Following her Pre-Budget Fiscal Statement in Parliament on 3 September, the Cabinet Secretary wrote to the Committee setting out further reductions and reprioritisation of spending which, alongside implementation of emergency spending controls, would help "to balance the 2024-25 Budget". These measures, she explains, are necessary to fund the public sector pay bill, demand-led activities, and a significant health and social care backlog. The letter notes that "in total up to £500 million savings measures have been taken" across portfolio areas, including reintroduction of peak train fares, not progressing a pilot on concessionary fares for asylum seekers, and restrictions on recruitment, overtime, travel, and marketing across the Scottish Government. The Cabinet Secretary also plans to utilise up to £460 million of ScotWind revenue funding. The measures taken therefore total up to £1 billion in-year changes. A full breakdown of the savings can be found in the Annexe to the Cabinet Secretary's letter.

18. In its immediate response to the Cabinet Secretary's announcement of in-year spending cuts, the Institute for Fiscal Studies (IFS) notes that "the last few years have seen the Scottish Government increase public sector pay, and roll out new, more generous social security benefits", which "reduce the amount available for other areas of spending and add to budgetary pressures". The IFS adds that "more difficult decisions are likely next year and beyond given the difficult fiscal outlook", adding that "the Scottish Government should use its forthcoming Budget and subsequent Scottish Spending Review to be clear about priorities – and which areas will see cuts – in order to reduce the need for in-year cuts, which are often more damaging". In its blog, Filling in fiscal cracks … again', SPICe also notes that "this is the third year in a row that the Scottish Government has made in-year changes to the Budget passed by Parliament just a few months previously", adding "it may also not be the end of the story", with some pay deals still to be settled.

19. Writing in the Holyrood Magazine, Professor Mairi Spowage, Director of the Fraser of Allander Institute (FAI), highlights the Scottish Government's decision not to publish a public sector pay policy alongside last year's budget "due to uncertainty about funding". She suggests that "in order to put any sort of budget together, the Scottish Government must have assumed something about how public sector pay would change in 2024-25", adding "so, not publishing a public sector pay policy essentially means that they were not being transparent about what was being assumed". The Scottish Government's Pay Policy 2024 was published in May 2024, with assumptions for "an effective 2.3% pay increase for the full year" for central government. Professor Spowage notes that "given the lack of transparency, we're not sure if the pay policy is in line with the assumptions made at the budget".

20. On 17 September 2024, FAI published its Scottish Business Monitor for Quarter 2 2024: Scottish Income Tax, What do firms think? This publication suggests that, of over 300 businesses across various sectors of the Scottish economy

surveyed[1] in May 2024, more than half (57%) have experienced little or no impact from the Scottish Government's income tax policy, 34% "have felt the effects more sharply". Key issues identified from the responses include recruitment and retention, wage pressures and competitiveness and investment. There was also recognition from some firms that "higher taxes play a role in funding public services in Scotland, such as healthcare and education".

Oral evidence

Evidence sessions on 10 September 2024

21. On 10 September 2024, the Committee took evidence from Audit Scotland, Professor David Bell from the Royal Society of Edinburgh, and Professor David Heald of the University of Glasgow, when the following issues were discussed—

- Consideration should be given to what the tax system should look like in 10 years' time and how devolved taxes fit into a UK system. The UK Government should be asked to take the lead on looking "at the whole system" including anomalies with marginal tax rates.
- The more information regarding potential behavioural change the better to inform Scottish Government decisions on tax policy.
- Lack of progress with council tax reform "reflects badly on the Scottish Parliament". Council tax is now inefficient and inequitable.
- Governments in recent years have opted to cut capital spend in times of financial pressure rather than reduce 'day-to-day' spending. However, capital spend is essential to grow the economy and productivity and attract private investment. Better medium- and longer-term planning is required to maximise capital investment. Declining capital investment in maintenance had also led to deteriorating public infrastructure.
- Governments need to "take people with them" in terms of net zero policy and there is a risk that they move too quickly with "schemes that aren't thought through" or where infrastructure is not in place to support them, for example, electric vehicles. This approach, it was suggested, undermines public confidence.
- The annual budget would benefit from an approach similar to mandate letters[2] to Cabinet Secretaries showing how the Scottish Government's priorities are met by overall portfolio spending. An honest conversation is also needed about the areas in which the Scottish Government is prepared to disinvest to balance in-year budgets.
- In terms of policy initiatives, the consequences of public sector pay policy on the Scottish Budget are not well-understood. Universal benefits can be

[1] The survey asked the following two questions: How much has your business been affected by the Scottish Government's income tax policy? How has your business been affected by the Scottish Government's income tax policy?

[2] Mandate letters were sent by the then First Minister to all Cabinet Secretaries in September 2023 setting out how priority commitments in his Policy Prospectus will be delivered. Following the appointment of the current First Minister, the status of these letters is unclear.

difficult to roll back, as has been seen with the UK Government's decision to end universal Winter Fuel Payments.

- While the real effects of preventative measures can be difficult to assess, these measures are key to addressing long-term health and climate change challenges.
- One witness suggested "don't waste a crisis", and that the current fiscal constraints provide an opportunity to put in place a more strategic, coherent approach to managing Scotland's public finances.

22. On 10 September, the Committee also heard from the Federation of Small Businesses (FSB), Scottish Retail Consortium (SRC), and Universities Scotland, when the following issues were explored—

- Regulatory burden was highlighted as a significant area of concern for businesses. A large number of initiatives are currently being introduced or considered, such as the sugar and salt tax, disposable cups and alcohol restrictions. Early Government consultation with business is helpful to ensure new policies do not "come out of the blue" and policies reflect a "well-rounded viewpoint". An important factor for the FSB is having sufficient time to work through the policy implications before delivery.
- The 2024-25 Programme for Government not including any new regulatory initiatives was supported by the SRC.
- All three witnesses said they agreed with the Scottish Government's priority of 'growing the economy'. However, the FSB expressed concern that the proposed 'wellbeing national outcome' may suggest a move away from the priority of economic growth.
- Universities Scotland suggested that growing the economy will require the Scottish Government to "pivot back" towards funding university research and highlighted that there are now fewer opportunities to access this funding in Scotland compared to England. Universities can also "take the lead on seeking Innovate UK funds to help businesses innovate and access resource". Some universities are now having to be more selective about which projects they bid for if they consider the projects are "too expensive to deliver".
- A decline in the number of international students has diminished the funding available to universities. The visa regime makes a distinction between postgraduates and staff, despite students often moving into the workforce. Visa restrictions on dependents has had a significant impact on numbers of international students and on potential staff who are now looking globally for opportunities.
- The SRC and FSB said that they continue to press for small business reliefs in line with those in place in England and Wales.
- The SRC suggested that an additional principle of 'competitiveness' should be added to the new Scottish Government's Tax Strategy.
- As with last year, the SRC continue to argue that costs can be saved through government reform, rationalisation of the public sector landscape and the sharing of back-office functions.
- Asked whether reliefs should be targeted, the FSB said means testing could be used to "target those businesses who are really struggling".

Evidence session on 17 September 2024

23. On 17 September 2024, the Committee held a round-table evidence session with the Health and Social Care Alliance, Institute for Chartered Accountants Scotland, North East Scotland Retrofit Hub, Oxfam Scotland, Public Health Scotland, Scottish Property Federation, and Women's Economic Empowerment Project. The following issues were discussed—

- Some witnesses argued that economic growth should be seen through a wellbeing and/or human rights lens, while others suggested that unless economic growth is achieved, funds will not be available to prioritise wellbeing or human rights.
- Investment in social security contributes to economic growth as it leads directly to consumer spending.
- The Scottish Government's upcoming Tax Strategy should move beyond the theory set out in its 2021 Framework for Tax and include more commitments.
- Given the uncertainty around levels of behavioural change arising from differential tax policies in Scotland and the UK, actual figures may not be as high as those modelled. An environment should be created where people want to stay in Scotland regardless of tax levels. Some said that the starting point should be what kind of society we would want to live in rather than what level of taxation is acceptable.
- The tax base should be broadened away from income tax. Local taxes, both council tax and non-domestic rates, are not fit for purpose, and other options for fairer funding for local government should be considered. Scotland could be a leader in moving council tax in a more progressive direction.
- Social infrastructure, such as childcare, is important in ensuring a healthy population that contributes to Scotland's workforce. Learning can be taken from the Marmot Place approach, which "recognises that health and health inequalities are mostly shaped by the social determinants of health: the conditions in which people are born, grow, live, work and age, and takes action to improve health and reduce health inequalities".
- It was noted that Scotland currently has 825,000 people who are economically inactive, a third of those due to ill-health, and a reducing life expectancy. Good health enables people to work, while good jobs are important to people's health. Economically inactive people may still be contributing to society, for example, as unpaid carers, where caring would be a cost to the public purse otherwise. Support should be targeted towards those people who want to move into the workforce, such as many disabled people. The system of universal credit currently disincentivises some women for entering the workforce.
- More investment is required in prevention, although it was recognised that this can be challenging in the context of financial pressures. There are successful examples of preventative work which should be built upon. Public Health Scotland suggested that (1) a new category of public expenditure on preventative spend should be created to establish a

benchmark and enable investment to be tracked over time, and (2) a system of accountability for prevention should be delivered.
- Uncertainty around the Housing Bill has led to less investment in housing developments, which “kick-start the economy”. On green energy, there is a focus on single measures, such as insulation or solar panels, rather than on a holistic approach. Hubs, such as the North East Scotland Retrofit Hub, support workers to transition from the oil and gas sector and enable professionals to advise on the most efficient approach for individual houses.
- Witnesses support longer-term approaches, including multi-year funding and a focus on outcomes rather than on targets. The National Performance Framework is a “powerful tool” but it does not drive spending and accountability is weak. It should be used to move away from working in silos. Some said they are disappointed that the Scottish Government’s Wellbeing and Sustainable Development Bill has not yet materialised.
- Scotland has some of the worst housing stock in Europe. The focus should be on the fabric of buildings, which have an impact on health and the ability to work. More investment is needed in renewables and using ScotWind funds to plug day-to-day funding gaps limits potential spend in this area.

Written submissions from witnesses

24. Written submissions received are available on the Committee inquiry webpages. Key issues raised in the submissions of those witnesses giving evidence on 1 October 2024 are set out below.

Joint submission from COSLA, SOLACE and CIPFA Directors of Finance[3]

25. In its joint written submission, COSLA, SOLACE and CIPFA Directors of Finance suggest that spending decisions should be aligned to the Verity House Agreement (VHA), noting that “Scottish Government policy and spending decisions that run counter to the VHA, such as the council tax freeze and maintaining arbitrary teacher numbers, prevent councils from achieving better outcomes for their communities. They go on to argue that local government cannot deliver the same level of services with current funding levels, suggesting that councils face an estimated cumulative budget gap of £780 million by 2026/27[4]. Councils are, it argues, taking action to manage the funding gap which is leading to tough decisions and reducing the number of services they deliver. The submission also states that Scottish and local governments should work together to identify commitments that are no longer feasible, given the financial constraints.

26. The submission suggests that “to mitigate against the impacts of poverty, improve health outcomes, and support a just transition to net zero, local government needs sustainable investment in affordable housing”. Ten councils

[3] Convention of Scottish Local Authorities, Society of Local Authority Chief Executives, and the Chartered Institute of Public Finance and Accountancy.
[4] Accounts Commission.

have declared a housing emergency, with concerns that many are not able to meet statutory duties to address homelessness. They are also asking for local government to be empowered to be able to both raise local levies and invest in tackling climate change. Sustained investment is needed in prevention and early interventions, as “council have the knowledge, expertise and ability to scale up preventative approaches”.

Comhairle nan Eilean Siar

27. In its written submission, the Comhairle states that to fund better services it has agreed to increase abattoir fees, lair fees, and interment charges, as well as the price of fuel at piers, whilst “delivery systems will be improved to increase sales”. Smart card technology has also been introduced at museums to increase revenue through voluntary contributions.

28. The Comhairle notes that “good progress is being made on the Single Isle Authority (SIA) initiative, which aims to “improve services and outcomes for Western Isles communities by development and implementation of transformational public service reform”. The initiative should improve public sector efforts to reduce child poverty, provide substantial and sustainable economic growth for the Western Isles, and assist the public sector in developing a green economy, for example, renewables and hydrogen plans.

29. It argues that faster progress with public service reform can be achieved through commitment to firm milestones and timescales, and the Scottish Government giving stronger direction to public bodies on the requirement for commitment and cooperation in developing SIA models. There should also be clear recognition that public service reform is necessary for “good outcome-based planning, genuine community empowerment and the achievement of other key objectives, such as population strategies and better health, in addition to better use of diminishing resources”.

Scottish Borders Council

30. In its written submission, Scottish Borders Council (SBC), states that the First Minister’s four priorities “echo those of SBC, as expressed in our Council Plan”, adding that “addressing shared priorities, and unlocking both the potential and the best outcomes for communities requires adequate funding from central government”. It welcomes the Scottish Government creating additional potential levers for the creation of local levies, however, notes that “the level of taxation which is collected, set, and spent locally is lower in Scotland than in international comparator nations”. It goes on to suggest that revaluation of council tax should be addressed as a priority as part of the Tax Strategy. It notes the proximity of the Scottish Borders to the English border “means that taxpayers within our region may be more susceptible to behavioural change, including transit to England where the tax regimes are markedly different”.

31. On public service reform, SBC note that the refresh of the NPF and the proposed Wellbeing and Sustainable Development Bill “could be positive steps towards a coherent vision when it comes to public service delivery and reform”. Additional

policy and delivery "burdens … has negatively impacted a public sector already straining under pressure" and a focus on creating statutory duties for public bodies can create a focus on duty compliance rather than service delivery. SBC argue that "this can create a significant barrier to reform and improvement across the public sector".

32. SBC further note three main obstacles to economic growth in the Scottish Borders, and the South of Scotland: lack of housing, lack of transport, and lack of green skills "to seize the potential for a just transition to net zero", adding that such economic growth "is much needed given that the shout has some of the lowest salaries and lowest growth rates in the country".

Next steps

33. The Committee will hold its final evidence session with the Cabinet Secretary for Finance and Local Government in relation to Pre-Budget 2025-26 scrutiny on 8 October 2024.

Committee Clerking Team
September 2024

ANNEXE A

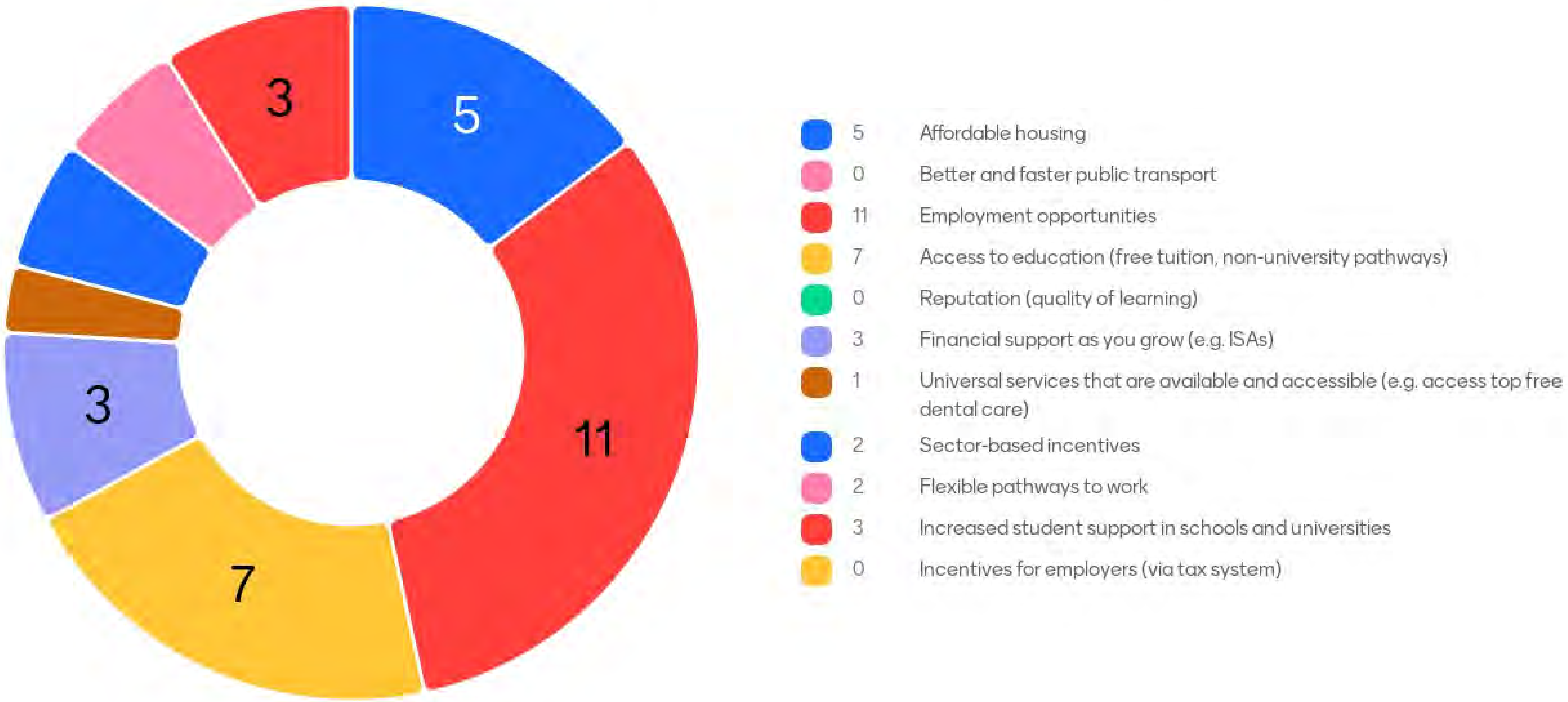
Managing Scotland's Public Finances: A Strategic Approach

The Committee's call for views included the following questions—

1) Are the First Minister's four priorities the right priorities for the Scottish Budget 2025-26 and, if not, where should the Scottish Government focus its attention?
2) What taxation and spending decisions should the Scottish Government take to make most progress against each of the First Minister's four priorities, within the current financial climate?
3) What are the potential impacts of focussing budget decisions on these four priorities on those groups of society who traditionally experience inequality?
4) What progress has the Scottish Government made against its specific goals in relation to public service reform?
5) Are there any improvements that can be made to achieve faster progress with public service reform and improved outcomes?
6) The Scottish Government recently published its Public Sector Pay Policy 2024-25 which offers pay metrics above forecast levels of inflation. What are the implications of its multi-year framework on public sector bodies and on the Scottish Budget for 2025-26? And for the subsequent two years?
7) What elements should a new draft[5] tax strategy include to achieve such a tax system?
8) How should a new draft tax strategy address potential impacts of behavioural change on individuals, businesses, and the overall tax take?
9) What actions should the Scottish Government take to grow the tax base and increase labour market participation, productivity, and Scotland's economic growth?
10) What steps should the Scottish Government take, in its Budget, for 2025-26, to grow the economy by tackling the climate emergency?
11) Given the limited capital budget available, in which areas should the Scottish Government prioritise its capital spend in the Scottish Budget 2025-26 to deliver increased productivity, innovation, and growth?

[5] At the time of publishing the call for views the Scottish Government's position was to that it would publish a draft tax strategy rather than a final tax strategy.

What devolved taxation and spending policies would best ensure Scotland retains more of its younger working age population?



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