

Document 4 – Email from Callum McCaig to [redacted]

From: McCaig C (Callum)
Sent: 23 July 2018 14:48
To: [redacted]
Subject: RE: These Islands

Here's the background stuff – the key difference is Hague is using his starting point as 2007/8, we are using 10/11. That's because it is the year when austerity starts, if you use his numbers they are skewed by a fairly substantial recession combined with public spending increases (which I think include bailing out the banks) making spending/GDP jump massively between 7/8 and 8/9.

Applying Growth Commission Fiscal Rule to the Scottish Government Budget

- Over the ten year period to 2019-20 the Scottish Government's budget is being cut by £2.6 billion in real terms.
- If instead we had faced a scenario where our fiscal resource budget had grown at 1% less than real GDP over this period, as suggested by the Growth Commission, then the real terms reductions that we are currently facing would have been completely reversed and it is possible that we would even have seen some modest real terms growth of around £700 million.
- [redacted]

Callum McCaig
Special Adviser to the First Minister
[redacted]

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Document 3 From Kate Higgins to [redacted]

From: Higgins K (Kate)
Sent: 22 July 2018 19:08
To: [redacted]
Subject: RE: Growth Commission briefing

She should have these reactions from LDs and Tories placed with PA

Scottish Liberal Democrat leader Willie Rennie said: "The First Minister's own close advisers have admitted how challenging the economics of independence would be.

"We can do far better than years of SNP independence austerity."

Scottish Conservative finance spokesman Murdo Fraser said: "This thorough and sober analysis of Nicola Sturgeon's latest independence blueprint is damning.

"Far from laying out a realistic prospectus on Scottish independence, it shows that the SNP is now making even wilder claims about secession than Alex Salmond did prior to the referendum. That's quite an achievement."

"Quite simply, they are making it up as they go along."

Kate Higgins
Special Advisor to the First Minister
Rural Economy and Connectivity
[redacted]

[redacted]

Scottish Government
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[redacted]

On 22 July 2018 at 17:59, <Kate.Higgins@gov.scot> wrote:

Yes but take details out at bottom

Kate Higgins
Special advisor to the First Minister
Rural Economy and Connectivity

[redacted]

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Sent with BlackBerry Work

From: [redacted]

Date: Sunday, 22 Jul 2018, 5:58 pm

To: Higgins K (Kate) <Kate.Higgins@gov.scot>

Subject: Growth Commission briefing

Will I send the attached and below on to GMS. I'll try [redacted].

The report addresses challenges, sets out a route map and offers a credible alternative for Scotland's future.

The reality is that Scotland's public finances reflect the state of our economy as part of the UK, and research has shown that if the Sustainable Growth Commission's spending recommendations had been applied to Scotland over the last 10 years, the £2.6 billion Westminster cuts to the Scottish budget would have been completely wiped out. Austerity would have been eradicated in Scotland. That is something that we should really reflect on carefully."

RELEASE: Wednesday 23rd May 2018

"SCOTLAND – THE NEW CASE FOR OPTIMISM" – SUSTAINABLE GROWTH
COMMISSION REPORT TO BE PUBLISHED

SNP TO HOLD SUMMER DISCUSSIONS ON REPORT'S RECOMMENDATIONS

First Minister Nicola Sturgeon has received the report of the Sustainable Growth Commission, which will be published on Friday (25th May).

The report is entitled “Scotland – the new case for optimism: a strategy for inter-generational economic renaissance” and demonstrates that, overall, comparable small country economies perform better than those of larger countries such as the UK.

Receiving the report, the SNP leader announced that the party would hold a series of National Assemblies over the summer to debate and discuss the report’s recommendations ahead of the party’s annual national conference in October.

The Sustainable Growth Commission, chaired by former MSP Andrew Wilson, has approached its remit through commissioned research, the insight and analysis of its expert members, meetings with organisations across Scotland and by considering independently offered advice.

The 354-page report is in three parts covering:

- opportunities for growth, both now and with independence,
- sustainable public finances; and
- consideration of currency issues for an independent Scotland.

Each National Assembly will consider a different section of the report and will be chaired by the Depute Leader of the SNP.

Commenting, SNP Leader and First Minister Nicola Sturgeon said:

“Scotland has strong foundations in business, in innovation and in our talented workforce – but we need to maximise our strengths to match the economic performance of successful independent nations of comparable size.

“At a time when economic thinking and debate is heavily focused on how we limit the damaging impacts of Brexit on Scotland, this report provides an opportunity to step back, to look at Scotland’s economic future with optimism and to focus on how we seize our opportunities and achieve our full potential as a nation.

“The report of the Growth Commission does not shy away from Scotland’s challenges – instead it looks at how we can address these challenges positively and in line with our core values as a nation.

“It is not a report about the timing of a referendum – rather, it focuses on the ‘why’ of independence and how we can use the powers it will deliver to build a stronger economy and a fairer society.

“In so doing, it heralds the start of a debate based on hope and ambition about the future of the country, rather than on the despair of Brexit.

“I’m very grateful to Andrew and all the members of the Commission who have given generously of their time and talents to undertake what is a very substantial piece of work.

“It is now for the SNP to consider the report’s recommendations. All members will have the chance to discuss the report in detail at local and national events over the summer, and to listen to the views of people across the country before the party takes a formal view on the report’s recommendations.”

Sustainable Growth Commission Chair Andrew Wilson said:

“My thanks to the First Minister for giving us the opportunity to produce the most substantial work on Scotland’s economic future that has ever been undertaken.

“There is much cause for optimism in Scotland’s position and it is my sincere hope that the report generates serious and informed debate, not only in terms of future policy for the SNP, but among everyone with a stake in the success of our country.

“Particular thanks must go to those who have lent their time, intellect and patience over the past 18 months. It has been a real privilege to chair such an outstanding group, focusing such talented minds on such a challenging topic.

“Scotland – the new case for optimism – sets out an ambitious but achievable prospectus, and its publication will mark the beginning of fresh debate on Scotland’s economic future.”

ENDS

Contact:

[redacted]

Notes to editors:

A photograph of Nicola Sturgeon receiving the report from Andrew Wilson is available from the Press Association.

The Commission's remit was to assess projections for Scotland's economy and public finances, considering the implications for the nation's economy and finances under different potential governance scenarios and making recommendations for policy on:

- Measures to boost economic growth and improve Scotland's public finances – both now in the aftermath of the EU referendum and in the context of independence
- The potential for and best use of savings from UK programmes in the event of independence, such as Trident
- The range of transitional cost and benefits associated with independence and arrangements for dealing with future revenue windfalls, including future North Sea revenues.

In addition, the Commission was asked to take account of the recommendations of the 2013 Fiscal Commission reports, the outcome of the EU referendum, and consider the most appropriate monetary policy arrangements to underpin a programme for sustainable growth in an independent Scotland.

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[redacted]

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Tha am post-d seo (agus faidhle neo ceanglan còmhla ris) dhan neach neo luchd-ainmichte a-mhàin. Chan eil e ceadachd a chleachdadh ann an dòigh sam bith, a' toirt a-steach còraichean, foillseachadh neo sgaoileadh, gun chead. Ma 's e is gun d'fhuair sibh seo gun fhiosd', bu choir cur às dhan phost-d agus lethbhreac sam bith air an t-siostam agaibh agus fios a leigeil chun neach a sgaoil am post-d gun dàil.

Dh'fhaodadh gum bi teachdaireachd sam bith bho Riaghaltas na h-Alba air a chlàradh neo air a sgrùdadh airson dearbhadh gu bheil an siostam ag obair gu h-èifeachdach neo airson adhbhar laghail eile. Dh'fhaodadh nach eil beachdan anns a' phost-d seo co-ionann ri beachdan Riaghaltas na h-Alba.

[redacted]

Document 2 – Email from Ewan Crawford to [redacted]

From: Crawford E (Ewan)
Sent: 28 June 2018 18:24
To: [redacted] [redacted]
Subject: [redacted]

[redacted – out of scope]

- we can take the first four chapters of the Growth Commission that look the successes of small independent countries and at Scotland's potential, mine them for material that can form the basis of leaflets and a major digital campaign on the economic opportunities of independence. This could be a major part of party activity over the summer. And it fits the "We Can" theme.

[redacted – out of scope]

Ewan

Ewan Crawford
Senior Special Adviser to the First Minister,
EU affairs and the constitution.
[redacted]

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Document 1 - Email from Cabinet Secretary for Finance, Economy and Fair Work to officials requesting a reply to correspondence on the Sustainable Growth Commission.

From: Paddison A (Alistair) **On Behalf Of** Cabinet Secretary for Finance, Economy and Fair Work
Sent: 09 July 2018 19:32
To: Fuller S (Simon); [redacted]
Cc: Gillespie G (Gary); McCaig C (Callum); Cabinet Secretary for Finance, Economy and Fair Work
Subject: FW: Growth Commission report

Simon and [redacted]

Grateful for a draft response for the cabinet Secretary to consider. He will amend it personally.

Thank you

Alistair Paddison
Private Secretary to Derek Mackay MSP, Cabinet Secretary for Finance, Economy and Fair Work
The Scottish Government
St Andrew's House | Regent Road | Edinburgh | EH1 3DG |
[redacted]

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Begin forwarded message:

From: [redacted]
Date: 9 July 2018 at 09:59:32 BST
To: <Derek.Mackay.msp@parliament.scot>
Subject: Growth Commission report

Dear Cabinet Secretary

I was pleased to hear that you had taken on the responsibilities for the economy as well as finance. I believe it was a mistake to separate them previously. I wish you well with your new responsibilities.

I read your article in Saturday's Glasgow Herald (7 June) with great interest. However, I disagree with some of your conclusions.

The headline stated that the "Growth Commission is key to our economic strategy." I appreciate that you did not write that headline but I must disagree strongly with it and some of your comments about the Growth Commission report.

I am making no political points but as an economist I was very disappointed with the Growth Commission report, as I believe most people who have read it are. There is a lot of interesting information and opinions in the report, particularly on the experience of other small countries. However, the analysis of the performance of the Scottish economy is very poor – to be

polite. You were badly let down by the authors of that report and I am surprised that you and your other colleagues on the Commission accepted such a poor piece of work.

There seems to be little disagreement that the Scottish economy has performed poorly in recent years. The growth rate (GDP/GVA) has been significantly below the UK and EU averages.

There are various reasons for that, although few of those were discussed in the Growth Commission report. The main one in my opinion was the recession in the North Sea oil and gas industry following the collapse in world oil prices in 2015/16.

Various Scottish Government reports and statements have put the main blame on the Brexit vote for the UK to leave the EU. That has undoubtedly had a negative impact but it does not explain why the Scottish economy has done worse than the UK economy.

I believe that another important reason for the recent underperformance of the Scottish economy has been a substantial decline in the quality of the work done by the key public bodies, notably Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and the Scottish Futures Trust (SFT). A good – or bad – example of that has been their reaction to the downturn in the oil and gas industry, particularly that of Scottish Enterprise.

I believe that there need to be radical changes at all three of these bodies. I therefore hope that when you have had time to consider your new economic responsibilities you will take action to improve their performances. Without such action I fear that our economy will continue to underperform.

With best wishes

[redacted]

Document 5 – Email from Kate Higgins to [redacted]

From: Higgins K (Kate)

Sent: 22 July 2018 19:41

To: [redacted]

Subject: RE: These Islands report - GMS tomorrow

Some suggested additional lines to consider using:

- it's no real surprise that avowed Unionists – and most of the people involved in this have previously declared their opposition to Scotland being in charge of our own destiny – have concluded – again – that Scotland is too poor and too wee
- yet the fact remains that the Growth Commission's report is the first serious, mature attempt to kickstart a debate about Scotland's future – it provides detailed analysis of what independence means and sets out why Scotland should think again about our future
- as ever, there is nothing positive coming from those who would have us stay in the Union – no positive case
- and they ignore the elephant in the room that is Brexit – this organisation would rather Scotland stay part of the UK even though we are headed for a catastrophic no deal Brexit that would harm those with the least the most
- not my words but those of John Major yesterday
- the SNP wants people to have options about their future – and a debate
- that's why we're holding three assemblies, the first one in Edinburgh is already full up
- and we're engaging across the independence movement
- we know that people still want to be persuaded by the why – so we're doing that and providing people with an economic prospectus to consider
- this kind of analysis adds nothing to the debate, assumes wrongly that people want debate shut down and that we should just follow the Tories into a future outwith the EU even though we voted against that
- at the very least, people deserve the right to know their options and choose their future

If it becomes about timing of a second indyref

- the First Minister has been clear that our focus should be on the why not the when of an independence referendum – that is what we are doing, the Growth Commission report sets out the economic case and options, we are holding national assemblies and discussions across the movement – and SNP activists are getting out there on local high streets and doorsteps and having conversations with people again

Kate Higgins

Special Advisor to the First Minister

Rural Economy and Connectivity

[redacted]

Scottish Government

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[redacted]