

Welcome to a mid-August edition of CSPP's Scotland Monitor – an essential briefing on one month of Scottish current affairs, and packed with additional key articles, data and reports. For more policy news see the [“latest news”](#) section on our website. If you have any queries about this document or the CSPP, please don't hesitate to [get in touch](#).

Post-EU Referendum Fallout Continues

Key figures in Scottish and UK politics continued to define their positions following the UK vote to leave the European Union on 23rd June, in which Scotland voted to remain. The new UK Prime Minister, Theresa May, made an official visit to Scotland, where she met with First Minister Nicola Sturgeon. May said she would not formally begin the process to leave the EU until “a UK approach” had been reached for negotiations. While she said she was willing to “listen to options” from Scotland as part of this process, she rejected the idea of a second referendum on Scottish independence. Meanwhile the UK Attorney General, Jeremy Wright, dismissed the notion that Scotland could negotiate its own deal to preserve its EU links, stating that Brexit would apply to “all of the United Kingdom”.

Nicola Sturgeon also made a key speech on the Scottish Government's position regarding EU negotiations. The First Minister outlined five “Scottish interests” in Europe that she would seek to defend – democratic, economic, social, solidarity and influence. She also warned against the UK government pursuing a “hard” as opposed to a “soft” Brexit. The First Minister had previously said that a second Scottish independence referendum would be “highly likely” after the EU vote, and is pursuing an independent negotiating strategy in Brussels to explore the possibility of a separate EU deal for Scotland.

- [Brexit: PM is 'willing to listen to options' on Scotland](#) [BBC]
- [Attorney General dismisses Scottish Remain vote](#) [Scotsman]
- [Nicola Sturgeon Gives Speech on Scotland in Europe](#) [CSPP/Guardian/Video]

Currency Options Examined

Speculation about the constitutional future of Scotland has led to renewed focus on what the country's currency would be were it to become independent. Doubts over the economic case for independence, including the proposal to continue using a shared currency with the rest of the UK, are considered to have contributed to the Yes campaign's defeat in the 2014 referendum. The Scottish Government is reported to have ordered a review into its currency policy, with the possibility that the creation of a “Scottish pound” pegged to sterling could become the favoured option. Meanwhile the Common Weal think tank has produced a report outlining the currency options that would be available to an independent Scotland.

- [SNP review is considering a separate currency in an independent Scotland](#) [Herald]
- [New Report: Scottish Currency Options post-Brexit](#) [Common Weal]

Economy

Growth flat-lined in the Scottish economy in the first three months of this year according to the latest GDP figures, while the UK economy grew by just 0.4%. In Scotland, growth in services was balanced out by a contraction in production and construction. Meanwhile unemployment in Scotland fell by 18,000 between March and May, with the rate sitting at 5.5% compared with 4.9% for the UK as a whole. Strathclyde University's Fraser of Allander Institute issued its latest economic analysis, suggesting that a recession in Scotland is "highly possible" following the UK vote to leave the European Union, revising its projection of Scottish growth in 2017 down from 1.9% to 0.5%. Following the latest growth figures, First Minister Nicola Sturgeon has announced a £100m spending programme to try and counteract the climate of uncertainty in Scotland following the Brexit vote. Meanwhile, the Bank of England cut UK interest rates from 0.5 to 0.25%.

- [Growth stalls in Scottish economy](#) [BBC]
- [Warning: Recession in Scotland 'highly possible' after Brexit vote](#) [Herald]
- [Sturgeon plans £100m spending boost to counter Brexit uncertainty](#) [Financial Times]
- [Bank of England cuts interest rates to 0.25%](#) [Independent]

Legal Setback for Named Person Legislation

The UK Supreme Court dealt a legal setback to the Scottish Government's 'Named Person' legislation when it ruled that information-sharing aspects of the Children and Young People (Scotland) Act 2014 did not comply with European human rights law. Under the legislation each child is to be assigned a named person, such as a teacher or health visitor, to look after their wellbeing, in a bid to prevent future child abuse crimes. The Scottish Government has delayed the implementation of the scheme until changes can be made, with Education Secretary John Swinney considering limiting the scope of the scheme to those under the age of 16. Since the legal ruling the Liberal Democrats have withdrawn their support for the policy, with Labour remaining as a "critical friend" of the legislation. The Conservatives are opposed.

- [Supreme Court rules against Named Person scheme](#) [BBC]
- [Ministers to consider limiting scope of Named Person scheme](#) [Herald]
- [Lib Dems no longer back SNP's Named Person plan](#) [Times] (£)

Consultations Launched on Social Security & Child Poverty

The Scottish Government has launched two consultations as part of its social policy agenda over the current parliament. The first, [Consultation on Social Security in Scotland](#), asks for views on what a social security system in Scotland should look like, with powers worth around 15% of the Scottish welfare bill set to be devolved. Social security minister Jeane Freeman also indicated that the Scottish Government will consider whether the use of the word "benefits" will be continued in the new system. Meanwhile the [Consultation on a Child Poverty Bill for Scotland](#) seeks views on the appropriate legislation to support the goal of halving child poverty from 20% to 10% by 2030. In addition, First Minister Nicola Sturgeon re-appointed Naomi Eisenstadt as the Scottish Government's independent poverty advisor.

- [Child poverty targets consultation launched by Scottish Government](#) [Herald]
- [Scotland to create its own child poverty laws](#) [Third Force News]
- [Welfare shake-up: 'payments' may replace 'benefits'](#) [The National]

Planning System Reform Announced

The Scottish Government is to draw up a bill to reform the planning system by 2017. In response to the independent review of the Scottish planning system, published in May 2016, Scottish Government ministers also identified ten “immediate actions” that would be taken to speed up the planning process, such as extending permitted development rights, and introducing pilot simplified planning zones for housing.

- [Scottish Government to reform planning following review](#) [Holyrood]
- [Empowering Planning to Deliver Great Places](#) (May 2016 planning review) [Scottish Government]
- [SURF's “jargon-busting” summary of the independent planning review](#) [SURF]
- [Planning Review: Scottish Government response](#) [Scottish Government]

And Another Thing...

- [Housing bodies welcomed the end to the 1980s “Right to Buy” legislation in Scotland.](#)
- [Westminster MPs backed the creation of a “Scottish Six” BBC news programme.](#)
- [COSLA and education experts raised concerns over planned education reforms.](#)

Publications

Scottish Government & Parliament

[Scottish Labour Market Update – July 2016](#) [SPICe]

[Design Charrette / Activating Ideas Funds: 2016-2017](#) [Scottish Government]

Third Sector & Independent

[Living at the Sharp End](#) [Welfare System - Citizens Advice Bureau]

[Community-Led Approaches to Reducing Poverty in Neighbourhoods](#) [Research - JRF]

[Scotland and the European Union](#) [Analysis – European Policy Centre]