THE SCOTTISH PARLIAMENTARY ELECTIONS 2016

COUNTING ON CHANGE IN SCOTLAND
Introduction

ICAS is one of the most respected professional bodies in the world.

We believe that it has never been more important for our business leaders and our political leaders to work together to deliver transformational change for the benefit of society.

The Scottish, UK and global economies currently all face significant challenges. Slowdown in China; the low oil price; the possibility of Brexit; and the unknown impact of the unwinding of quantitative easing present major risks.

In Scotland, we have seen very low growth in recent quarters and the impact of the oil crisis, problems in the steel industry and lay-offs across other sectors raise strong concerns about the economic future. This comes on top of a torrid time for financial services since 2008. At moments like this, it is even more important that we work together to achieve long term, sustainable economic growth for the benefit of our wider society. We will only do this through the collective efforts of our business leaders and the Scottish and UK Governments. Together we must create the confidence that is required for increased investment and the conditions that are required for our businesses to prosper at home and in international markets.

ICAS represents around 10,000 Chartered Accountants (CAs) in Scotland with another 10,000 members across the rest of the UK and in 100 countries around the world. Our CAs are present in most of Scotland’s major companies. They are trusted business advisors in High Streets across the country and work throughout the public and third sectors.

The changes we suggest in this document are drawn from their expertise on the frontline of Scottish business. Our suggestions are made because we believe they are in the public interest; good for Scotland; and good for business.

Anton Colella
Chief Executive
Established in 1854

20,000 members

ICAS: The world’s first professional body of accountants

A Scottish, UK and Global Institute
More than 3,000 students studying to become CAs across the UK

10,000 members in Scotland

30% in accountancy firms

70% in business, public and not for profit sectors
A Vision for the Scottish Economy

Maximum focus on sustainable economic growth.

ICAS believes that the next Scottish Government must focus on delivering sustainable economic growth in order to deliver a fairer and more prosperous society and to balance the public finances.

This means:

• Creating a stable, trusted business environment – encouraging investment, innovation and enterprise.
• Encouraging a step change in Scottish exports.
• Acting to increase the business birth rate and encourage business growth.
• Encouraging a sustainable approach to business considering environmental, social financial and economic impacts.
• Working closely with businesses and the education sector to ensure the right skills and the right people are available for the challenges of today and the opportunities of tomorrow.

Implement devolved taxes in a way that does not put Scottish businesses at a competitive disadvantage.
Four Key Requests of the Next Scottish Government

- **Business Environment**: Build confidence in the Scottish economy through actions and delivery.
- **Transformational Change**: Focus on use of current powers to grow the economy.
- **Transparency**: Improve independent scrutiny and increase transparency of Scotland public finances.
Policy Suggestions

Taxation
- Further devolution of taxes should not add to the complexity and burden of doing business in Scotland and must not put Scottish businesses at a competitive disadvantage.
- ICAS believes that the complexity of the current tax system works against the interests of Government, business and individuals. The next Scottish Government should do all it can, within its power, to simplify the tax system.
- The next Scottish Government should work with the UK Government to remove VAT and other tax inconsistencies for public sector bodies and other bodies delivering public services.

Business Environment
- We must be careful that a combination of individual policy signals and statements on future taxation policy do not create the perception that Scotland is a less attractive place to do business.
- The next Scottish Government should have a dedicated Business Secretary within the cabinet.
- The new Business Secretary should bring forward a new, formal Programme for Business, drawing together key devolved policies to boost enterprise and business performance.
- The next Scottish Government must renew its focus on education to deliver the right skills and the right people to support the current and future needs of the economy.
Transformational Change

- The next Scottish Government needs to maximise the efficiency of public service delivery through meaningful progress on shared services.
- The next Scottish Government should harness innovative models of financing as it seeks to shift public services towards a more preventative approach.
- The next Scottish Government should work with the business community to develop a new plan to promote a step change in exports.
- Better leadership is required at all levels to deliver transformational change in our public services.
- ICAS recognises the contribution of the third sector and calls on the next Scottish Government to ensure that the sector and the vital services it delivers are sustainable.

Transparency

- ICAS welcomes the recently agreed enhanced powers for the Scottish Fiscal Commission and believes that truly independent, authoritative analysis of the public finances is vital in the public interest.
- The Scottish Government should do more to provide clearer and more transparent reporting of its spending; its performance against KPIs; and delivery against outcomes.
- There needs to be stronger challenge and scrutiny of the development of legislation. The next Scottish Government should consider a fourth stage in the legislative process post amendments and should bring in post legislative reviews.
- The Scottish Parliament’s committee convenors should be elected independently of party political considerations, based on the ‘best person for the job’.
Contact us

If you’d like to discuss these policy suggestions in more detail, please contact the ICAS Executive Team

Anton Colella
Chief Executive
Tel: +44 (0)131 347 0309
Email: acolella@icas.com

David Wood
Executive Director, Technical
Tel: +44 (0)131 347 0240
Email: dwood@icas.com

Atholl Duncan
Executive Director, UK and Global
Tel: +44 (0)131 347 0150
Email: aduncan@icas.com
Detailed analysis lies behind the headlines in this manifesto and be accessed at icas.com/businessview