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Nicola Sturgeon has written to to Sir Jeremy Heywood, head of the civil service

Nicola Sturgeon attacks UK Treasury as 'transparently party political'

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FIRST Minister Nicola Sturgeon has called the Treasury “transparently party political” in a scathing letter to the Head of the UK Civil Service.

It comes after the Treasury compiled a “costing policies of opposition document” on a quote taken from a speech by the First Minister in London last month.

The Treasury document claims that during the speech at University College London, the First Minister made a commitment to increase departmental spending by half a per cent each year which would result in debt reducing as a share of GDP over four years, but allow a further £180 billion investment in infrastructure, skills and education.

Treasury analysis released yesterday morning stated that debt as a share of GDP would rise from 81.9 per cent now to 82.2 per cent in 2017-18, and that by the end of the new parliament, this would stand at 81.4 per cent, compared with 81.1 per cent at the start.

However, the analysis released by the Treasury included assumptions made by Treasury special advisors, the party political staff of George Osborne and Danny Alexander.

The “costing policies of opposition documents” are requested by ministers in the Treasury and have been a common practice in the department for decades. This is the first time a costing document has been worked up for a Scottish Government policy.

The document was released along with a press release from Alexander claiming that the SNP had “been caught out on the economy” and that the report showed that “the economic recovery would not be safe in Nationalist hands.”

In her letter to Sir Jeremy Heywood, head of the civil service, the First Minister rejected the Treasury’s findings: “We refute the Treasury document and indeed regard it as an own goal by underlining the damaging, wrong-headed and unfair austerity economics that the Westminster-based political parties stand for.”

Sturgeon also claims that the document proves that there is “hypocrisy” being shown by the Government as it refuses to allow the SNP to take part in pre-election talks with the civil service but includes the “SNP in political attacks prepared at taxpayers’ expense”.

The First Minister went on: “It would appear that the Treasury is maintaining such an awareness in order to mount the pre-election partisan attacks on the SNP, presumably at the behest of ministers, their special advisers and with the full involvement of the Treasury Permanent Secretary.”

The First Minister called on Sir Jeremy to give an “explanation for the clear inconsistency”.

A spokesperson for the Treasury defended the practice: “There is nothing new in the Government producing costings of proposals put forward by political parties. In fact successive administrations have accepted that since departments provide factual answers to MPs and peers about the costs of identifiable changes in activities or benefits, there is no objection to officials providing ministers with similarly factual information about clearly-identified alternative policies. Costings are produced by officials in accordance with a clear and established process.”

Scottish Government civil servants spent yesterday poring over the Treasury’s analysis.

Responding to the findings of the document yesterday evening, Deputy First Minister John Swinney rejected the Treasury’s analysis: “The Scottish Government’s proposals would see public spending increase by 0.5 per cent, generating £180bn of investment in public services

as an alternative to the austerity plans set out by the UK Government. That is money which can and will support our NHS, our education system and boost the economy.”

The analysis conducted by the Treasury, even though different to that of the Scottish Government, Swinney claimed, showed that the Scottish Government’s alternative to the austerity plan would work: “Even though it uses a different methodology, the Treasury analysis confirms that under our proposals, the deficit would fall every year and debt will fall steadily after 2017-18, allowing an additional £180bn of expenditure along with sustainable public finances.

“In short, the Treasury have helpfully confirmed that an alternative to austerity is both viable and essential in order to protect our public services from further UK Government cuts.”

Earlier this year the Treasury released a costings document revealing that the Labour Party had a £21 billion black hole in their budget. The document was ridiculed by Shadow Chancellor Ed Balls who claimed it was a “dodgy Tory dossier ... riddled with untruths and errors on every page” and a “political smear based on false assumptions made by Tory advisers”.

There have been calls to allow the Office of Budget Responsibility to independently audit the financial plans of all political parties, as is done in Ireland, Australia and the Netherlands.

This was not the first time senior SNP politicians have written to Sir Jeremy about the conduct of civil servants in the Treasury. In January Deputy Leader at Westminster Stewart Hosie complained about a lecture given by Sir Nicholas Macpherson, the Permanent Secretary to Treasury, in which he claimed the Yes campaign were “seeking to destroy the fabric of the state”.

In his lecture *The Treasury and the Union*, Sir Nicholas said “the strong recurring conclusion” of his team’s studies was that independence would be against the interests of the Scottish people.

In his letter Hosie said: “At a time when the UK and Scottish Governments should be able to work in good faith on more powers, this raises serious questions about Scotland’s ability to have any confidence in the role of the Treasury.”

Sir Nicholas insists the Treasury exists to carry out the policy of the elected government.

The First Minister’s letter to Sir Jeremy Heywood, Cabinet Secretary to the Treasury:

"THANK you for your reply of 2 March to my request for the Scottish National Party to be included in the convention of opposition parties having contact with the civil service before the General Election. Naturally, I regret that the Prime Minister has not agreed to this, and therefore has fallen far short of the standards which apply at Holyrood – where my predecessor as First Minister granted such access to all parties represented in the Scottish Parliament prior to the 2011 election. However, the situation is worse than just not being included in pre-election civil service access.

Today, the Chief Secretary to the Treasury, Danny Alexander, has published a political attack on the SNP as part of a process of the Treasury “costing policies of opposition parties”. We refute the Treasury document, and indeed regard it as an own goal by underlining the damaging, wrong-headed and unfair austerity economics that the Westminster-based political parties stand for.

Putting to one side the fact that the alternative-to-austerity plan I have outlined was done in my capacity as First Minister rather than SNP leader, it is clearly the case that the UK Government is including the SNP in political attacks prepared at taxpayers’ expense – while continuing to exclude us from pre-election access to the civil service.

This inconsistency reeks of hypocrisy, as well as a Treasury which has become transparently party political.

In your letter, you say that it will “be important for the Civil Service to maintain an awareness of the main policy objectives of the minority parties in case discussions become relevant in the post-election period”. However, it would appear that the Treasury is maintaining such an awareness in order to mount pre-election partisan attacks on the SNP, presumably at the behest of ministers, their special advisers and with the full involvement of the Treasury Permanent Secretary, while the Prime Minister rejects the pre-election access which I requested. I look forward to your explanation for this clear inconsistency."