# Nigel Farage’s call to scrap Scotland’s Union dividend sparks fears over NHS and education funding



Nigel Farage, leader of Reform UK, has ignited controversy with his recent proposal to reassess the financial arrangements that underpin Scottish public funding, specifically targeting the 'Union dividend'. This funding mechanism, part of the Barnett Formula, allocates additional resources to Scotland based on public spending in England, resulting in a net benefit of approximately £1,521 more per person than the average UK resident last year. Farage's suggestion to review this system has led to accusations of recklessness, with critics warning it could drastically impact essential services like the NHS and education in Scotland.

During his inaugural visit to Scotland in six years, Farage labelled the current funding arrangement as outdated and suggested that the Scottish Parliament should have increased responsibility in generating its own revenue. His contention posits that a more fiscally autonomous Scottish government could result in either substantial tax hikes or severe cuts to public services, raising concerns about the future viability of essential support systems. Scottish Conservative leader Russell Findlay lambasted Farage’s proposal, labelling it a risky manoeuvre that threatens the financial stability of communities across Scotland.

Farage’s remarks come alongside a broader campaign aimed at repositioning Reform UK as a significant force in Scottish politics, especially in the lead-up to the Hamilton, Larkhall, and Stonehouse by-election. His stance against the current government’s environmental policies has drawn considerable attention, with claims that Scotland is undergoing a process of 'deindustrialisation' as the SNP and Labour obstruct new oil and gas developments. This framing positions Farage as a defender of traditional energy sectors while positioning net zero policies as an existential threat to regional economic security.

Reform UK claims to be gaining momentum in Scottish political discourse, with recent polls indicating the party is closing in on Labour's support. In a competitive landscape where the SNP currently leads with 33%, Reform is now suggested to have around 18%, closely tailing Labour at 19%. Such dynamics could unleash profound implications for the future of party politics in Scotland, as traditional alignments appear to be shifting. Nonetheless, both Keir Starmer and Scottish First Minister John Swinney have raised alarms about Farage's influence, warning that his approach is antithetical to Scottish values and could destabilise the current economic framework.

During his press engagements, Farage faced protests from local activists who vehemently disagreed with his views. He asserted that the protests were exacerbated by inflammatory rhetoric from figures like John Swinney, who accused him of fostering division and racism. Yet Farage appears undeterred, suggesting that this backlash indicates he is striking a chord with the public discourse, at least amongst his supporters.

Additionally, Reform UK’s recent strategy appears to lean leftward on several socio-economic issues in a bid to attract working-class voters. Farage has articulated plans to abolish the two-child benefit cap and introduce tax incentives for married couples, aiming to appeal to demographics that feel neglected by the mainstream parties. This pivot could confuse voters who align with traditional Conservative values but are drawn to Farage’s vocal opposition to established party norms.

Although the implications of Farage's proposals may seem far-reaching, the immediate focus remains on their potential effects on public services and the political landscape ahead of the crucial by-election. Scottish Labour leader Anas Sarwar has labelled Farage a "dangerous clown," arguing that his proposals risk further destabilising an already precarious public sector. As political observers monitor the unfolding scenario, it remains to be seen whether Farage's campaign will galvanise a significant shift in Scotland's political fabric or whether it will merely fizzle out amidst widespread dissent.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/news/article-14773683/Warning-Scots-pay-Farages-reckless-plans-scrap-Union-dividend.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.telegraph.co.uk/politics/2021/04/27/scots-benefit-union-dividend-2500-per-person/)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/news/article-14773683/Warning-Scots-pay-Farages-reckless-plans-scrap-Union-dividend.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[6]](https://en.wikipedia.org/wiki/Barnett_formula), [[2]](https://www.ft.com/content/3fb7d836-e2ef-41f1-90a7-a4f1262a7837)
* Paragraph 3 – [[2]](https://www.ft.com/content/3fb7d836-e2ef-41f1-90a7-a4f1262a7837), [[4]](https://www.theguardian.com/politics/2014/sep/12/nigel-farage-ukip-english-ignored-scottish-referendum), [[3]](https://www.ft.com/content/34674714-c083-44f9-ad3c-a75c038c911b)
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* Paragraph 7 – [[1]](https://www.dailymail.co.uk/news/article-14773683/Warning-Scots-pay-Farages-reckless-plans-scrap-Union-dividend.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.ft.com/content/3fb7d836-e2ef-41f1-90a7-a4f1262a7837)

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## Bibliography

1. <https://www.dailymail.co.uk/news/article-14773683/Warning-Scots-pay-Farages-reckless-plans-scrap-Union-dividend.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.ft.com/content/3fb7d836-e2ef-41f1-90a7-a4f1262a7837> - Nigel Farage has launched a campaign in Scotland ahead of the Hamilton, Larkhall, and Stonehouse by-election, positioning Reform UK as a new force in Scottish politics. Centering his message on opposition to net zero policies, Farage equated the debates around environmental regulations to 'the next Brexit,' emphasising support for expanding oil and gas production in the North Sea. Farage's slogan, 'Drill, Scotland, Drill,' signals a strong stance against green energy, attracting both supporters and protesters. With recent defections from the Conservatives and Labour to Reform, Farage predicts a political shake-up, claiming Reform could overtake Labour and eventually challenge the SNP. A Norstat poll puts the SNP at 33%, with Labour at 19% and Reform closely behind at 18%. The increasing support for Scottish independence, especially if Farage became prime minister, adds to political tensions. Both PM Keir Starmer and Scottish First Minister John Swinney have criticised Farage’s influence, warning voters of potential threats to Scottish values and economic stability. Despite limited past success in Scotland, Reform UK’s rise is disrupting traditional party alignments.
3. <https://www.ft.com/content/34674714-c083-44f9-ad3c-a75c038c911b> - Reform UK leader Nigel Farage has vowed to scrap the two-child benefit cap and introduce tax incentives for married couples in a bid to appeal to working-class voters. In a central London speech, Farage criticised the Conservative government for losing touch with common people and highlighted Reform UK's recent electoral successes, including gaining multiple council seats and a parliamentary seat. Pivoting leftward on economic issues, Farage advocated for policies such as the nationalisation of British Steel and key utilities, support for unions, and increased social welfare benefits. He also pledged to reinstate winter fuel payments for all pensioners and argued for a transferable tax allowance of up to £5,000 for married couples. Additionally, Farage proposed raising the income tax-free threshold from £12,500 to £20,000, which could cost £40bn annually. To fund these initiatives, he suggested cutting spending on quangos by 5%, and eliminating £45bn in net zero and £7bn in DEI-related spending, along with shutting down housing for asylum seekers to save £4bn annually. His platform directly challenges Labour and Conservative policies, prompting Labour leader Sir Keir Starmer to reconsider positions on welfare and pension payments.
4. <https://www.theguardian.com/politics/2014/sep/12/nigel-farage-ukip-english-ignored-scottish-referendum> - Nigel Farage, leader of UKIP, has called for a federal United Kingdom and a new constitutional settlement, expressing concerns that the current system does not adequately address the interests of the English population. He highlighted the 'West Lothian Question,' where Scottish MPs can vote on English-only matters, and advocated for a UK constitutional convention to resolve these issues. Farage's comments underscore the ongoing debate over the distribution of powers within the UK and the need for constitutional reform to ensure fairness across all nations.
5. <https://www.telegraph.co.uk/politics/2021/04/27/scots-benefit-union-dividend-2500-per-person/> - Research by the Institute for Government (IfG) has found that in 2018/19, Scotland benefited from a 'union dividend' of more than £2,500 per person, nearly 30 times higher than the average for English residents. The study revealed that Scotland ran a deficit of over seven per cent, while England's deficit was just 0.3 per cent. Each person in England received £91 more in public spending than they paid in taxes, whereas in Scotland, the figure was £2,543. The IfG called on advocates of Scottish independence to address the reality of the gap between taxes raised and public spending.
6. <https://en.wikipedia.org/wiki/Barnett_formula> - The Barnett formula is a mechanism used by the UK Treasury to adjust public expenditure allocations to Northern Ireland, Scotland, and Wales, reflecting changes in spending levels in England. Established in 1978, it applies to a significant portion of the devolved administrations' budgets. The formula has been subject to criticism for not accounting for different needs or costs in various areas and for not applying to divisions of expenditure within England. Despite its widespread recognition as controversial, there is no consensus on how to change it.
7. <https://www.theguardian.com/politics/2009/jul/17/peers-barnett-formula> - A House of Lords committee has recommended scrapping the Barnett formula, which sets public spending in Scotland, Wales, and Northern Ireland, and replacing it with a system based on need. The committee noted that Scotland and England now have 'markedly lower' overall needs than Wales and Northern Ireland, suggesting that a new system should reflect these disparities. The recommendation has been welcomed by some, including Adam Price of Plaid Cymru, who felt 'vindicated' by the report.