

Professor David Heald, of Glasgow University's Adam Smith Business School, believes that Scotland is likely to need higher taxes if its current level of public spending is to be maintained following Brexit. His assessment considers both revenue and expenditure.

If life outside the EU adversely affects the overall UK economy, the Barnett formula will drive a reduction in Scotland's Block Grant. In addition, any relative deterioration in the Scottish economy will reduce the amount of tax raised directly.

On the spending side, an aging population will be one driver of increasing demand for expensive services. Professor Heald said, "the UK as a whole has a problem of wanting Scandinavian public services at US taxation levels", so the hard, political choice is between higher taxes or reduced services.

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