

Kymin

**SCOTTISH INDEPENDENCE RESULTS:
UPDATE**



The Scottish Referendum: The Results and its Implications

It was a once-in-a-lifetime chance for independence.

It was a leap in the dark that would end 300 years of union and cooperation.

Younger voters would overwhelmingly vote Yes.

Women voters were swinging back to No.

The Twitter trends map showed a clear majority for #YesScotland.

The bookmakers were convinced it would be a No.

The arguments went on up to and throughout polling day – but in the end, the result was decisive.

At 6:08am on Friday 19th September, the result in Fife was declared and Scotland had voted No. It would remain a part of the United Kingdom.

Despite the opinion polls predicting a close fight – and the occasional one having the Yes campaign in the lead – the Better Together campaign polled just over 2m votes against 1.6m for Yes. In percentage terms, 55.3% against 44.7% - with only 4 of 32 council regions voting in favour of independence. As Professor John Curtice of Strathclyde University put it on the BBC, “The No vote has won comfortably and rather more comfortably than the opinion polls were suggesting.”

So What Happens Now?

Politicians and commentators will argue long and hard about what caused such a decisive majority: in the end it seemed that the Scottish people were simply not prepared to take the risk of independence. So is that really an end to the matter? Will we wake up on Monday morning – after the winners have spent a weekend celebrating and the losers have drowned their sorrows – with the UK unchanged? Will it be ‘business as usual’ as though the referendum campaign never happened? We’re fairly sure that the answer to that question is also ‘no’: in many ways a victory for the No campaign throws up as many questions as a victory for Yes would have done. To paraphrase the Chinese curse, we are about to live in interesting times.

As soon as the result was confirmed, prominent politicians across the political spectrum were agreeing that, “if you voted No you were not voting for things to stay the same.” That appears to be true. In the final weeks of the campaign, Messrs Darling, Brown and Cameron seemed happy to wander around Scotland signing blank cheque promises for wide ranging devolution.

The problem is that change has to be delivered and it has to be paid for. Whether Tory MPs and their English electorate will be so willing to honour the promises made in the final days of the campaign is very doubtful. Put simply, English MPs will not win any votes by promising that their constituents will fund Gordon Brown’s “robust delivery” to Scotland.

Rail Minister, Claire Perry, was the highest-profile Tory to go public, leading calls to scrap the £1,500 a year subsidy every Scot receives under the Barnett Formula. She declared, "Cool, calm analysis, not promises of financial party bags to appease Mr Salmond are what is needed from tomorrow. [A No vote must not result in] a raft of goodies that will be paid for by us south of the border to try and appease the Yes voters."

Perhaps not a well-planned career move by Ms Perry, but a very accurate reflection of how a great many English voters and their representatives will be feeling. David Cameron – aided and abetted by William Hague – was quick to try and assuage these feelings, promising that English issues would in future be decided solely by English MPs. The coming squabble over reform of the constitution will only intensify as the next General Election approaches.

Business reaction to the result

Before the referendum there were dire warnings: a Yes vote would see any number of major employers leaving Scotland and would almost certainly lead to higher prices in the country. As you might expect, both the pound and the stock market rallied as a No vote became more and more likely and at the time of writing (on Friday morning), the FTSE is up 55 points and Sterling has hit a two year high against the Euro.

Will this euphoria last? Our suspicion is that it may not as the implications of the constitutional battles that lie ahead begin to sink in, but this clear result will certainly go some way to settling the financial markets after months of uncertainty. There was an interesting article in the Telegraph a few days before the vote, when respected fund manager, Neil Woodford, wrote that, "Yes or no, the Scottish vote has changed everything. As far as the economy is concerned," he commented, "this creates a new dynamic of complexity and uncertainty. Inevitably this uncertainty will have a dampening effect on consumer sentiment, business confidence and investment intentions."

The Long Term

In the short term then, we don't need to worry about border controls, whether or not Scotland can keep the pound or whether Berwick Rangers can continue to play in the Scottish Football League.

We do, though, need to worry about the politics. Alex Salmond's concession speech was widely praised as 'gracious' but it included a telling three words: "Scotland," he said, "has, by a majority, decided not at this stage to become an independent country." If the UK Government fails to deliver on its 11th hour pledge of 'Devo-max' – which has never been accurately defined – then "at this stage" may be back on the agenda rather quickly.

For now, that is our take on the Scottish Referendum. The votes have been cast and Scotland will remain a part of the United Kingdom. But it will be a United Kingdom whose constitution, voting arrangements and governance look rather different. There's going to a lot of making-it-up-as-we-go-along and a lot of political infighting as successive Governments try to balance Scotland's demands with middle England's willingness to pay. The future will certainly be interesting: it will also be unpredictable.

Rest assured that we will do our best to mitigate this by keeping in regular contact with you and – as always – being available to answer any questions that you might have.



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