

Scottish Budget: 2024-25

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Foreword

by the Deputy First Minister



Budgets are about choices. They are a distillation of what defines a government, a demonstration in pounds and pence of its priorities and its values.

At the heart of this budget is the social contract between the Scottish Government and the people of Scotland. A contract that ensures a progressive mix of universal and targeted entitlements. From free prescriptions to free access to higher education and the Scottish Child Payment.

A social contract where the tax contribution is based on the ability to pay, and strong public services are understood as enabling a strong society and a growing economy. An approach that sets Scotland apart from the rest of the UK – a beacon for progressive policies amid the thickening fog of Westminster austerity.

This is a budget which leaves no stone unturned as we prioritise what really matters. Supporting people through the cost of living crisis, investing in our frontline public services, and tackling the climate emergency head on.

But it does so in a context of a fiscal settlement from the UK Government that undermines the viability of public services across the whole of the UK. Of the funding provided at the Chancellor's Autumn Statement in November, only £10.8 million was generated for Scotland as a result of the UK Government's spending decision on Health for the coming financial year, the equivalent of around five hours of capacity for NHS Scotland.

Under his own fiscal rules, the Chancellor had the opportunity to invest £27 billion in core public services and critical national infrastructure. Instead, the UK Government has chosen to double down on its failed policy of austerity, prioritising tax cuts for the wealthy in advance of the coming General Election – putting party interest before the national interest. Our Barnett funding, which is tied to UK Government spending decisions, has fallen by 1.2 per cent in real terms since 2022-23.

Since 2017-18 our distinct approach to Income Tax rates and bands as compared with elsewhere in the UK means Scotland will have around £1.5 billion of additional revenue in this Budget. That is why we will continue to push for the devolution of greater tax and borrowing powers to help us better protect the people of Scotland and its public services from the chaos of dysfunctional UK governments. This can only ever be a sticking plaster.

Devolution can serve as a shield that only partially helps to mitigate against Westminster austerity, it is only with independence that Scotland can chart its own course to grow a wellbeing economy to help its people in the way that serves them best.

We have been compelled to take painful and difficult decisions in order to prioritise funding in the areas which have the greatest impact on the quality of life for the people of Scotland. We make no apology for deploying the levers available to us to deliver on our values – protecting people and optimising services.

In setting this budget the Scottish Government has adopted a values-based approach focused on our three missions.

- **Equality** – Tackling poverty and protecting people from harm
- **Opportunity** – Building a fair, sustainable and growing economy
- **Community** – Delivering efficient and effective public services

We recognise that we cannot address the challenges before us by continuing to deliver public services in traditional ways.

This is a budget that is building on the twin approach of delivering investment and driving the reform of our public services. We are responding to these challenges positively and proactively to deliver an ambitious ten-year programme of public service reform. This is how we will ensure that our public services remain fiscally sustainable, improve outcomes and support the people and communities who need them most.

As the cost of living crisis and further Westminster austerity continue to impact families across Scotland, the Scottish Government has choices about how to use our devolved tax powers to generate additional funding, whilst building the progressive approach to tax we are proud of.

Combining changes to the tax and social security systems together, 58 per cent of households are better off under the Scottish system than in the rest of the UK, with the majority of these in the bottom half of the income distribution.

The Scottish tax policy decisions taken in this Budget, including both Income Tax policy changes and the freeze in Council Tax, provide a net benefit to around 60 per cent of Scottish households.

This is a Budget which binds the Government and the people of Scotland into a social contract that delivers for our nation and builds on the strong foundations provided by our partnership with the Scottish Green Party and the progressive policy programme set out in the Bute House Agreement.

Through this Budget we will be:

- Giving our NHS the protection of an uplift above real terms in the face of UK Government austerity by investing over half a billion in our frontline boards – taking total investment to £13.2 billion in the year ahead.
- Delivering our national mission to tackle inequality by committing £6.3 billion in social security benefits and payments, just over £1 billion more than in 2023-24 – enabling disabled people to live full and independent lives, supporting older people to heat their homes in winter, and helping low-income families with their living costs. This includes increasing the Scottish Child payment in line with inflation to £26.70 a week, giving more support to over 323,000 under 16s who receive it.

- Investing £1.55 billion in policing, increasing the Scottish Police Authority resource budget by 5.6 per cent – providing an additional £75.7 million to support frontline service delivery. We will also support Scottish Fire and Rescue Service (SFRS) deliver with a resource uplift of £13.6 million and increasing capital investment by £10.3 million to £43 million.
- Maintaining our commitment to invest £1 billion over the course of this parliament to tackle the poverty-related attainment gap, with £200 million to be distributed in 2024-25 – providing vital long-term targeted investment to improve outcomes for children and young people and help break the cycle of poverty.
- Funding the £12 per hour real Living Wage for adult and children’s social care and early learning and childcare workers in the private, voluntary and independent sectors who deliver funded provision.
- Helping households through the cost of living crisis by making available an additional £144 million of funding to councils who agree to fully fund a council tax freeze in 2024-25 (equivalent to a five per cent increase). Combined with the other support being provided to local government this will increase their overall funding by six per cent since the last budget.
- Helping more people install clean heating systems and make their home more energy efficient by investing £358 million in the coming year – tackling emissions and supporting the creation of jobs.
- Supporting the green economy and future jobs by investing £66.9 million to kickstart our commitment of up to £500 million to anchor a new offshore wind supply chain in Scotland.
- Ensuring people have access to viable alternatives to car use by spending nearly £2.5 billion on public transport and lifting active travel funding to £220 million in the year ahead.
- Commencing work on dualling the Tomatin to Moy section of the A9 and investing in the next phases of the A9 dualling programme.

We will always be open and honest with the public about the choices that we have made. We have faced calls to replicate Non-Domestic Rates Retail, Hospitality and Leisure relief available to businesses in England. While we are sympathetic to these calls, replicating this temporary relief would have meant that we could not provide our NHS, schools, or emergency services with the funding that they require. We also could not have continued to ensure that over 95 per cent of non-domestic properties remain liable for the lowest non-domestic rate in the UK, or provided a package of relief worth £685 million, including the most generous Small Business Bonus Scheme in the UK, therefore maintaining a competitive non-domestic rates system in Scotland.

In recent times it has been necessary for our public sector to adapt to respond to the Brexit crisis, the conflict in Ukraine, tackling the climate crisis, delivering new powers in Social Security and the ongoing response to the COVID-19 pandemic. In addition to reforming the way in which public bodies deliver services we will also need to consider our future workforce plans to ensure public services are sustainable in the long term.

We have always said that to truly transform our economy, society, and public services, and to reap the benefits of Scotland's resources for current and future generations, we need the full powers of independence and to retake our place in the European Union. The UK Autumn Statement is simply the latest example of why Scotland must walk a different path.

Despite these barriers this is a budget which stays true to our progressive values and what it means to call Scotland home – protecting the vulnerable, investing in services, growing our economy, and tackling the climate emergency.

Shona Robison MSP,
Deputy First Minister and Cabinet Secretary for Finance

Chapter 1

Equality, Opportunity, Community

Our Strategic Budget Priorities

Introduction

Public finances continue to face significant challenges. At the global level, the impacts of inflation, the war in Ukraine, and the after-effects of the pandemic combine to create an extremely turbulent economic and fiscal operating environment.

At the UK level, the combined effects of decades of stagnation and low growth, the effects of Brexit, and the economic policies of the UK Government mean that we are uniquely vulnerable to these international shocks.

Recent research by the [Resolution Foundation](#) has set this out in stark terms, finding that the UK has the highest income inequality of any major European economy. Real wages grew by 33 per cent a decade from 1970 to 2007, but have flatlined since, costing the average worker £10,700 per year in lost wage growth – the UK is now defined by the ‘toxic combination of low growth and high inequality’.

This is all the more concerning when we look at neighbouring countries in Europe which are similar to Scotland. Belgium, Denmark, Finland, Iceland, Ireland, the Netherlands, Norway, Sweden and Switzerland outperform the UK in critical areas. They are wealthier, income inequality is lower, productivity is higher, and fewer children live in poverty.

The reality is that the amount Scotland has available to spend is still largely driven by the block grant set by successive UK Governments whose constraint of public expenditure prolongs the austerity felt by public services. As the Institute for Fiscal Studies has noted, the tax cuts announced by the Chancellor in November will be paid for by real terms cuts in public service spending. The Autumn Statement and this latest funding settlement fall far short of what is required.

Scotland and the rest of the UK required more money for infrastructure, public services and fair pay deals. The UK Government did not deliver for Scotland, resulting in a real-terms reduction in the total block grant.

Where Scotland can choose a different path, we have done so. The Scottish Fiscal Commission estimate that the different course and decisions we have made on Income Tax since 2017-18, including decisions made for this Budget, will add around £1.5 billion of revenue in 2024-25, compared to implementing the rates and bands in place elsewhere in the UK. The Scottish Fiscal Commission’s report highlights that Scottish Income Tax receipts have outperformed expectations, and they are forecasting Income Tax to make a record contribution to Scottish Government funding in 2024-25, with tax receipts forecast to increase by £1.5 billion over the past year driven primarily by strong wage growth.

We pride ourselves on our progressive Income Tax system which asks those who are best able to contribute to pay more, and so support the enhanced social contract in Scotland.

As the cost of living crisis has continued to impact families across Scotland and the impact of further UK Government austerity bites, the Scottish Government will be introducing a new Income Tax band from April 2024 for those earning over £75,000 and adding 1p to the Top rate. Together this is forecast to raise an additional £82 million in 2024-25. In addition, the Scottish Government estimate that maintaining the Higher rate threshold in 2024-25 will add an additional £307 million to the Income Tax forecast, relative to it increasing in line with CPI inflation, due to wage growth. These decisions are focused on those earning the most in Scotland and maintaining our progressive approach to tax, with the majority of taxpayers in Scotland continuing to pay less tax than they would in other parts of the UK.

This ensures that the people of Scotland can enjoy a range of support not available elsewhere in these islands – from a baby box containing the essential items parents will need in the first six months through to free prescriptions and free access to higher education.

Social Security Scotland now administers 14 benefits – 7 of which are completely new and unique within the UK, such as the Scottish Child Payment which underpins our fight against inequality, lifting an estimated 50,000 children out of relative poverty in 2023-24.

Our continued investment of nearly £1 billion per year in early learning and childcare (ELC) is helping to ensure every child and young person has the opportunity to fulfil their potential.

Our economy performs better than most parts of the UK on various measures. Unemployment is lower and average earnings are growing faster than the UK. The historic productivity gap between Scotland and the rest of the UK has narrowed, and we are home to world class sectors like financial services, space, energy and life sciences.

We are continuing to take forward our National Strategy for Economic Transformation, which contains bold and ambitious actions to deliver a wellbeing economy that is fair, green and growing. Similarly, our New Deal for Business is creating an environment that helps businesses thrive through a more proportionate approach to regulation and by working in partnership.

We are committed to seizing the economic opportunities from net zero transition and will set out our plans in a Green Industrial Strategy in the summer of 2024. Our strategic investment in offshore wind will catalyse private investment in the infrastructure and manufacturing facilities critical to the growth of the sector. It supports market certainty and helps to create a highly productive, competitive economy – providing thousands of new jobs, embedding innovation and boosting skills.

We remain committed to putting our climate ambition into action, investing in decarbonising our most polluting sectors and helping people in Scotland reduce their emissions. For example, our investment in energy efficiency and heating makes homes easier and greener to heat. We are also providing viable alternatives to car use by investing nearly £2.5 billion in public transport, including free bus travel for under-22s and older and disabled people, while continuing to increase our investment in active travel.

We have continued to support public services and delivered fair pay deals for our public sector workers. Scotland's nurses, police officers, and other many other public sector workers are the best paid in the UK. This would not be possible without our Trade Union partners, who have worked collaboratively with this Government to minimise the impact of industrial action and disruption to our public services. We have been proud to support pay deals for public sector workers that reflects the vital jobs that they do.

However, expenditure on public sector pay increases in the past two years is now greater than the growth in our resource Block Grant funding from the UK government. As a result of the ongoing fiscal challenges and uncertainty over UK Government funding and inflation levels the next phase of this work will focus on working with our Trade Union partners to deliver reforms to put our public sector workforce on a sustainable footing. We intend to set out the pay metrics for 2024-25 following the Spring UK Budget.

Responsible finances

In responding to these economic and fiscal challenges we will continue to be guided by the three missions set by the First Minister.

We have taken decisive steps to ensure our public finances remain on a sustainable trajectory, prioritising our spending to support our key missions. We are also a Government committed to being open with the people of Scotland and we will leave no stone unturned as we support essential services, which has required us to take often painful decisions.

We are publishing single-year spending plans for 2024-25 only in this Budget. While we recognise the merit of multi-year budgets, the nature of the Autumn Statement and the Office for Budget Responsibility's forecasts make future prospects more volatile and it could be misleading to plan too far ahead across the board. We will revisit the multi-year outlook in our next Medium-Term Financial Strategy, due for publication in May 2024. Often in-year budget management across Whitehall Departments generate consequential changes in our allocation towards the year-end. The Scottish Government's allocation can go down as well as up, and switches can take place between resource and capital funding which sometimes makes projecting the funding for the year much less predictable.

In the spring the UK Government has an opportunity to change course. An opportunity to invest in public services, reverse their real terms cut to NHS England, and fund the renewal of infrastructure. These steps would give much needed certainty for services and the people who rely on them, and would allow the Scottish Government to plan more clearly for the medium term.

Our budget decisions mark progress on the reform and efficiency measures set out in our Resource and Capital Spending Reviews, and are guided by our Medium-Term Financial Strategy (MTFS), and the pillars that underpin our approach to managing the public finances. In the MTFS the Government committed to focusing public spending on the Government's three missions and within this, to taking tough choices and targeting, with necessary reform undertaken.

The decisions we have taken in this Budget are:

- **values-based.** In setting this Budget we have chosen to prioritise delivering on our equality, opportunity and community missions and investing in our public services, and protecting people, as far as we can, from the harm of the UK Government's cost of living crisis. This will mean taking a relentless approach to ensuring that spending represents value for money to the taxpayer and delivers maximum impact.
- **targeted.** In certain areas in the forthcoming financial year a more targeted approach to the implementation of new policies will ensure the maximum possible value for money. This includes supporting the expansion of free school meals to Primary 6 and 7 pupils to support families in receipt of the Scottish Child Payment first and investing in targeted device and connectivity provision for our most disadvantaged households with children.
- **reform-focused.** Our public sector has expanded as it has dealt with the Brexit crisis, new powers in Social Security and the ongoing response to the COVID-19 pandemic. It is imperative that we reform our public services to ensure they remain fiscally sustainable, outcomes improve and they support the people and communities who need them most - underpinned by our continued commitment to a policy of no compulsory redundancies. We will address the issues raised in Audit Scotland's report on 'The Scottish Government's workforce challenges'. The public sector workforce is vital for the delivery of a range of services across the country, often in challenging circumstances. Their importance is reflected by the paybill for these staff now exceeding £25 billion annually. Our work on efficiency levers will include a review of grant models in operation, guided by our commitments to Fairer Funding for the Third Sector.

Reform of our public services was central to the strategy we set out in the Resource Spending Review (RSR) in May 2022. We will continue to implement the priority actions identified across the four RSR workstreams in our latest Medium-Term Financial Strategy: public bodies and public service reform; efficiency levers across digital, estates, procurement shared services and grant management; revenue raising; and pay sustainability.

All parts of the public sector need to respond to the challenges brought about by the fiscal climate and drive forward reform plans that correspond to these workstreams.

These principles inform our investment decisions in 2024-25 as the Scottish Government allocates its £47.4 billion resource budget.

Our £6.25 billion capital budget will continue to be invested across a range of high-priority areas to help maintain high-quality public services and achieve a just transition to a net zero economy. Delivering on our medium-term capital ambitions will not be easy. The UK Government has persistently chosen to underinvest in infrastructure. SFC analysis shows that by 2028-29 our total capital funding is set to fall by 20 per cent in real terms in comparison to 2023-24. We lose a fifth of our spending power. This is a bigger cut than we were modelling at the time of our Infrastructure Investment Plan in 2021 and also when we reset the Capital Spending Review in May 2022, and means that it will take longer to deliver all our planned capital projects and programmes – unless the UK Government changes course and increases its investment in capital programmes.

We are therefore utilising the increased capital borrowing limits secured through the Fiscal Framework Review to support the 2024-25 Budget. Looking ahead the Scottish Government will consider access to alternative sources of capital borrowing. Diversification through bond issuances may provide options for infrastructure financing to be structured more effectively, subject to the necessary due diligence.

[Additional supporting material](#) informing this Budget is available online.

Equalities

Equality is about ensuring everyone has equal status, rights and opportunity. It is also the belief that no one should have fewer or poorer chances in life due to:

- protected characteristics; or
- the resources they or their family have.

We know in Scotland this is not always the case and we want to use the money allocated in the Budget to address inequality. Published alongside the Budget, the Equality and Fairer Scotland Budget Statement looks at the impact the Scottish Budget will have on people in Scotland. It provides a detailed assessment from each portfolio, of the equality and socioeconomic issues and how the Budget tackles them. It also summarises that information by characteristic.

This year we have also highlighted a number of case studies where we set out in detail how equality, fairness and human rights have featured as part of the budget process, using six key questions developed in collaboration with the Equality and Human Rights Budget Advisory Group.

Alongside the Budget, the Scottish Government has published a [distributional analysis](#) of the impact that tax and social security measures included in the 2024-25 Scottish Budget had on households of different income levels and characteristics. This shows the Scottish tax and social security system to be progressive, more so than the system in the rest of the UK.

A values-based approach – delivering Equality, Opportunity, Community

Equality: tackling poverty and protecting people from harm

Our anti-poverty strategy

Ensuring that the Scottish Government tackles poverty and protect people from harm is even more important given the impact of over a decade of UK Government austerity. One child or household in poverty is one too many in Scotland today. Whilst we know that there is still much more to do this is a Budget which pulls as many levers as it can to prioritise support for low-income households across Scotland's communities – centred around a cash-first approach. As we have been clear, it is only with the full powers of government that we can reduce poverty in our society and truly deliver equality.

Despite the tough choices we have had to make we have sustained, through Scotland's Social Security system, our values as a Government delivering dignity, fairness and respect. Whilst the majority of social security spend remains reserved to the UK Government we are limited in the support that we can offer.

This is a values-based budget and as such we are investing just over £1 billion more than the level of funding we are forecast to receive from the UK Government through block grant adjustments for devolved benefits in this budget year alone. We are uprating all Scottish benefits by 6.7 per cent in line with CPI inflation at September 2023. This includes uprating the Scottish Child Payment with inflation, increasing the weekly payment to £26.70 from April 2024, which will benefit over 323,000 under-16s.

Scottish Government modelling suggests that the Scottish Child Payment will reduce the relative child poverty rate by around five percentage points in 2023-24, lifting around 50,000 children out of poverty. We are also ensuring that Social Security Scotland is resourced to deliver the benefits due to be devolved in 2024-25.

Finally, our fully funded council tax freeze will keep much needed money in the pockets of struggling families as we know there are few households not feeling the impact of the cost of living crisis. Taking the council tax freeze and our Income Tax policy together, around 79 per cent of Scottish households will pay no more tax as a result.

In this Budget we will:

- commit £6.3 billion in social security benefits and payments, just over £1 billion more than in 2023-24 – delivering our national mission to tackle inequality, enabling disabled people to live full and independent lives, supporting older people to heat their homes in winter, and helping low-income families with their living costs, in total, supporting over 1.2 million people.
- maintain our commitment to invest £1 billion over the course of this parliament to tackle the poverty-related attainment gap, with £200 million to be distributed in 2024-25 – providing long-term targeted investment to improve outcomes for children and young people and help break the cycle of poverty.

- continue to deliver free school meals for all children in Primary 1 – 5 and special schools; invest £43 million of capital funding in estate upgrades to support anti child poverty measures, including funding towards the roll out of Free School Meals for P6 and P7 children in receipt of the Scottish Child Payment from February 2025.
- fund Local Authorities with £1.5 million to cancel school meal debt, with the expectation that all Local Authorities follow the COSLA guidance on school meal debt thereafter.
- invest £10 million capital in targeted device and connectivity provision for our most disadvantaged households with children, bringing a range of benefits for families struggling with the cost of living crisis while also tackling digital exclusion amongst our most deprived learners.
- deliver an inflationary increase to the school clothing grant.
- expand the innovative childminder recruitment and retention pilots to grow this essential part of the workforce by 1,000 more by 2026-27.
- keep The Promise to Scotland’s care-experienced children and young people, continuing to delivery of the Whole Family Wellbeing programme – providing £50 million in investment in holistic family support across Children’s Services Planning Partnerships and working with The Promise Scotland, other partners and potential investors to identify options for investment and disinvestment that support better outcomes.
- invest up to £90 million in devolved employability services in 2024-25 with a commitment to future multi-year funding to provide much needed certainty to the sector and for the people accessing our services, with services targeted at supporting those facing structural barriers to entering employment – including parents, disabled people, those with long term health conditions and ethnic minorities.
- invest £556 million in the Affordable Housing Supply Programme, enabling affordable housing providers to deliver homes for social rent, mid-market rent, and low-cost home ownership in communities across Scotland, and invest over £90 million in Discretionary Housing Payments.
- invest £35 million in specific action to end homelessness and reduce the number of households living in temporary accommodation, in addition to homelessness funding provided through the local government settlement.

Opportunity: Building a fair, green and growing economy

Tackling the climate emergency head on

The twin crises of climate change and biodiversity loss represent the existential threat of our times. We are already witnessing the devastating impacts across the world, often disproportionately affecting the poorest and those who have contributed the least to causing them.

We must reduce our emissions to limit these future impacts, deal with the consequences of global climate change here and now and restore our natural environment.

Despite the difficult financial times, this Budget supports our commitment to scale up renewable energy, restore Scotland's natural environment, expand our public transport and active travel networks, and support a step change in how we heat our homes. Not only are investments in these areas vital to our net zero transition, but they will support doing this in a just and equitable way, unlocking other benefits for business and society – like supporting the creation of new jobs and industries, and improving health outcomes through warmer homes.

We cannot achieve net zero targets using public funding alone. As we made clear in our response to the recommendations of First Minister's Investor Panel, achieving our net zero targets will require public and private investment on an unprecedented scale. We are committed to acting on the Panel's recommendations to attract the scale of capital required to achieve our ambition, and to working with public and private partners to make Scotland more investor friendly. Our Green Industrial Strategy will set out our approach to working with businesses, investors and workers to realise the enormous economic opportunities of the global transition to net zero.

Alongside investing in adapting those areas in Scotland most vulnerable to the changing climate, such as our water and sewerage services, roads and railways and flood resilience, we continue to call on other nations to join us in supporting communities in the Global South who continue to pay the price for the impacts of climate change.

Sustainability remains central to this approach, working to transform future farming activity, deliver our Blue Economy Vision, Fisheries Management Strategy and Vision for Sustainable Aquaculture, and invest in peatland restoration, woodland creation and forest management.

By putting people at the heart of climate change policy, we can achieve net zero more quickly, more effectively and more fairly – but we have to go faster and we have to go further and that is precisely what this Budget does.

Delivering Growth with a purpose

Businesses are critical to creating good jobs, delivering fair wages, expanding Scotland's tax base and providing the revenue for us to tackle poverty and improve our public services.

This Budget and the New Deal for Business support delivery of our National Strategy for Economic Transformation which aims to deliver fairer, greener prosperity for all of Scotland's people and places, and to make our economy more sustainable and resilient in

the longer term. Significant progress has been made including the roll out of Techscalers, green energy funding and 44,000 connections delivered to date through the R100 broadband programme.

We will complete a full evaluation of the impact of Fair Work criteria applied to Scottish Government funding, building on our commitment to further extend Fair Work conditionality, with clear standards and minimum requirements to cover all forms of Scottish Government support. We are committed to exploring all steps that can be taken to strengthen our Fair Work agenda. This will include exploring whether there is potential, within the bounds of the current devolved settlement to prohibit the allocation of Scottish Government funding to, or procurement from, organisations with poor employment practises, such as unpaid trial shifts.

The transformational power of our culture is immense. It makes Scotland a more desirable, diverse, and dynamic place to live. It supports businesses across our economy by creating highly skilled jobs and it draws people from all of the world who want to come and experience our rich culture first hand. Continuing to harness this potential is essential if we are to deliver for the people of Scotland and achieve the Government's key objectives in this Budget. The First Minister has shown the Scottish Government's confidence in the culture sector by pledging to increase funding for arts and culture so that it is at least £100 million more in five years' time.

In this Budget we will:

- spend nearly £2.5 billion on public transport to support our bus, rail and ferry networks, ensuring there is a viable alternative to car use for those who need it and for people to make sustainable choices, including investing more than £425 million in bus services via our Network Support Grant and our under-22 and Older and Disabled Persons concessionary travel schemes.
- as part of the £2.5 billion, invest £434 million in supporting our Island communities via provision of Ferry, Port and Harbour services and investment, and £1.6 billion on rail to support the ScotRail and Caledonian Sleeper passenger rail services as well as operate, maintain, renew and enhance our rail infrastructure.
- invest £220 million in Active Travel to continue increasing our investment in walking, wheeling and cycling.
- boost investment in digital connectivity from £93 million to £140 million, delivering critical infrastructure for a green and growing economy. This includes connecting over 114,000 more homes and businesses through the R100 broadband programmes, extending the fibre backbone that will enable Scotland's businesses to grow and support our ambitions for Scotland to become a green data hosting location.
- provide £358 million to continue to accelerate energy efficiency upgrades and installation of clean heating systems.
- help protect and maintain peatlands and increase woodland creation, supported by an investment of £129 million, and continue to protect our natural environment and halt habitat and biodiversity loss through £29 million for nature restoration.

- invest £49 million to make progress in Scotland's transition to a circular economy and programmes to promote re-use of our resources and reduce consumption modernise recycling and decarbonise the disposal of waste.
- support resourcing of the planning service, recognising its importance in enabling quality development and infrastructure delivery. We will work in partnership with local authorities and the development sector to find sustainable solutions. To inform this, a consultation paper, setting out options to accelerate planning, will be published in early 2024.
- progress the next phase of the A9 dualling programme, including work on the Tomatin to Moy section to commence in 2024-25, and continue critical work on the A83 Rest and Be Thankful medium-term solution.
- invest nearly £67 million, through the Scottish Government, our enterprise agencies and the Scottish National Investment Bank, to kickstart our commitment of up to £500 million over five years to leverage private investment in ports, manufacturing and assembly work to support a thriving offshore wind supply chain and associated jobs.
- provide the Scottish National Investment Bank with £177 million so that it can continue to invest in Scottish businesses, projects and communities across all three of the missions set for it by Scottish Ministers: Net Zero, place and innovation – building on the £246 million allocated by the Scottish Government in the previous financial year.
- place entrepreneurship at the heart of our economic strategy by investing £9 million to expand our Techscaler programme, supporting Scotland's best start-ups with world-class mentoring and commercial education.
- continue to maintain our budget commitment to the long term £1.9 billion City Region and Regional Growth Deals programme by committing over £80 million this year for investment in, for example, commercial development, housing, active travel, transport and digital improvements, as well as projects to support innovation, skills and tourism. With the final two deals in Falkirk and Argyll and Bute moving into delivery in 2024 the programme is now achieving for people right across Scotland.
- maintaining a competitive non-domestic rates regime by ensuring that over 95 per cent continue to be liable for the lowest non-domestic rate in the UK and that over 100,000 properties are taken out of rates altogether.
- offer 100 per cent relief in 2024-25 for hospitality businesses located on islands – as defined by the Islands (Scotland) Act 2018 and capped at £110,000 per business.
- maintaining the Small Business Bonus Scheme – the most generous small business rates relief in the UK.
- provide the same level of support through direct payments to farmers and crofters that was available pre-Brexit and additional funding to support farmers, crofters and land managers to transition to a new future support framework, the most generous package of support in the UK – recognising the vital role agriculture plays in the rural economy, while also creating the opportunity to become more productive and sustainable.

- fund activities in Scotland’s most fragile rural, coastal, and island communities, which have a direct and critical role in supporting them to thrive, preventing depopulation by encouraging and supporting people to continue to live and work on the land and at sea – including supporting young people to stay in rural and island communities, to gain skills and employment in rural industries.
- increase funding for culture and heritage this year by £15.8 million, the first step on the route to investing at least £100 million more in arts and culture by 2028-29 – restoring £6.6m to Creative Scotland for their utilisation of reserves and providing a further £6.6 million to offset their shortfall in National Lottery funding. In addition, we are delivering a 3 per cent inflationary increase for our National Performing Companies and £0.8 million to sustain the V&A Dundee.
- subject to due diligence, consider the options for a Scottish Government bond issuance in the latter half of 2025-26.

Community: Delivering efficient and effective public services

Healthier Communities

While the UK Government have chosen to prioritise tax cuts at the expense of the NHS and Public Services, our values and therefore our choices are very different. That is why we are choosing to invest more than £19.5 billion in Health and Social Care in 2024-25, giving our NHS the protection of an uplift above real terms in the face of UK Government austerity by investing over half a billion in our frontline boards – taking total investment to £13.2 billion in the year ahead.

The Autumn Statement delivered a worst-case scenario for our National Health Service. The UK Government’s spending plans delivers a real terms cut to NHS England’s budget in 2024-25, and has not provided any funding whatsoever to meet the costs of their 2023-24 NHS pay deals. Due to the nature of the devolved settlement the UK Government’s decisions towards the Health budget in England have a direct consequence for available funding for Scotland.

The £10.8 million of health consequentials from the Autumn Statement is sufficient to operate NHS Scotland for around five hours in a year. Simply, we will not follow the UK Government approach of cutting NHS spending in real terms. The consequence of this is that we are unable to provide as much support to the business sector as we may otherwise have chosen to do, but investing Scotland’s NHS is a non-negotiable for this government.

That’s why we are delivering an increase of over £550 million to NHS frontline Boards – a 4.3 per cent uplift, taking total investment to over £13.2 billion. Against the challenging economic and financial context, we are taking the difficult and necessary decisions to ensure continued investment in health and social care services.

We are also focussing on how we deliver best for our communities with a continued awareness of the importance of prevention, and an approach designed to respond effectively and rapidly to known population health challenges.

We continue to deliver on our objectives to improve the health of Scotland's nation, providing increased investment for NHS Boards, and remain committed to maximising resources and productivity to improve waiting times, alongside a continued focus to improve population health and outcomes through investment in quality community services, vaccination and screening. We are also working towards the introduction of a National Care Service so that everyone has access to consistently high-quality social care, whenever they need it. Getting this right will remove barriers, tackle inequalities and allow people choice, easing the pressure on our NHS and continue the integration of community health and social care support.

Building a healthier nation, however, does not solely rest with health and social care services and our continued focus on reform activity, particularly prevention, must therefore be complemented by collective action across government, public agencies and the third and private sector to tackle the social determinants of health - including employment, income, housing and the environment.

Locally Empowered Communities

Partnership working, particularly with Local Government, is central to how we will deliver efficient and effective public services that meet the needs of everyone in Scotland. The Verity House Agreement, our agreement with Local Government, is helping to redefine the relationship between the Scottish Government and Local Government, setting out our shared priorities, how we will work together, and the principles which underpin our relationship.

This Budget is the next step in that process and displays our commitment to that partnership by reducing levels of ringfenced and directed expenditure by baselining almost £1 billion of funding across Health, Education, Justice, Net Zero and Social Justice, giving authority and autonomy to local partners to achieve the outcomes we share in a way that best meets the needs of local communities.

We have taken this step as a demonstration of the Scottish Government's commitment to the Verity House Agreement in advance of reaching agreement to an assurance and accountability framework. We will continue to work with local government to develop the necessary assurance and accountability arrangements to go further on this commitment and provide greater flexibility to councils in future years.

This Budget delivers record funding of almost £13.9 billion to local authorities. Through our partnership with Local Government under the Verity House Agreement, we will work with COSLA to empower Councils through a new fiscal framework which also increases discretion to determine and set fees and charges locally. In the coming year this will include joint work to agree next steps following the recently closed consultation on building warrant and verification fees, and a consultation on planning fees to launch in early 2024. We are also allocating £144 million of funding to councils, who agree, to fully fund a council tax freeze in 2024-25 - combined with the other support being provided to local government this will increase their overall funding by six per cent since the last budget.

Our fully funded council tax freeze will help struggling households as we know there are few not dealing with the impact of the cost of living crisis - and taking the council tax freeze and our Income Tax policy together, around 79 per cent of Scottish households will pay no more tax as a result.

We have also successfully passed legislation to introduce new powers enabling councils to charge up to double the full rate of council tax on second homes. Councils will be able to increase the charges from 1 April 2024 that will enable up to an extra £35 million to be raised across all Local Authorities – subject to uptake and behaviour change.

We will also explore options in respect of other fees and charges which are currently levied locally but set nationally, with a view to further empowering councils in these areas.

Educated Communities

Delivering excellence and equity in Scottish education remains a top priority for the Scottish Government. This requires strong leadership and meaningful engagement with the students, teachers, families, support staff and communities that rely on our education system. It must be delivered in collaboration with our partners – parents and carers, Local Government and the third sector – in delivering an education system that works for all of Scotland’s young people and adult learners.

We remain committed to investing £1 billion over the course of this parliament to tackle the poverty-related attainment gap. This long term targeted investment improves outcomes for children and young people and helps break the cycle of poverty. As part of this, £130 million Pupil Equity Funding will continue to empower 97 per cent of headteachers across Scotland to invest in the best approaches to improving literacy, numeracy and health and wellbeing of the children and young people in their schools.

We are taking action to support our colleges, universities and skills system with over £2.4 billion of investment, including protecting free tuition and driving forward our commitment to Widening Access. This will maintain Scotland’s reputation for world-leading research; provide opportunities for people to learn and develop their skills through further and higher education and apprenticeships; and provide vital financial support to students to support them in completing their studies in the face of significant cost of living pressures.

Safer Communities

Genuine equality and opportunity are dependent on ensuring we live in a just, safe, and resilient Scotland where everyone can reach their potential and contribute fully to society.

The Budget will deliver increased funding to frontline justice organisations, including Police Scotland and Scottish Fire and Rescue service, ensuring the safety and security of the public. The additional investment in Police Scotland will allow them to maintain Officer numbers at levels higher than when we took office in 2007, employing more Police Officers per head than other parts of the UK.

This Budget provides a stable basis from which to improve the delivery of justice public services, ensuring greater efficiency through our Blue Lights Collaboration and Digital Evidence Sharing Capability project.

It will support the justice sector to deliver person-centred and trauma -informed justice services for Victims and Witnesses and support the continuation of the Court Recovery Programme to reduce waiting times for justice.

We will continue to invest in our prisons, with increased capital investment to respond to the challenges of the inflationary environment, and in our Community Justice Services to continue our shift to use of more community sentences.

In this Budget we will:

- give our NHS the protection of an uplift above real terms in the face of UK Government austerity by investing over half a billion in our frontline boards – taking total investment to £13.2 billion in the year ahead.
- provide over £200 million additional funding in social care to raise pay to £12 per hour for adult social care workers in commissioned services from April 2024 – this means a rise of £2,000 for workers over the course of the financial year, based on a 37.5 hours week.
- reopen the Independent Living Fund to enable up to 1,000 disabled people in Scotland who face the greatest barriers to independent living to access the support they need and deserve to live independent lives.
- invest record funding of almost £13.9 billion in the Local Government Settlement and increase councils' share of the discretionary budget this year.
- make available an additional £144 million of funding to councils who agree to freeze council tax (equivalent to a five per cent increase), protecting households from the cost of living crisis.
- continue to provide £145.5 million to local authorities to maintain teachers in the system and enable councils to offer permanent contracts to our education workforce.
- maintain our commitment to invest £1 billion over the course of this parliament to tackle the poverty related attainment gap, distributing £200 million in 2024-25.
- invest over £2.4 billion in our colleges, universities and skills system.
- invest £1.55 billion in policing in 2024-25, increasing the Scottish Police Authority resource budget by 5.6 per cent – an additional £75.7 million, and providing the resources needed to support frontline service delivery – including key investment priorities including body-worn video.
- increase police core capital funding to £64.6 million, a rise of 12.5 per cent, for investment in the police asset base including its estate, technology and fleet.
- commit an additional £38.6 million to the Scottish Prison Service resource budget, an additional 10 per cent, to meet rising costs linked to the rising prison population, inflation and pay increases.
- invest in the modernisation of the prison estate, providing £167 million in capital funding, progressing much-needed replacements for HMP Inverness and HMP Barlinnie.
- support Scottish Fire and Rescue Service (SFRS) deliver with a resource uplift of £13.6 million and increasing capital investment by £10.3 million to £43 million, an uplift of 32 per cent – allowing the SFRS to address priorities around decontamination, dignified facilities and bring its estate up to modern standards.

Chapter 2

Economic and Fiscal Context

Introduction

This chapter provides an update on the latest insights on the Scottish economy¹ and a summary of the latest economic forecasts from the Scottish Fiscal Commission (SFC) and the Office for Budget Responsibility (OBR)².

Challenging economic and fiscal context

The economy has faced a succession of significant shocks in recent years, with the inflation shock arising from the war in Ukraine following on from those from Brexit and the pandemic. Collectively, they have led to a range of economic and fiscal risks which have evolved over the past couple of years as the economy has continued to recover, adjust and adapt to these persistent challenging conditions and elevated levels of uncertainty.

While the sharp rise in inflation in 2022 linked to the war in Ukraine and its impact on energy and wider commodity prices has eased over 2023, consumer prices in 2024-25 are still expected to be around twenty per cent higher than they were just three years ago. This has led to a significant fall in the purchasing power of households in recent years as wages failed to keep pace with inflation. While inflationary pressures have been widespread across both goods and services, the significance of energy within the budgets of both households and businesses has been a particularly challenging aspect of this cost crisis.

The rise in inflation also presents particular challenges to the Scottish budget. Whilst stronger inflation has led to stronger tax receipts via higher nominal earnings growth, particularly for Income Tax, due to the operation of the Fiscal Framework, unlike for the UK Government, this does not automatically result in more funding for the Scottish Budget. Instead, the vast majority of the Scottish Budget funding is still tied to the Block Grant and hence directly influenced by fiscal policy decisions by the UK Government – particularly around the level of public sector spending at a UK-wide level.

1 [Scottish economic insights: November 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot)

2 [Economic and fiscal outlook – November 2023 - Office for Budget Responsibility \(obr.uk\)](https://obr.uk)

Consequently, the Scottish Government has been fully exposed to inflationary risks on devolved expenditure but, instead of protecting our budget from inflation, the UK Government is instead focused on cutting public services to pay for UK-wide tax cuts. This means that our block grant funding from the UK Government is falling in real terms.

Economic resilience

Despite these challenges, the Scottish economy has proven more resilient in 2023 than was previously forecast. In December 2022, the economy was forecast to fall into recession, but instead it has continued to grow, albeit weakly. The labour market has been particularly resilient with employee numbers at a record high and average earnings in Scotland growing faster than the UK.

However, expectations are that economic growth will remain weak, with the SFC now forecasting growth of 0.7 per cent in 2024. The rise in interest rates is playing an increasing role in slowing economic activity as cost challenges continue to impact on household budgets and business investment decisions. This reflects a stalling in the recovery from the pandemic as the economic output has remained broadly unchanged at 0.9 per cent above its pre-pandemic level since the start of 2022.

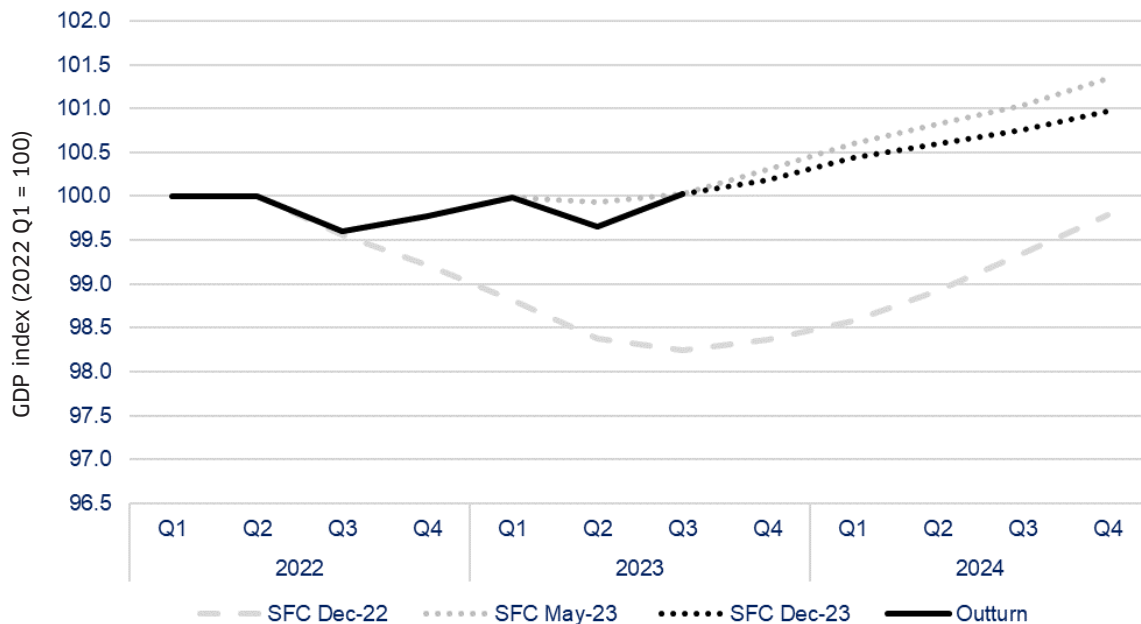
Table 2.01: Comparison of economic forecasts, December 2022 and December 2023

£ million	Unemployment Rate (%)	Nominal Average Earnings Growth (%)	Real GDP Growth (%)
SFC Dec-23	3.7	6.6	0.2
SFC Dec-22	4.3	4.1	-1.0

Source: Scottish Fiscal Commission (SFC)

While expectations are for weak growth to continue into 2024, inflationary pressures are expected to continue to ease, albeit at a more gradual pace than forecast in May. Underlying weakness in demand is expected to start feeding through to the labour market, with unemployment forecast to increase to slightly more than four per cent, although still remaining low by historical standards. Furthermore, weak global growth and international conflict add to the risks and uncertainty in the global economic outlook, although there are also upsides, particularly given the opportunities for external investment in Scotland and the performance of key export sectors.

However, we cannot escape the fact that the performance of the Scottish economy is still inherently influenced by economic and fiscal policy decisions made by the UK Government. The Scottish Government still only has a limited set of levers it can deploy to weather these economic storms.

Chart 2.01: GDP – Forecasts and outturn for Scotland

Source: Scottish Fiscal Commission (SFC); Scottish Government – GDP First Quarterly Estimate

Strong income tax performance

Despite the economic challenges, Scottish Income Tax receipts have outperformed expectations, and they are expected to make a record contribution to Scottish Government funding in 2024-25.

As we have discussed in previous Medium Term Financial Strategies, underlying Scottish Income Tax receipts underperformed relative to the rest of the UK between 2018-19 and 2020-21, in part due to a downturn in the north-east of Scotland and strong growth in receipts in financial services in the rest of the UK. However, with all regions of Scotland now seeing earnings growing faster than the UK average, Scottish Income Tax is set to grow faster than the UK's in 2024-25.

This strength in earnings growth means that almost the entire gap in performance for Income Tax is set to be closed next year. In 2022-23, the gap in Income Tax receipts caused by economic underperformance was £1 billion. It is now set to fall to £42 million in 2024-25.

This strength in Income Tax receipts means that Income Tax is contributing £1.4 billion to the net funding position in 2024-25.

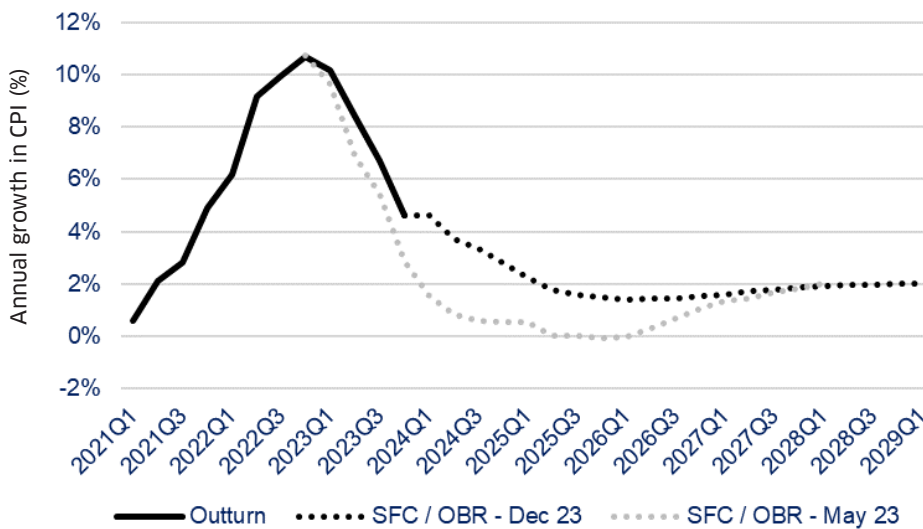
Latest economic forecasts

Inflation

While inflation has now more than halved since its recent peak – falling from 11.1 per cent in October 2022 to 4.6 per cent in October 2023 - it still remains notably higher than in recent years with the latest forecasts indicating that it will continue to remain higher for longer.

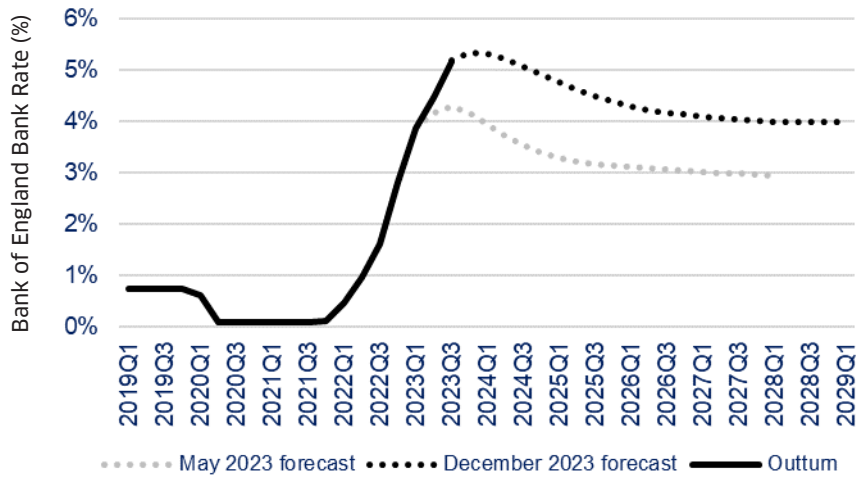
The Scottish Fiscal Commission continue to mirror the latest inflation and interest rate outlook set by the Office for Budget Responsibility alongside the UK Autumn Statement. The outlook is for inflation to be more persistent than in their previous forecasts not falling back to the Bank of England’s target rate of two per cent until 2025 – around a year and a half later than they were anticipating in May.

Chart 2.02: Outlook for inflation



Source: Scottish Fiscal Commission (SFC); Office for Budget Responsibility (OBR)

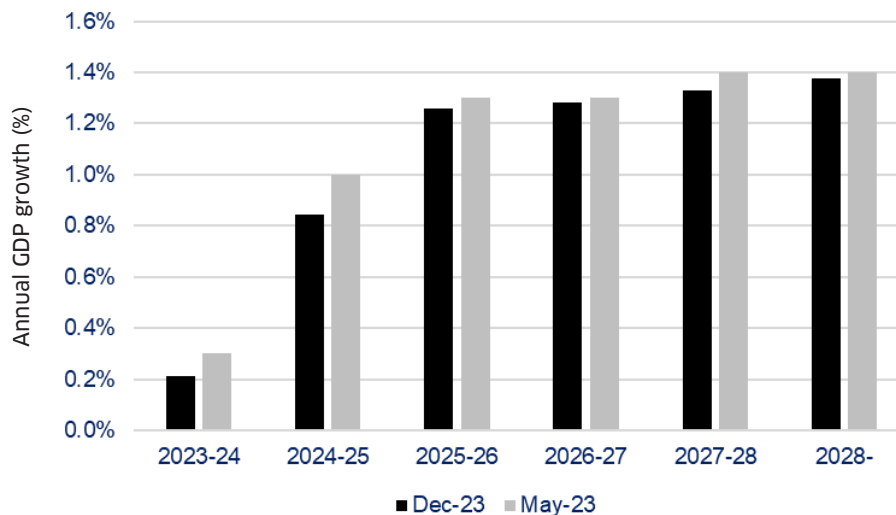
Consequently, the OBR is also expecting interest rates to remain higher for longer. In May, the OBR forecast interest rates were to fall to around three per cent by 2026 whereas now it is forecast for interest rates to settle at around four per cent and remain there.

Chart 2.03: Outlook for interest rates

Source: Scottish Fiscal Commission (SFC); Office for Budget Responsibility (OBR)

Economy

Given the outlook for higher inflation and interest rates relative to their last set of forecasts back in May, the SFC has revised down their forecasts for economic growth in the short term – although the outlook over the medium term remains largely unchanged.

Chart 2.04: Forecasts of real GDP

Source: Scottish Fiscal Commission (SFC)

The SFC are also still forecasting for growth in living standards to remain subdued in the short term, growing only 0.1 per cent in 2024-25 after a cumulative 2.7 per cent fall between 2021-22 and 2023-24 and to not return to 2021-22 levels until 2026-27.

However, the SFC expect the Scottish labour market to remain relatively resilient, with employment growing strongly in 2023-24 despite the economic headwinds and for unemployment to continue to remain near historic lows across the forecast horizon.

Table 2.02: Latest economy forecasts for Scotland

Percentage (%)	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
GDP Growth	0.2	0.8	1.3	1.3	1.3	1.4
GDP per Capita Growth	0.0	0.7	1.1	1.2	1.2	1.3
Average Earnings Growth	6.6	3.6	3.0	2.9	3.0	3.1
Growth in Living Standards*	-0.2	0.1	1.6	1.8	1.9	2.1
Employment Growth	0.5	-0.1	0.1	0.2	0.3	0.3
Unemployment Rate	3.7	4.0	4.2	4.2	4.1	4.1
Bank Rate**	5.1	5.0	4.4	4.2	4.0	4.0
Inflation Rate***	6.1	3.0	1.6	1.5	1.8	2.0

* Real Household Disposable Income (RHDI), per person (total population) (used as a measurement of living standards)

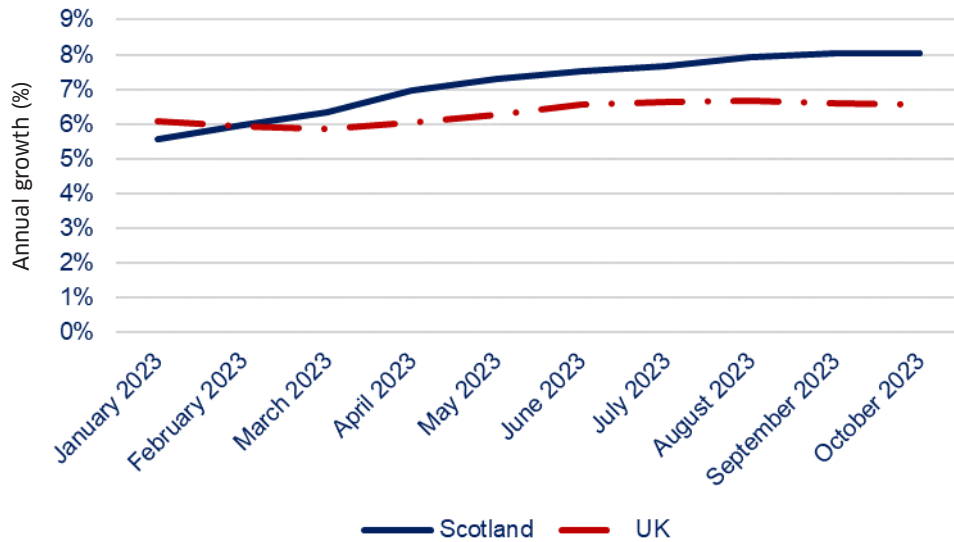
**Bank of England Interest Rate

*** Consumer Prices Index (CPI)

Source: Scottish Fiscal Commission (SFC)

Furthermore, high inflation and a resilient labour market have meant strong growth in nominal earnings, although they have only recently begun growing again in real terms.

As highlighted by the SFC, earnings in Scotland are currently growing faster than the UK average and the SFC expect Scottish earnings to outperform the UK's this year and next. Beyond 2025-26, the outlook is more uncertain.

Chart 2.05: Earnings growth in Scotland relative to the UK in 2023

Source: Office for National Statistics (ONS): Rolling Average Annual Growth Rate of Mean Pay from HMRC PAYE RTI data

Summary of the economic and fiscal outlook

Despite the scale of the economic headwinds in 2023 from the energy price shock and cost of living crisis, the Scottish economy has proven to be more resilient than forecast in December 2022.

Scotland's labour market continues to perform strongly. Scotland has recently seen faster earnings growth than the UK and lower levels of unemployment, both of which are forecast to continue over the medium term meaning our tax policies are set to contribute record amounts of funding for public services.

However, the medium-term period is still forecast to remain challenging, with relatively subdued growth in 2024 and households still facing record falls in living standards which are not forecast to recover to pre-pandemic levels until 2026-27.

Despite the relative resilience of the Scottish economy, we remain tied to a UK economic and fiscal model at a time of extraordinary inflationary pressures on public services. Whilst we continue to take decisions to protect and invest in public services, our budget is still lower in real terms than it was in 2022-23, with the UK Government prioritising tax cuts over protecting public services against inflation.

Chapter 3

Tax Policy

Context

The Autumn Statement made it clear that the UK Government is prioritising tax cuts ahead of public services, with the Institute for Fiscal Studies saying ‘the tax cuts are paid for by planned real cuts in public service spending’. As a result of decisions made by the UK Government, our total Block Grant is almost £1 billion lower in real terms for 2024-25 than the latest 2022-23 position.

In Scotland, we are deciding to make different choices.

We are choosing to use our limited set of devolved tax powers to raise additional revenue for the Scottish Budget to enhance the funding available to support our vital public services and social contract for and with the people of Scotland.

That is why we have taken targeted tax decisions, carefully balancing the needs of individuals, businesses and the wider economy, whilst ensuring we continue to build upon our progressive approach to taxation.

The latest Scottish Fiscal Commission (SFC) forecasts show a significant improvement in our economic and tax performance, driven by higher earnings growth in Scotland, with all regions of Scotland seeing earnings grow faster than the UK average in early 2023. This is positive news and Scottish Income Tax is expected to make a record contribution to Scottish Government funding in 2024-25, with Scottish Income Tax receipts forecast to increase by £1.5 billion since 2023-24.

Our approach

In May 2023, the Deputy First Minister set out the Government’s Medium Term Financial Strategy (MTFS) to achieve sustainable public finances. The strategy comprises three pillars – focusing public spending on the Government’s three missions; achieving sustainable, inclusive economic growth with focus on generating tax revenues; and maintaining and developing our strategic approach to tax.

The Deputy First Minister’s commitment to publishing our longer-term approach to tax policy alongside the MTFS in 2024, will be an opportunity to consider the role of the tax system in the wider fiscal and economic landscape, and will build on the approach to taxation set out in our Framework for Tax (December 2021)¹.

¹ <https://www.gov.scot/publications/framework-tax-2021/>

The MTFs pillar on taxation also included a commitment to wider engagement on tax policy, building on our inclusive approach to policymaking. This includes our annual pre-budget engagements with stakeholders and the wider public, which is set out in detail in [Scottish Budget 2024-25 – Attitudes to Tax: Public Engagement](#).

Income Tax

The Scottish Parliament has the power to set the Income Tax rates and bands for the non-savings, non-dividend income of Scottish taxpayers. Responsibility for the remainder of the Income Tax system, which includes all reliefs and exemptions, and setting the UK-wide Personal Allowance and associated taper rate, is reserved to the UK Parliament. Income Tax on savings and dividends income is also reserved. National Insurance is also an area that cannot be determined by the Scottish Government and is reserved.

Policy

The decisions we have made on tax, since the devolution of powers, continue to raise significant additional revenue for the Scottish Budget. On Scottish Income Tax specifically, the SFC estimate that the decisions we have made since 2017-18, including decisions made for this Budget, will add around £1.5 billion of revenue in 2024-25, compared to implementing the rates and bands applicable elsewhere in the UK.

Scottish Income Tax policy for 2024-25 will continue to build on our progressive approach to taxation, while raising additional revenue to invest in our vital public services. These decisions have been taken against a backdrop of continued high inflation and severely constrained funding settlements from the UK Government, who have chosen to prioritise tax cuts at the expense of investing in public services.

We have not taken our decisions on tax lightly and we recognise the challenging economic conditions that many people and businesses are facing. That is why we are asking those who are best able to contribute more to pay more for a purpose.

For 2024-25, the Starter and Basic rate bands will be increased by inflation to £14,876 and £26,561 respectively. The Starter, Basic, Intermediate and Higher rates will remain unchanged. The Higher rate threshold and Top rate threshold will remain unchanged. A new Advanced rate will be added at a rate of 45p applying to income over £75,000. An additional 1p will be added to the Top rate, increasing the rate from 47p to 48p on income over £125,140. These changes are proposed to take effect from the start of the tax year on 6 April 2024 when there will be six bands in the Scottish Income Tax system.

The SFC estimate that introducing the new 45p Advanced rate band and increasing the Top rate by 1p will raise an additional £82 million in 2024-25. The Scottish Government estimate that freezing the Higher rate threshold in 2024-25 has added an additional £307 million to the Scottish Income Tax forecast, relative to it increasing in line with CPI inflation of 6.7 per cent².

² In May 2022, the SFC made a technical assumption that the Higher Rate Threshold would remain frozen in all future years. This assumption about freezing the Higher Rate Threshold in the baseline means it is already in the SFC's forecasts and this policy decision does not score as a policy measure in their report.

Policy on rates and thresholds will continue to be set annually as per our legislative requirements.

Table 3.01: Scottish Income Tax Policy Proposals 2024-25

Band	Income Range	Rate
Starter rate	£12,571 - £14,876*	19%
Basic rate	£14,877 - £26,561	20%
Intermediate rate	£26,562 - £43,662	21%
Higher rate	£43,663 - £75,000	42%
Advanced rate	£75,001 - £125,140	45%
Top rate	Over £125,140**	48%

*Assumes individuals are in receipt of the Standard UK Personal Allowance.

**Those earning more than £100,000 will see their Personal Allowance reduced by £1 for every £2 earned over £100,000.

The progressive approach that has been taken for 2024-25 Scottish Income Tax policy means that all of the additional revenue raised will come from those earning significantly above median taxpayer income in Scotland³. The new Advanced rate band will affect only the top 5 per cent of Scottish taxpayers earning above £75,000.

Scottish Rate Resolution

The Scottish Parliament must pass a Scottish Rate Resolution each year to set the rates and bands for Scottish Income Tax. A draft of the motion and an accompanying explanatory note is available on the Scottish Government's website.

Forecast

The SFC's forecasts for Scottish Income Tax receipts in 2024-25 determine the revenue that the Scottish Government will be able to draw down from HM Treasury during the year ahead. Forecasts for Scottish Income Tax receipts are set out in Table 3.02.

Table 3.02: Scottish Income Tax Revenue Forecasts 2023-24 to 2028-29

£ million	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Scottish Income Tax	17,357	18,844	19,873	20,856	22,056	22,981

Land and Buildings Transaction Tax (LBTT)

LBTT applies to residential and non-residential land and buildings transactions (including commercial leases) where a chargeable interest is acquired. The Additional Dwelling Supplement (ADS) is payable, as part of LBTT, on purchases of all relevant residential properties for £40,000 and above.

³ This is currently forecast to be £28,200 in 2024-25.

Policy

We will maintain residential rates and bands at their current level and continue the first-time buyer relief, preserving the progressive system.

The ADS will also continue to be charged at six per cent. Following consideration of responses to the consultation on legislative change announced in Scottish Budget 2023-24, the Scottish Government will introduce legislation to the Scottish Parliament to provide for various amendments to the ADS, including to extend the timelines for the ADS, to address concerns about certain scenarios involving joint buyers and extend the scope of residential LBTT relief for local authorities.

We will also maintain current non-residential LBTT rates and bands, which remain broadly competitive in a UK context.

Rates and Bands

Rates and bands in 2024-25 will remain as below.

Table 3.03: LBTT Rates and Bands for Residential Conveyances*

Band	Relevant Consideration	Rate
Nil rate band	Up to £145,000	0%
First tax band	Above £145,000 to £250,000	2%
Second tax band	Above £250,000 to £325,000	5%
Third Tax Band	Above £325,000 to £750,000	10%
Fourth Tax Band	Above £750,000	12%

*If the first-time buyer relief applies, the effect is to increase the nil rate band to £175,000.

Table 3.04: LBTT Rates and Bands for Non-Residential Conveyances

Band	Relevant Consideration	Rate
Nil rate band	Up to £150,000	0%
First tax band	Above £150,000 to £250,000	1%
Second tax band	Above £250,000	5%

Table 3.05: LBTT Rates and Bands for Non-Residential Leases*

Band	Net present value of rent payable	Rate
Nil rate band	Up to £150,000	0%
First tax band	Above £150,000 to £2 million	1%
Second tax band	Above £2 million	2%

*LBTT on lease premiums is payable at the same rates and bands as non-residential conveyances.

For relevant transactions, in addition to these rates and bands the ADS may apply at a rate of six per cent.

Forecast

The forecasts for LBTT revenues are set out in Table 3.06:

Table 3.06: LBTT Revenue Forecasts 2023-24 to 2028-29*

£ million	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Land and Buildings Transaction Tax	813	730	795	907	998	1,072
<i>of which:</i>						
Residential transactions (excl. ADS)	427	361	393	472	539	589
Additional Dwelling Supplement (ADS)	183	160	182	203	215	224
Non-residential transactions	203	209	220	232	245	259

*Figures may not add due to rounding.

Scottish Landfill Tax (SLfT)

SLfT applies to the disposal of waste to landfill, charged by weight on the basis of two rates: a standard rate; and a lower rate for less polluting materials.

Policy

SLfT rates are intended to provide a financial incentive to support a more circular economy, and the delivery of ambitious targets to reduce waste, increase recycling and cut waste going to landfill.

The SLfT arrangements also encourage landfill site operators to make a financial contribution to community and environmental projects through the Scottish Landfill Communities Fund (SLCF). Landfill operators can voluntarily contribute a capped proportion of their landfill tax liability to the SLCF and claim 90 per cent of the contribution as a tax credit.

Rates

We will introduce legislation to increase from 1 April 2024 the standard rate of SLfT to £103.70 per tonne and the lower rate of SLfT to £3.30 per tonne, maintaining consistency with planned UK Landfill Tax increases. This will provide a stable tax environment, whilst addressing concerns over the potential for waste to be moved from or to Scotland should one part of the UK have a lower tax charge than another.

Landfill operators will remain able to contribute a maximum of 5.6 per cent of their tax liability to the SLCF in 2024-25.

Forecast

The forecasts for SLfT revenues are set out in Table 3.07:

Table 3.07: SLfT Revenue Forecasts 2023-24 to 2028-29*

£ million	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Scottish Landfill Tax	74	58	42	15	16	16

*Adjusted downwards for payments to the SLCF.

Non-Domestic Rates

Non-domestic rates (NDR), often described as business rates, are a local tax levied on lands and heritages used for non-domestic purposes in the public, private and third sectors. NDR are administered and collected by local authorities, who ultimately retain all the NDR revenue they raise to help fund the local services they provide. National NDR tax rates and reliefs are confirmed annually by the Scottish Government.

Rates

The amount of tax due is based on the rateable value of the property multiplied by the Basic Property Rate ('poundage'), the Intermediate Property Rate, or the Higher Property Rate, depending on the property's rateable value, minus any reliefs which the property is in receipt of. The rates are set by Scottish Ministers.

Independent Assessors set the rateable value of a non-domestic property, which is based on the notional annual rent the property would attract on the open market if vacant and to let. Non-domestic properties are periodically revalued to reflect prevailing economic circumstances. The last revaluation took effect on 1 April 2023, based on a tone date of 1 April 2022. We have introduced three yearly revaluations with a one-year tone date, to ensure that rateable values more closely align with property market conditions. The next revaluation is scheduled for 1 April 2026 with a tone date of 1 April 2025.

In November 2023, 35 major business representative organisations wrote to Scottish Ministers requesting no increase to the poundage in the coming financial year. The Scottish Budget will support businesses by freezing the Basic Property Rate, which is charged to properties with a rateable value up to and including £51,000, at 49.8p. This delivers the lowest Basic Property Rate in the UK for the sixth year in a row and is expected to save ratepayers £37 million compared to an inflationary increase which would have delivered a Basic Property Rate of 53.1p.

The other rates will rise by inflation: the Intermediate Property Rate, which applies to properties with a rateable value of between £51,001 and £100,000, will be charged at 54.5p; the Higher Property Rate of 55.9p will be charged on properties with a rateable value above £100,000.

We continue to ensure that over 95 per cent of non-domestic properties, those with a rateable value up to and including £100,000, are liable for a lower property tax rate than anywhere else in the UK.

Table 3.08: Non-Domestic Rates

Basic Property Rate ('poundage') (properties with a rateable value up to and including £51,000)	49.8p
Intermediate Property Rate (properties with a rateable value between £51,001 and £100,000)	54.5p
Higher Property Rate (properties with a rateable value above £100,000)	55.9p

Reliefs

This Budget continues to support our businesses and communities with a strong NDR relief package including maintaining the most generous small business rates relief and Business Growth Accelerator relief in the UK and a number of other reliefs including Day Nursery and Fresh Start reliefs, which do not exist in England.

Recognising the specific challenges faced by the hospitality sector in island communities, we will offer 100 per cent relief in 2024-25 for hospitality businesses located on islands as defined by the Islands (Scotland) Act 2018, capped at £110,000 per business. We remain committed to working with the hospitality sector, in the New Deal for Business Non-Domestic Rates sub-group, on the long-term issues that have been raised by this sector.

We will continue to offer support to encourage investment in renewable district heating networks by extending 90 per cent renewables District Heating relief until 31 March 2027, and expanding this to include not only new networks, but all district heating networks, where at least 80 per cent of the thermal energy generated derives from renewables.

Enterprise Areas relief, currently due to end on 31 March 2024, will be phased out over the next two years as set out in Table 3.09. This will offer a transitional period of support for those businesses who have been supported by this relief.

Table 3.09: Enterprise Areas relief

Rateable Value	2023-24	2024-25	2025-26
£120,000 or less	100%	66.7%	33.3%
£120,001 to £240,000	50%	33.3%	16.7%
£240,001 to £480,000	25%	16.7%	8.3%
£480,001 to £1,200,000	10%	6.7%	3.3%
£1,200,001 to £2,400,000	5%	3.3%	1.7%
Over £2,400,000	2.5%	1.7%	0.8%

Telecommunications mast relief will be extended from 31 March 2029 to 31 March 2031.

The Budget will also maintain all other existing NDR reliefs in 2024-25. This includes the multi-year transitional relief schemes announced in Budget 2023-24 and introduced to protect those properties which saw the biggest increases in rateable values at the 2023 revaluation. These transitional reliefs will offer the following in 2024-25 and ensure that the gross bills of an estimated 20,000 properties are lower than they otherwise would have been:

- Revaluation Transitional Relief will cap annual increases in NDR liabilities due to revaluation in cash terms at 25 per cent for small properties with rateable values up to £20,000, 50 per cent for those with rateable values between £20,001 and £100,000 and 75 per cent for those over £100,000.
- Small Business Transitional Relief will ensure that for those properties that lost or saw a reduction in Small Business Bonus Scheme relief, or Rural rates relief eligibility, due to revaluation, the maximum increase in the rates liability per property relative to 31 March 2023 will be capped at £1,200.
- For parks, or parts of parks, that existed but were not rateable on 31 March 2023, and which became rateable on 1 April 2023, Parks Transitional Relief will provide 33 per cent relief.

In total, NDR reliefs are forecast to save ratepayers £685 million in 2024-25⁴.

On 1 April 2023 we delivered greater fiscal empowerment with the devolution of Empty Property Relief, and any local relief for unoccupied properties in 2024-25 will remain at the discretion of individual councils, enabling them to reflect local needs and circumstances.

NDR reliefs are subject to the domestic subsidy control regime as set out in the Subsidy Control Act 2022.

Forecast tax revenues for NDR from 2024-25 are set out in Table 3.10 below. The balancing of the NDR pool will be paused in 2024-25 and will recommence over a three-year period in 2025-26.

Prior year adjustments in a given year are the difference between the Provisional Contributable Amount (PCA) of NDR income for the preceding year, provided by councils at the start of the financial year (this is separate to the NDR income forecast for that year provided by the Scottish Fiscal Commission and featuring in Table 3.10), and the NDR income outturn for the preceding year. The yearly balance in each year is the sum of prior year adjustments for that year, and of the difference between the PCA and the Distributable Amount for that year.

⁴ Note that this figure relates to reliefs funded by the Scottish Government. It does not include contributions made by councils to discretionary reliefs or reliefs that are fully devolved to councils.

Table 3.10: Scottish Non-Domestic Rates Revenue Forecasts 2023-24 to 2028-29

£ million	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Distributable amount (A)*	3,047	3,068	3,191	3,572	3,494	3,517
Provisional contributable amount (B)**	3,082	3,143	3,219	3,600	3,522	3,517
Outturn contributable amount (C)***	3,007	-	-	-	-	-
In-year adjustment (D = B - A)	+35	+75	+28	+28	+28	0
Prior-year adjustment (E = previous year C - previous year B)	-37	-75	-	-	-	-
Total adjustment (F = D + E)	-2	0	+28	+28	+28	0
Cumulative balance (previous year cumulative balance + F)	-85	-85	-56	-28	0	0

*The distributable amount is set before the start of the financial year, based on the forecast of NDR income and adjustments for previous years.

**The provisional contributable amount is reported by councils at the start of the financial year, after annual NDR bills are issued to ratepayers.

***The outturn NDR income, reported after the end of the year.

Council Tax

Council Tax is a local tax, with receipts retained by local government and separate from the Scottish Budget. It makes a significant contribution to the funding of public services. Every household in Scotland potentially has a Council Tax liability, although the Council Tax Reduction scheme reduces this for over 460,000 households according to their need and ability to pay.

The Scottish Government has committed to working in partnership with Local Government to deliver a national freeze on Council Tax in 2024-25. We have engaged closely with COSLA to discuss the parameters and principles for identifying funding to support this commitment and will continue discussions during the coming months to reach agreement.

Air Departure Tax

The Scottish Government remains committed to introducing Air Departure Tax (ADT) and continues to explore all options to implement the tax in a way that protects Highlands and Islands connectivity and complies with the UK Government's subsidy control regime. We will also review the rates and bands of ADT prior to its implementation to ensure they are aligned with our world-leading climate ambitions. The UK-wide Air Passenger Duty will continue to apply in Scotland until ADT is implemented.

Scottish Aggregates Tax

The Scotland Act 2016 gave the Scottish Parliament the power to introduce a devolved tax to replace the UK Aggregates Levy in Scotland. The UK levy is paid on the commercial exploitation of aggregates, in essence, crushed rock, sand and gravel.

The Aggregates Tax and Devolved Taxes Administration (Scotland) Bill, which was introduced to Parliament in November 2023, makes provision for a Scottish Aggregates Tax. If this Bill is enacted and the necessary secondary legislation is approved by the Scottish Parliament, the Scottish Government intends that introduction of a Scottish Aggregates Tax will occur on 1 April 2026.

VAT Assignment

The Scotland Act 2016 allows for the first 10p of standard rate VAT receipts and the first 2.5p of reduced rate VAT receipts raised in Scotland to be assigned to the Scottish Government (known as VAT assignment). As VAT receipts for Scotland are not identifiable from tax returns, assigned VAT will be based on a model of expenditure in Scotland.

The 2023 Fiscal Framework Agreement with UK Government outlines that once completed and agreed by officials the assignment methodology and operating arrangements will be presented for joint UK and Scottish Government ministerial sign-off.

New taxes

As set out in the 2023-24 Programme for Government, the Scottish Government is seeking the timely transfer of powers to introduce a devolved **Building Safety Levy**, equivalent to the UK Government's Building Safety Levy for England. The revenues from the Levy will be used to fund the Scottish Government's Cladding Remediation Programme, which, together with the Cladding Remediation Bill, will help to safeguard homeowners and residents by remediating unsafe cladding that presents a risk to life.

The Scottish Government will continue to work with COSLA and local authorities to scope their request that councils be given the discretionary power to introduce a **Cruise Ship Levy**. We are exploring if such a levy can be included in the Visitor Levy Bill or another legislative vehicle this parliamentary session. However, significant work will be required throughout 2024-25 to engage with businesses and other relevant stakeholders, in line with the New Deal for Business, to ensure that such a levy is introduced effectively. In keeping with previous statements to parliamentary committee we will not delay passage of the Visitor Levy (Scotland) Bill given its importance to ensuring sustainable tourism infrastructure for Scotland.

In 2024-25, the Scottish Government will work with our partners in COSLA and local government, and other stakeholders, to examine how further policy measures – regulatory and fiscal – can support existing policies and interventions to improve a wide range of land management outcomes, including the restoration of peatlands and the creation of more woodlands. This will also include consideration of a proposal for a **Carbon Emissions Land Tax**, as has been suggested by the John Muir Trust.

Recognising the importance of sustaining the public finances and public services, we are also committed to exploring the reintroduction of a non-domestic rates **Public Health Supplement** for large retailers in advance of the next Budget, while continuing work over the coming year to explore an **Infrastructure Levy**, to be implemented by spring 2026.

Annex A.1 – NHS Recovery, Health & Social Care

The NHS Recovery, Health & Social Care portfolio is responsible for supporting our health and social care services as they continue to recover from the pandemic, and ensuring an effective, efficient and sustainable health and social care system that is fit for Scotland's future.

It seeks to improve health and wellbeing at all stages of life, supporting infant, maternal health and the ageing population by preventing ill health, promoting healthier active lifestyles, reducing health inequalities and pursuing our national mission on drugs.

The response to the COVID-19 pandemic transformed our health and social care services. Through that crisis they demonstrated an ability to innovate, and to deliver the care people needed in the most challenging times. In the face of the tough financial situation now facing our public services, we must build on that resilience to drive forward the reform needed to ensure long term sustainability and health improvement.

The budget sees funding of over £19.5 billion for the portfolio, protecting existing critical health and social care delivery in the face of unprecedented fiscal pressure. These pressures mean new services and innovations will not be possible without a step-change in our reform programme. Hard choices, greater efficiencies and savings will need to be made. That is why this budget supports front line services to continue to evolve to deliver the best care and treatment for our diverse population, now and in the future.

Over £13.2 billion is allocated to frontline NHS boards to take forward the improvement of health in their communities and to assess and deliver the most effective care for the people they serve.










Our continued support of primary and community care will improve preventative care, and ensure that people are cared for in the right place, at the right time. We will also continue to target resources to reduce waiting times, particularly for those waiting longest for treatment, through maximising productivity and additional resources.

We remain committed to the health and care staff who deliver our front line services, and this budget includes an increase in pay for adult social care workers in the third and private sectors to at least £12 per hour for those in a direct care role. We will also continue to work towards the introduction of a National Care Service so that everyone has access to consistently high quality social care, whenever they need it.

Mental health has seen significant budget increases over recent years and we will continue to optimise investments in prevention, improving mental health and wellbeing support, with reduced waiting times for Child & Adolescent Mental Health Services.

Our spending plans are set out below to prioritise investment and effective reform to refocus our health and social care services for the challenges to come.

Health & Social Care intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Health	 Poverty
 Children and Young People	 Communities
 Human Rights	 Education
	 Economy
	 Fair Work and Business
	 Environment

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

NHS Recovery, Health & Social Care**Table A1.01: Spending Plans (Level 2)**

Level 2	Restated	Restated	
	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m
NHS Recovery, Health & Social Care	17,811.9	18,900.5	19,538.8
Food Standards Scotland	25.8	23.0	22.9
Total NHS Recovery, Health & Social Care	17,837.7	18,923.4	19,561.7
<i>of which:</i>			
Total Fiscal Resource	16,751.6	17,706.3	18,242.9
<i>of which Operating Costs</i>	93.8	92.0	91.2
Non-cash	334.6	367.7	394.5
Capital	637.4	739.2	820.3
Financial Transactions (FTs)	10.0	5.0	-
UK Funded AME	104.1	105.3	104.0

Presentational Adjustments for Scottish Parliament Approval

Sportscotland (NDPB non-cash)	(1.8)	(1.7)	(1.0)
Social Care (NDPB non-cash)	(1.4)	(1.1)	(0.2)
Food Standards Scotland - shown separately	(25.8)	(23.0)	(22.9)
PPP/PFI Adjustments	21.0	21.0	21.0
Total NHS Recovery, Health & Social Care	17,829.7	18,918.7	19,558.5

Total Limit on Income (accruing resources)	3,000.0
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Table A1.02: NHS Recovery, Health & Social Care Spending Plans (Level 3)

Level 3	Restated	Restated	2024-25
	2022-23 Budget	2023-24 Budget	Budget
	£m	£m	£m
NHS Territorial Boards	11,508.6	12,132.0	12,655.0
NHS National Boards	1,422.6	1,530.1	1,588.9
Health Capital Investment	646.8	752.1	840.3
Education and Training	402.7	407.1	416.4
General Medical Services	1,162.8	1,205.8	1,276.6
Pharmaceutical Services	216.2	221.7	238.9
General Dental Services	469.0	476.2	497.2
Community Eyecare	125.5	121.6	130.1
Outcomes Framework	74.1	74.1	72.2
Health Improvement and Protection	85.6	87.1	102.0
Alcohol and Drugs Policy	85.4	99.0	99.1
Mental Health Services	290.2	290.2	290.2
Quality and Improvement	66.3	61.0	47.0
Digital Health and Care	112.9	112.9	113.5
Early Years	49.9	49.9	49.1
COVID-19 Funding and Other Services	(13.8)	236.7	(126.8)
National Care Service / Adult Social Care	879.6	827.0	1,040.2
Revenue Consequences of NPD	75.0	75.0	75.0
Sportscotland	39.7	34.7	34.6
Active, Healthy Lives	19.4	16.5	15.6
NHS Impairments (AME)	103.4	104.7	103.7
Financial Transactions	10.0	5.0	-
Capital Receipts	(20.0)	(20.0)	(20.0)
Total NHS Recovery, Health & Social Care	17,811.9	18,900.5	19,538.8
<i>of which:</i>			
Total Fiscal Resource	16,729.5	17,684.3	18,220.9
Non-cash	334.0	367.0	393.8
Capital	634.6	739.2	820.3
Financial Transactions (FTs)	10.0	5.0	-
UK Funded AME	103.7	105.0	103.7

Table A1.03: Food Standards Scotland Spending (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Administration	25.8	23.0	22.9
Total Food Standards Scotland	25.8	23.0	22.9
<i>of which:</i>			
Total Fiscal Resource	22.1	22.0	22.0
Non-cash	0.6	0.6	0.6
Capital	2.8	-	-
FTs	-	-	-
UK Funded AME	0.4	0.4	0.4

Table A1.04: Territorial & National Boards Spending Plans (Level 4)

Level 4	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m
Territorial Boards			
NHS Ayrshire and Arran	806.8	850.2	883.5
NHS Borders	234.8	248.6	260.4
NHS Dumfries and Galloway	334.1	352.2	364.7
NHS Fife	749.4	790.8	829.2
NHS Forth Valley	598.1	631.1	658.9
NHS Grampian	1,072.2	1,129.9	1,176.4
NHS Greater Glasgow and Clyde	2,504.0	2,639.4	2,733.1
NHS Highland	725.6	768.2	807.1
NHS Lanarkshire	1,346.8	1,424.1	1,489.0
NHS Lothian	1,639.3	1,743.3	1,825.5
NHS Orkney	57.1	60.2	63.6
NHS Shetland	57.0	60.1	62.4
NHS Tayside	856.5	912.2	951.2
NHS Western Isles	84.5	89.0	92.9
Total	11,066.1	11,699.2	12,197.9
National Boards			
National Waiting Times Centre	68.1	75.8	81.8
Scottish Ambulance Service	305.9	334.2	349.2
The State Hospital	40.0	42.5	44.5
NHS 24	78.4	90.7	91.4
NHS Education for Scotland	492.3	517.6	550.2
NHS National Services Scotland	355.3	378.6	380.3
Healthcare Improvement Scotland	30.4	33.6	33.8
Public Health Scotland	52.1	56.9	57.5
Total	1,422.6	1,530.1	1,588.9
Improving Outcomes and Reform	373.0	363.3	387.6
Other Income	69.5	69.5	69.5
Total Territorial & National Boards	12,931.2	13,662.1	14,243.8

Annex A.2 – Deputy First Minister & Finance

Portfolio Responsibilities

Deputy First Minister & Finance is focused on enabling our economy to become more sustainable and resilient in the long term and reforming our public services to make sure they are financially sustainable and better meet the needs of people and communities across Scotland. This portfolio is responsible for ensuring that the Scottish public finances are sustainable and balanced, delivering the annual budget, setting devolved tax policy and public spending decisions, leading cross-government delivery and supporting our partnership with local government.

The funding for Deputy First Minister & Finance in 2024-25 supports the Government's ambitious ten-year programme of public service reform and provides a strategy function to support that activity. The portfolio also includes funding for local government and Scottish Public Pensions Agency.

Creating financially sustainable person-centred public services in Scotland is one of the Deputy First Minister's key priorities. We need to change the way we deliver public services to help people continue to thrive. We need to prioritise early support and prevention, and ensure services provide targeted and tailored interventions which reflect the diverse needs of people and support improved equality of outcomes between communities. This will both improve people's quality of life while also helping to reduce the demand for services in the future.

We will continue to work with COSLA to ensure household incomes are protected by allocating sufficient funding to allow Councils to freeze Council Tax locally and to progress the delivery of the New Deal with Local Government to support the alignment of shared priorities, enhance the fiscal empowerment of local government and to develop an outcomes and accountability framework.

We will continue our programme of planning reform, with a particular focus on improving resourcing, to ensure it better serves Scotland's communities and enables the transition to net zero. We will pause and reset the digital transformation of planning during 2024, to ensure outputs can be rephased to be more financially sustainable. We will support our most fragile communities by taking forward a place-based approach to addressing poverty and inequality and reforming how we deliver services and investment. We will work with COSLA to reprioritise our capital investment in regeneration, to ensure that our spend is targeted to the places and people that need it most.








We will prioritise community empowerment by reviewing the Community Empowerment (Scotland) Act 2015, supporting community planning and developing alternative governance arrangements such as Single Authority type models.

Through the Rural Delivery Plan, we will deliver for Scotland's rural, coastal, and island communities – with a particular focus on transport, housing, social justice, repopulation, digital connectivity, and economic development.

The portfolio provides a strategy function across the Scottish Government, leading cross-government delivery. It co-ordinates the Scottish Government’s relations with the other three UK Governments, and delivery of Scottish Parliament and local government elections. The portfolio also provides funding in relation to a number of statutory public inquiries, who operate independently of Government.

The 2024-25 spending plans for the Deputy First Minister & Finance portfolio set out below are key to improving both outcomes and the equality of outcomes for people and communities across Scotland, and in ensuring that our public services are high quality, sustainable and resilient.

Deputy First Minister & Finance intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Communities	 Human Rights
 Economy	 Children and Young People
 Poverty	
 Environment	
 Fair Work and Business	

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Deputy First Minister & Finance**Table A2.01: Spending Plans (Level 2)**

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 2	£m	£m	£m
Governance and Reform	3.8	4.3	5.0
Government Business	12.0	11.2	7.1
Organisational Readiness	40.2	51.7	37.4
Local Government	11,534.8	12,111.8	12,456.0
Scottish Public Pensions Agency	6,498.7	6,954.7	3,454.0
Scottish Fiscal Commission	2.3	2.4	2.7
Registers of Scotland	9.0	11.0	10.0
Economic Advice	4.8	4.4	4.9
Planning	107.9	71.5	65.6
Finance	67.5	58.9	63.5
Consumer Scotland	2.5	2.4	2.4
Revenue Scotland	7.9	8.2	11.0
Corporate Running Costs	184.2	179.1	200.8
Financial Transactions Repayments	-	-	25.0
Total Deputy First Minister & Finance	18,475.5	19,471.5	16,345.5
<i>of which</i>			
Total Fiscal Resource	8,451.4	8,654.5	9,139.3
<i>of which Operating Costs</i>	242.0	232.9	260.2
Non-cash	29.3	28.7	23.2
Capital	758.4	824.0	667.6
Financial Transactions (FTs)	-	(4.0)	25.0
UK Funded AME	9,236.4	9,968.3	6,490.4

Total Limit on Income (accruing resources)	-
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Presentational Adjustments for Scottish Parliament Approval

Revenue Scotland – shown separately	(7.9)	(8.2)	(11.0)
Scottish Fiscal Commission– shown separately	(2.3)	(2.4)	(2.7)
Registers of Scotland – shown separately	(9.0)	(11.0)	(10.0)
Consumer Scotland – shown separately	(2.5)	(2.4)	(2.4)
Central Government Grants to Local Authorities returned to portfolios (E&S, Justice and TNZJT)	(361.6)	(361.6)	(354.9)
NHS and Teacher's Pensions – shown separately	(6,470.4)	(6,921.0)	(3,422.4)
Total Deputy First Minister & Finance	11,621.8	12,164.9	12,542.1

Total Limit on Income (accruing resources)	400.0
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Table A2.02 Governance and Reform Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Public Service Reform and Community Empowerment	2.8	3.1	5.0
Covid Recovery	1.0	1.3	-
Total Governance and Reform	3.8	4.3	5.0
<i>of which</i>			
Total Fiscal Resource	3.8	4.3	5.0
Non-cash	-	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A2.03 Government Business and Constitutional Relations Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Local Government Elections	3.2	0.8	0.8
Boundaries Scotland	0.4	0.4	0.4
Scottish Parliament Elections	0.1	0.1	0.1
Extension of Freedom of Information	-	-	-
Government Business and Constitutional Relations Policy and Co-ordination	8.2	9.8	5.8
Total Government Business and Constitutional Relations	12.0	11.2	7.1
<i>of which</i>			
Total Fiscal Resource	12.0	11.2	7.1
Non-cash	-	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A2.04 Organisational Readiness Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Office of the Chief Researcher	0.8	0.8	0.8
Organisational Readiness	3.4	5.6	3.7
Resilience	3.8	4.6	4.7
Response and Readiness	14.0	16.5	23.5
Major Events	18.2	24.2	4.7
Total Organisational Readiness	40.2	51.7	37.4
<i>of which</i>			
Total Fiscal Resource	40.2	48.3	37.0
Non-cash	-	0.4	0.4
Capital	-	2.8	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	0.2	-

Table A2.05 Local Government Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
General Revenue Grant*	7,885.8	8,084.8	8,403.9
Non-Domestic Rates	2,766.0	3,047.0	3,068.0
General Capital Grant*	510.5	607.6	476.9
Specific Resource Grants	230.2	230.2	238.8
Specific Capital Grants	139.0	139.0	121.1
Local Government Advice and Policy	3.2	3.2	3.3
Funding held for agreement of Council Tax Freeze	-	-	144.0
Total Local Government	11,534.8	12,111.8	12,456.0
<i>of which</i>			
Fiscal Resource	8,119.3	8,318.2	8,790.0
Non-cash	-	-	-
Capital	649.5	746.6	598.0
FTs	-	-	-
UK Funded AME	2,766.0	3,047.0	3,068.0

*Includes £120.6 million Capital to Revenue switch in 2024-25

Table A2.06 Scottish Public Pensions Agency Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Agency Administration	28.3	33.7	31.6
Scottish Teachers Pension Schemes	2,002.2	2,280.0	1,235.7
NHS Pension Scheme	4,468.2	4,641.0	2,186.7
Total SPPA	6,498.7	6,954.7	3,454.0
<i>of which</i>			
Fiscal Resource	19.3	24.0	22.9
Non-cash	4.4	6.2	6.0
Capital	4.6	3.5	2.7
Financial Transactions (FTs)	-	-	-
UK Funded AME	6,470.4	6,921.0	3,422.4

Table A2.07 Scottish Fiscal Commission Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Fiscal Commission	2.3	2.4	2.7
Total Scottish Fiscal Commission	2.3	2.4	2.7
<i>of which</i>			
Fiscal Resource	2.2	2.4	2.7
Non-cash	0.1	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A2.08 Registers of Scotland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Registers of Scotland	9.0	11.0	10.0
Total Registers of Scotland	9.0	11.0	10.0
<i>of which</i>			
Fiscal Resource	-	-	-
Non-cash	6.4	5.1	4.2
Capital	2.5	5.9	5.8
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A2.09 Economic Advice Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Accountant in Bankruptcy	2.1	2.0	2.4
Consumer Policy and Advice	2.6	2.5	2.5
Total Economic Advice	4.8	4.4	4.9
<i>of which</i>			
Fiscal Resource	2.5	2.5	2.8
Non-cash	1.2	1.0	1.0
Capital	1.1	0.9	1.1
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A2.10 Planning Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Regeneration	95.7	59.2	58.5
Planning	11.7	11.7	6.6
Planning and Environmental Appeals	0.6	0.6	0.6
Total Planning	107.9	71.5	65.6
<i>of which</i>			
Fiscal Resource	20.9	19.0	19.8
Non-cash	-	-	-
Capital	87.0	56.5	45.8
Financial Transactions (FTs)	-	(4.0)	-
UK Funded AME	-	-	-

Table A2.11 Other Finance Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scotland Act Implementation	2.1	2.2	3.0
Procurement Shared Services	20.0	19.2	18.1
Exchequer and Finance	9.2	8.5	9.6
Scottish Government Capital Projects	29.9	23.2	23.9
Public Information and Engagement	2.3	2.1	5.5
Scottish Futures Trust	3.9	3.7	3.4
Total Other Finance	67.5	58.9	63.5
<i>of which</i>			
Fiscal Resource	37.9	35.9	39.9
Non-cash	16.7	15.4	10.9
Capital	12.8	7.4	12.7
Financial Transactions (FTs)	-	-	-
UK Funded AME	0.1	0.1	-

Table A2.12 Consumer Scotland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Consumer Scotland	2.5	2.4	2.4
Total Consumer Scotland	2.5	2.4	2.4
<i>of which</i>			
Fiscal Resource	2.5	2.4	2.4
Non-cash	-	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A2.13 Revenue Scotland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Revenue Scotland	7.9	8.2	11.0
Total Revenue Scotland	7.9	8.2	11.0
<i>of which</i>			
Fiscal Resource	6.7	7.2	8.9
Non-cash	0.5	0.6	0.6
Capital	0.8	0.5	1.5
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A2.14 Scottish Fiscal Commission (SFC) Non-Domestic Rate Income Forecast

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	£m	£m	£m	£m	£m	£m
Non Domestic Rates Estimate	2,792.0	3,007.0	3,143.0	3,219.0	3,600.0	3,522.0
PCA / forecast	2,829.0	3,082.0	3,143.0	3,219.0	3,600.0	3,522.0
Distributable Amount	2,766.0	3,047.0	3,068.0	3,191.0	3,572.0	3,494.0
Prior Year Adjustments	54.0	(37.0)	(75.0)	-	-	-
Yearly Balance	117.0	(2.0)	-	28.0	28.0	28.0
Cumulative Balance	(83.0)	(85.0)	(85.0)	(56.0)	(28.0)	-

Table A2.15 Local Government Specific Grant Funding (Level 3)

Level 3	Portfolio	2022-23 Budget	2023-24 Budget	2024-25 Budget
		£m	£m	£m
Criminal Justice Social Work	Justice & Home Affairs	86.5	86.5	86.5
Early Learning & Childcare Expansion*	Education & Skills	-	-	-
Gaelic	Education & Skills	4.5	4.5	4.5
Local Government Attainment Grant	Education & Skills	120.0	120.0	120.0
Transport Scotland Inter-Island Ferries	Transport Net Zero & Just Transition	19.2	19.2	27.8
Total Specific Revenue Grants		230.2	230.2	238.8
Vacant & Derelict Land	Social Justice	7.6	7.6	5.0
Transfer of Management Development Fund (TMDF)	Social Justice	92.2	92.2	92.2
Regional Transport Partnership	Transport, Net Zero & Just Transition	15.3	15.3	-
Cycling Walking and Safer Routes	Transport, Net Zero & Just Transition	23.9	23.9	23.9
Total Specific Capital Grants		139.0	139.0	121.1

* £521.9 million of funding now baselined into the General Revenue Grant and restated for prior years (contained in Table 2.05)

Table A2.16 Revenue Funding within Other Portfolios to be Transferred In-Year

	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m
Blue Badge Scheme	0.7	0.7	-
Community Justice Partnership Funding	2.0	2.0	-
Former Housing Support	1.0	1.0	-
Free Personal and Nursing Care	27.3	42.3	-
Free Sanitary Products in Public Places	2.8	2.8	-
Free Sanitary Products in Schools	2.1	2.1	-
Free School Meals Intervention ¹		42.2	-
Living Wage	233.5	333.5	-
Local Heat and Energy Efficiency Strategies		2.4	-
The funding lines above are now baselined into the General Revenue Grant and restated in prior years			
Local Government Budget Settlement*	11,531.6	12,108.6	12,308.7
1 + 2 languages	1.2	-	-
Additional Support for Learning	15.0	15.0	15.0
Additional Adult Social Workers	-	22.0	22.0
Appropriate Adults	1.0	1.0	1.0
Building Standards Fees	(1.5)	(1.5)	(1.5)
Care at Home	124.0	124.0	124.0
Carer's Act	60.5	60.5	60.5
Child Bridging Payments	68.2	-	-
Customer First Digital Public Services	1.4	1.4	1.4
Discretionary Housing Payments	80.2	85.9	92.7
Early Learning and Childcare Expansion	9.1	-	-
Educational Psychologists	(0.9)	(0.9)	(0.9)
2024-25 Free Personal and Nursing Care	-	-	11.5
Free School Meals Intervention ¹	-	16.0	22.0
Free School Meals (Holiday Provision)	-	21.8	21.8
Health & Social Care	257.2	257.2	257.2
Health, Social Care & Mental Health	120.0	120.0	120.0
Homelessness Prevention Fund	23.5	30.5	30.5
Interim Care Funding	20.0	-	-
Living Wage	-	-	230.0
Local Government Attainment Grants	10.0	10.0	10.5
Mental Health Recovery and Renewal	3.7	3.7	-
National Trauma Training	1.6	1.6	1.6
Rapid Rehousing Transition Plans	8.0	8.0	8.0
Removal of Curriculum Charges	8.0	8.0	8.0
Removal of Music Tuition Charges	12.0	12.0	12.0
School Clothing Grant	11.8	13.0	13.9
School Counselling	4.0	4.0	4.0
School Workforce	145.5	145.5	145.5

Scottish Disability Assistance - Child Disability Payment	3.2	4.6	3.5
Scottish Welfare Fund	40.9	40.9	40.9
Self-Directed Support	3.5	3.5	3.7
Sensory Impairment	0.3	0.3	0.3
Support for school meal debt ¹	-	1.5	-
Whole Family Wellbeing Fund	-	32.0	32.0
Teachers Pay	-	-	242.0
Tobacco Related Issues	1.3	1.3	1.3
Total Revenue Funding within other Portfolios	1,032.7	1,042.8	1,534.4
Expansion of Free School Meals	30.0	80.0	40.0
Total Capital Funding within other Portfolios	30.0	80.0	40.0
Total Local Government Settlement in Local Government Finance Circular	12,594.3	13,231.4	13,883.1

* This can be derived from Table 2.05 by removing Local Government Advice and Policy and funding held for agreement of Council Tax Freeze

1 Formerly combined as Free School Meals Intervention

Table A2.17 Estimated Local Government Funding outwith Core Settlement

	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m
Total Local Government Finance Circular	12,594.3	13,231.4	13,883.1
Attainment Scotland Fund	56.0	56.0	54.0
City Region & Growth Deals	7.2	12.7	12.4
Clyde Gateway Urban Regeneration Company	0.5	0.5	0.5
Community Bus Fund	-	1.0	1.0
Community Mental Health & Wellbeing	15.0	15.0	15.0
Education Maintenance Allowance	25.0	25.0	20.7
Fair Start Scotland (Lot 4)	1.1	0.5	0.6
Growth Accelerator Funding	-	-	8.5
Justice Social Work	4.0	0.0	0.0
Justice Social Work top up from Offenders Services	-	21.9	21.9
Learning Estate Investment Programme	-	-	10.5
Low Emission Zone Support	1.0	1.0	1.8
Mental Health Officer Shortfall	0.0	0.0	0.0
No One Left Behind - Long-Term Unemployed	20.0	0.0	0.0
No One Left Behind (including Parental Employability)	15.6	30.5	75.5
Parental Employability Support Funding	5.8	69.7	-
Private Water Supply Grants	1.5	1.5	1.5
Schools for the Future Programme	70.9	70.9	71.2
Support for school meal debt	-	-	1.5
Support for Sustainable and Active Travel	5.3	5.3	-
Travel Strategy & Innovation	4.1	3.1	3.5
Young Persons Guarantee - Local Employability Partnerships	45.0	0.0	0.0

Whole Family Wellbeing Fund	0.0	0.5	0.5
Total Revenue	278.0	315.1	300.6
Capital			
Capital Land and Works	18.9	15.0	-
City Region & Growth Deals	226.0	191.3	190.0
Community Bus Fund	-	5.0	5.0
Future Transport Fund	51.0	33.0	-
Gaelic Capital Fund	3.0	4.0	4.0
Home Energy Efficiency Programmes for Scotland (HEEPS)	64.0	64.0	64.0
Low Emission Zone Support	1.0	1.0	0.2
Recycling Improvement Fund	13.2	18.7	19.2
Regeneration Programmes*	68.0	63.0	45.8
Support for Sustainable & Active Travel	1.0	1.0	-
Travel Strategy and Innovation	16.5	12.9	-
Total Capital Funding within other Portfolios	462.6	408.9	328.2
Total Local Government Funding Outwith Core Settlement	740.6	724.0	628.8
Overall Scottish Government Funding for Local Government	13,334.9	13,955.4	14,511.9

These figures represent best estimates at the time of the 2024-25 Scottish Government Budget. The actual sums payable will be notified by the relevant policy team at the earliest opportunity.

*This includes funding previously detailed for Clyde Gateway Urban Regeneration Company, Place Based Investment Programme, Regeneration Capital Grant Fund and Vacant and Derelict Investment Programme.

Annex A.3 – Social Justice

Portfolio Responsibilities

Social Justice drives the national mission to reduce poverty, with a particular focus on child poverty and providing people with a secure and affordable home; promotes equality and a fairer Scotland; and provides the strategic relationships for our third sector partners to improve outcomes for individuals and communities across Scotland.

This portfolio is responsible for the development and delivery of Scottish Government benefits, the Scottish Welfare Fund and Discretionary Housing Payments; and for Social Security Scotland, the Office of the Scottish Charity Regulator, the Scottish Housing Regulator, the Office of the Chief Social Policy Advisor, and the Ministerial Taskforce on Population.

Funding for 2024-25 will support action to tackle poverty and inequality; respect, protect and fulfil human rights; and allow all in Scotland to live free from discrimination.

By establishing a Ministerial group to focus on the delivery of Best Start, Bright Futures, our second Child Poverty delivery plan, we will maximise our impact on child poverty across Government. We will take a whole family wellbeing approach to enable us to Keep The Promise, and will continue to fund Scotland's Baby Box, giving every child the best start in life.

We are committed to delivering new Scottish Government social security benefits, including Pension Age Disability Payment and Pension Age Winter Heating Payment, in addition to the 14 new benefits already being delivered by Social Security Scotland, while progressing the national roll-out of Carer Support Payment, and ensuring people receiving benefits are treated with dignity, fairness and respect.

We will work with Local Government to reduce homelessness and continue to promote Housing First. To make housing available to those who need it most, we will continue progress towards delivery of 110,000 affordable homes by 2032, of which at least 70 per cent will be for social rent and 10 per cent will be in rural and islands communities. This is integral to tackling poverty and regenerating communities, supporting economic growth and contributing to net zero targets.

We will continue to safeguard residents and homeowners by assessing and remediating buildings within the scope of the Cladding Remediation Bill.












We will work with partners across the public sector to understand the extent of RAAC in buildings and consider how to address risks associated with it.

We will tackle structural and systemic barriers to equality, through our world-leading Human Rights Bill, the establishment of the Anti-Racism Observatory for Scotland and Immediate Priorities Plan for Disabled People. We will continue to support vulnerable people in our communities through our New Scots refugee integration strategy, and ongoing support for Ukrainians displaced by war.

We want to ensure Scotland is an open and welcoming nation for people and their families to live and work in, and to make a positive contribution to our country.

The Social Justice spending plans set out below will ensure that Scotland has strong and inclusive communities, defined by equality and good opportunities, through improving social justice and tackling poverty.

Social Justice intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Communities	 Culture
 Human Rights	 Health
 Children and Young People	 International
 Poverty	 Economy
	 Fair Work and Business
	 Environment
	 Education

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Social Justice

Table A3.01: Spending Plans (Level 2)

Level 2	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m
Third Sector	25.3	21.2	21.1
Housing and Building Standards	892.3	738.3	533.2
Cladding Remediation	-	29.0	41.3
Tackling Child Poverty and Social Justice	111.4	45.7	43.0
Office of the Scottish Charity Regulator	3.4	3.3	3.6
Scottish Housing Regulator	5.3	6.6	5.6
Equality, Inclusion and Human Rights	47.7	49.9	51.9
Social Security	516.3	507.2	567.6
Social Security Assistance	3,949.2	5,137.9	6,168.9
Ukrainian Resettlement	-	70.0	44.8
Total Social Justice	5,550.9	6,609.2	7,481.0
<i>of which:</i>			
Total Fiscal Resource	4,654.9	5,867.3	6,901.1
<i>of which Operating Costs</i>	64.1	65.7	57.3
Non-cash	54.0	70.0	84.8
Capital	691.8	587.1	525.5
Financial Transactions (FTs)	150.0	84.6	(30.8)
UK Funded AME	0.3	0.2	0.4

Presentational Adjustments for Scottish Parliament Approval

Office of the Scottish Charity Regulator	(3.4)	(3.3)	(3.6)
Scottish Housing Regulator – shown separately	(5.3)	(6.6)	(5.6)
Central Government Grants to Local Authorities	92.2	92.2	92.2
Total Social Justice	5,634.4	6,691.5	7,564.0
Total Limit on Income (accruing resources)	90.0		

Table A3.02 Third Sector Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Third Sector	25.3	21.2	21.1
Total Third Sector	25.3	21.2	21.1
<i>of which:</i>			
Fiscal Resource	21.3	21.2	21.1
Non-cash	-	-	-
Capital	-	-	-
FTs	4.0	-	-
UK Funded AME	-	-	-

Table A3.03 Housing & Building Standards Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
More Homes	740.1	564.6	375.8
Fuel Poverty and Housing Quality	1.8	21.8	1.7
Housing Support	139.8	150.7	153.3
Building Standards	10.7	1.3	2.4
Total Housing & Building Standards	892.3	738.3	533.2
<i>of which:</i>			
Fiscal Resource	137.5	164.7	149.7
Non-cash	-	-	-
Capital	609.8	489.0	414.4
FTs	145.0	84.6	(30.8)
UK Funded AME	-	-	-

The Affordable Housing Supply Programme comprises of Capital, Transfer of Management of Development Funding and Financial Transactions and totals £555.8m in 2024-25

Table A3.04 Cladding Remediation Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Cladding Remediation	-	29.0	41.3
Total Cladding Remediation	-	29.0	41.3
<i>of which:</i>			
Fiscal Resource	-	2.0	6.7
Non-cash	-	-	-
Capital	-	27.0	34.6
FTs	-	-	-
UK Funded AME	-	-	-

Table A3.05 Tackling Child Poverty and Social Justice Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Social Justice	105.8	40.1	37.0
Communities Analysis	5.6	5.7	6.0
Total Tackling Child Poverty and Social Justice	111.4	45.7	43.0
<i>of which:</i>			
Fiscal Resource	110.4	43.0	42.9
Non-cash	-	-	-
Capital	-	2.7	0.2
FTs	1.0	-	-
UK Funded AME	-	-	-

Table A3.06 Office of the Scottish Charity Regulator Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Office of the Scottish Charity Regulator	3.4	3.3	3.6
Total Office of the Scottish Charity Regulator	3.4	3.3	3.6
<i>of which:</i>			
Fiscal Resource	3.4	3.3	3.6
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A3.07 Scottish Housing Regulator Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Housing Regulator	5.3	6.6	5.6
Total Scottish Housing Regulator	5.3	6.6	5.6
<i>of which:</i>			
Fiscal Resource	4.7	5.2	5.2
Non-cash	0.4	0.3	0.1
Capital	0.2	1.2	0.1
FTs	-	-	-
UK Funded AME	-	-	0.2

Table A3.08 Equality, Inclusion & Human Rights Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Equality, Inclusion & Human Rights	47.7	49.9	51.9
Total Equality, Inclusion & Human Rights	47.7	49.9	51.9
<i>of which:</i>			
Fiscal Resource	47.7	49.9	51.9
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A3.09 Social Security Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Welfare Fund – Administration	5.5	5.5	5.5
Social Security Advice, Policy and Programme	199.6	198.7	239.9
Social Security Scotland	311.3	303.0	322.2
Total Social Security	516.3	507.2	567.6
<i>of which:</i>			
Fiscal Resource	380.7	370.0	411.4
Non-cash	53.6	69.8	84.8
Capital	81.8	67.2	71.3
FTs	-	-	-
UK Funded AME	0.3	0.2	0.2

Table A3.10: Social Security Assistance Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Welfare Fund	35.5	35.5	35.5
Carer Support Payment	314.9	371.8	411.7
Carer's Allowance Supplement	41.8	50.0	55.1
Adult Disability Payment	1,948.5	2,689.6	3,226.4
Pension Age Disability Payment	544.6	614.1	754.9
Scottish Adult Disability Living Allowance	444.6	437.6	420.0
Child Disability Payment	265.2	327.6	450.1
Industrial Injuries Disablement Scheme	80.5	84.4	86.6
Severe Disablement Allowance	6.2	5.8	5.1
Best Start Grant	17.8	19.8	21.3
Best Start Foods	13.1	17.0	18.1
Funeral Support Payment	11.9	12.1	12.2
Job Start Payment	1.1	1.2	0.4
Young Carer Grant	1.0	1.0	1.0
Child Winter Heating Payment	4.0	4.7	8.7
Scottish Child Payment	197.4	442.1	457.3
Pension Age Winter Heating Payment	-	-	180.0
Winter Heating Payment	21.1	23.6	24.4
Total Social Security Assistance	3,949.2	5,137.9	6,168.9
<i>of which:</i>			
Fiscal Resource	3,949.2	5,137.9	6,168.9
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A3.11 Ukrainian Resettlement Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Total Ukrainian Resettlement	-	70.0	44.8
<i>of which:</i>			
Fiscal Resource	-	70.0	39.8
Non-cash	-	-	-
Capital	-	-	5.0
FTs	-	-	-
UK Funded AME	-	-	-

Table A3.12 Central Government Grants to Local Authorities (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Transfer of the Management of Development Fund (TMDF)	92.2	92.2	92.2
Total Social Justice Central Government Grants to Local Authorities	92.2	92.2	92.2
<i>of which:</i>			
Fiscal Resource	-	-	-
Non-cash	-	-	-
Capital	92.2	92.2	92.2
FTs	-	-	-
UK Funded AME	-	-	-

Annex A.4 – Transport, Net Zero & Just Transition

Portfolio Responsibilities

This portfolio has the lead role in driving the Scottish Government’s commitment to deliver a Just Transition to net zero as well as providing a resilient, accessible and affordable transport network. This includes the cross-government co-ordination of net zero policy to drive down Scotland’s greenhouse gas emissions, building resilience to the impacts that the climate and nature crisis are having on our businesses and communities, environmental protection, sustainable development, and supporting a Just Transition all of which is delivered by Transport Scotland and core Scottish Government directorates along with a range of public bodies and agencies across transport, climate and environment.

The portfolio delivers a significant portion of the Scottish Government’s capital and infrastructure programme across both the transport network and Low Carbon/Net Zero programmes, including loans to support Heat in Buildings investment and encourage the switch to low carbon vehicles and bikes. As a result, it has been particularly impacted by the UK Government’s decisions to reduce funding of capital and financial transactions and has had to adapt spending plans accordingly, while continuing to deliver the Government’s policy priorities as well as ensuring a safe and resilient transport network.

Transport Scotland and its subsidiaries are focused on delivering the Scottish Government’s vision for transport as set out in the National Transport Strategy. This includes maintaining and safely operating our existing systems, providing funding to key public transport services including bus, rail, and ferries as well as maintaining and improving the trunk road network, including the A9 Dualling Programme. The portfolio will continue to encourage modal shift to public transport through initiatives like the Young Persons’ Free Bus Travel Scheme, with over 100 million free bus journeys made by people aged under 22 across Scotland, as well as making progress on new commitments to asylum seekers on bus and young people on ferries.

We provide funding to Network Rail in Scotland to deliver a significant programme of maintenance, renewals and enhancements, and we support the delivery of new vessels and port infrastructure to improve island connectivity. We will continue to take actions on net zero in the transport sector, through initiatives such as the Scottish Zero Emission Bus Challenge Fund and Community Bus Fund, the rolling programme of rail electrification, the vision for Scotland’s public Electric Vehicle Charging network and continued record investment in active travel to deliver a shift from driving to walking, wheeling and cycling for short everyday journeys.












We will focus our resources on particularly critical areas of our net zero ambition, such as heat in buildings and ensuring our public transport system is maintained to provide an alternative to car use. We recently launched our Heat in Buildings Bill consultation which focused on how we will decarbonise our homes and buildings and support people and businesses to improve energy efficiency and move to clean heating. This will not only help to cut one of our major sources of emissions but reduce the exposure of households and businesses to volatile gas prices.

Through the Just Transition Fund, we will continue to support ongoing pioneering projects in a range of sectors including offshore green hydrogen production and large-scale carbon sequestration and habitat restoration.

At COP28, we reaffirmed our commitment to addressing Loss and Damage, committing a further £2 million from our Climate Justice Fund, supporting vulnerable communities in Zambia, Rwanda, Malawi and elsewhere who are bearing the brunt of the impacts of the climate crisis.

We are investing in Scotland’s transition to a circular economy and programmes to reduce consumption and re-use our resources, modernise recycling and to decarbonise the disposal of waste, including major delivery programmes for extended producer responsibility and digital waste tracking. We will continue to provide funding to protect, restore and value nature, through our environmental regulators, to make sure we maintain a safe, healthy and sustainable environment for the people of Scotland.

Transport, Net Zero & Just Transition intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Communities	 Poverty
 Economy	 Children and Young People
 International	 Education
 Environment	 Fair Work and Business
	 Health
	 Culture
	 Human Rights

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Transport, Net Zero & Just Transition

Table A4.01: Spending Plans (Level 2)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 2	£m	£m	£m
Energy Efficiency and Decarbonisation	346.4	367.5	358.2
Rail Services	2,129.0	1,680.9	1,601.0
Concessionary Fares and Bus Services	413.9	425.7	429.7
Active Travel, Low Carbon and Other Transport Policy	380.2	348.6	307.8
Trunk Road Network: Safety, Adaptation, Maintenance and Improvement	876.4	801.2	1,011.4
Ferry Services	296.0	440.0	434.5
Air Services	88.5	83.5	89.3
Environmental Services	192.3	216.5	224.6
Environmental Standards Scotland	2.2	2.9	3.0
Climate Change and Land Managers Renewables Fund	49.8	79.9	41.2
Scottish Water	77.4	75.7	74.6
Green Economy	12.3	5.1	-
Total Transport, Net Zero & Just Transition	4,864.4	4,527.5	4,575.2
<i>of which:</i>			
Total Fiscal Resource	1,448.7	1,536.9	1,617.3
<i>of which Operating Costs</i>	25.7	27.4	30.1
Non-cash	295.2	312.0	365.8
Capital	3,051.9	2,616.9	2,593.7
Financial Transactions (FTs)	59.3	61.0	(2.2)
UK Funded AME	9.3	0.7	0.6

Presentational Adjustments for Scottish Parliament Approval

Highlands and Islands Airports Limited (NDPB Non-cash)	(9.5)	(9.5)	(9.5)
Scottish Canals (NDPB Non-cash)	(3.0)	(2.7)	(8.6)
Public Private Partnerships Adjustments	(23.3)	(25.4)	(25.4)
Grants to Local Authorities	58.4	58.4	51.7
SEPA (NDPB Non-cash)	(7.2)	(5.2)	(5.0)
Scottish Rail Holdings (NDPB Non-cash)	(101.6)	(118.7)	(176.1)
National Park Authorities (NDPB Non-cash)	(1.3)	(1.4)	(1.0)
NatureScot (NDPB Non-cash)	(2.8)	(2.9)	(2.6)
Scottish Water loan repayments not included in Scottish Parliamentary budgets	42.8	42.8	42.8
Environmental Standards Scotland	(2.2)	(2.9)	(3.0)
Total Transport, Net Zero and Just Transition	4,814.7	4,460.0	4,438.4

Total Limit on Income (accruing resources)	600.0
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Table A4.02 Energy Efficiency and Decarbonisation Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Energy Efficiency and Decarbonisation	346.4	367.5	358.2
Total Energy Efficiency and Decarbonisation	346.4	367.5	358.2
<i>of which</i>			
Fiscal Resource	50.0	55.1	53.7
Non-cash	-	-	-
Capital	257.1	276.4	306.7
Financial Transactions (FTs)	39.3	36.0	(2.2)
UK Funded AME	-	-	-

Table A4.03: Rail Services Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Enhancement Projects	247.0	155.8	146.9
Rail Development	2.0	-	-
Rail Services	1,453.0	1,083.1	965.7
Network Infrastructure	427.0	442.0	488.4
Total Rail Services	2,129.0	1,680.9	1,601.0
<i>of which</i>			
Fiscal Resource	309.8	360.9	337.3
Non-cash	101.6	118.7	124.3
Capital	1,708.3	1,200.7	1,138.9
Financial Transactions (FTs)	-	-	-
UK Funded AME	9.2	0.6	0.5

Table A4.04: Concessionary Fares and Bus Services Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Concessionary Fares	310.6	359.3	370.4
Smartcard Programme	3.9	3.9	3.9
Support for Bus Services	99.4	62.5	55.5
Total Concessionary Fares	413.9	425.7	429.7
<i>of which</i>			
Fiscal Resource	411.9	418.7	422.7
Non-cash	-	-	-
Capital	2.0	7.0	7.0
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A4.05: Active Travel, Low Carbon and Other Transport Policy Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Agency Administration Costs	54.7	26.5	29.2
Scottish Canals	26.4	26.2	32.6
Strategic Transport Projects Review	3.0	1.5	-
Support for Active Travel	126.1	165.3	196.0
Support for Sustainable Travel	17.3	7.3	4.5
Support for Freight Industry	0.7	0.7	-
Future Transport Fund - Low Carbon	129.9	99.4	36.0
Edinburgh Tram Inquiry	0.5	0.3	-
Travel Strategy and Innovation	21.6	21.4	9.4
Total Active Travel, Low Carbon and Other Transport Policy	380.2	348.6	307.8
<i>of which</i>			
Fiscal Resource	62.4	64.3	83.4
Non-cash	5.2	5.7	12.7
Capital	302.6	278.5	211.7
Financial Transactions (FTs)	10.0	-	-
UK Funded AME	-	-	-

Table A4.06: Trunk Road Network: Safety, Adaptation, Maintenance and Improvement Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Road Improvement	136.9	121.9	133.6
Tay Bridge Authority	2.6	8.1	9.7
Queensferry Crossing	1.8	-	-
Critical Safety, Maintenance and Infrastructure	435.2	372.6	524.7
Roads Depreciation	167.5	168.6	209.5
Trunk Road Network PPP Payments	132.5	130.0	133.9
Total Trunk Road Network: Safety, Adaptation, Maintenance and Improvement	876.4	801.2	1,011.4
<i>of which</i>			
Fiscal Resource	282.9	277.1	306.4
Non-cash	167.5	168.6	209.5
Capital	426.0	355.5	495.5
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A4.07: Ferry Services Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Support for Ferry Services	228.5	251.0	309.6
Vessels and Piers	67.5	189.0	124.9
Total Ferry Services	296.0	440.0	434.5
<i>of which</i>			
Fiscal Resource	206.7	229.2	275.6
Non-cash	-	-	-
Capital	89.3	210.8	158.9
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A4.08: Air Services Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Highlands and Islands Airports Limited	71.4	69.0	71.2
Support for Air Services	17.2	14.5	18.0
Total Air Services	88.5	83.5	89.3
<i>of which</i>			
Fiscal Resource	58.6	56.4	57.5
Non-cash	9.5	9.5	9.5
Capital	20.4	17.6	22.3
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A4.09: Environmental Services Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
National Parks	19.1	21.6	21.8
Environmental Quality	13.4	9.5	6.5
Nature Restoration	24.5	27.8	29.2
Scottish Environmental Protection Agency	41.6	49.0	52.6
NatureScot	50.8	61.6	65.6
Zero Waste	42.9	46.9	48.9
Total Environmental Services	192.3	216.5	224.6
<i>of which</i>			
Fiscal Resource	135.0	141.6	149.2
Non-cash	11.3	9.5	9.8
Capital	45.9	65.3	65.5
Financial Transactions (FTs)	-	-	-
UK Funded AME	0.1	0.1	0.1

Table A4.10: Environmental Standards Scotland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Environmental Standards Scotland	2.2	2.9	3.0
Total Environmental Standards Scotland	2.2	2.9	3.0
<i>of which</i>			
Fiscal Resource	2.2	2.9	3.0
Non-cash	-	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A4.11: Climate Change and Land Managers Renewables Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Climate Action and Policy	25.3	29.7	29.0
Land Managers Renewables Fund	0.5	0.2	-
Just Transition Fund	24.0	50.0	12.2
Total Climate Change and Land Managers Renewables	49.8	79.9	41.2
<i>of which</i>			
Fiscal Resource	25.8	29.9	29.0
Non-cash	-	-	-
Capital	14.0	25.0	12.2
Financial Transactions (FTs)	10.0	25.0	-
UK Funded AME	-	-	-

Table A4.12: Scottish Water Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Interest on Voted Loans	(105.0)	(105.0)	(105.5)
Voted Loans	170.0	170.0	170.0
Hydro Nation	4.7	3.5	2.8
Drinking Water Quality Regulator	0.9	0.4	0.4
Private Water	6.8	6.8	6.8
Total Scottish Water	77.4	75.7	74.6
<i>of which</i>			
Fiscal Resource	(97.6)	(99.3)	(100.4)
Non-cash	-	-	-
Capital	175.0	175.0	175.0
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A4.13: Green Economy Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Total Green Economy	12.3	5.1	-
<i>of which</i>			
Fiscal Resource	1.0	-	-
Non-cash	-	-	-
Capital	11.3	5.1	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A4.14: Central Government Grants to Local Authorities (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Cycling, Walking and Safer Routes	23.9	23.9	23.9
Support for Inter-Island Ferries	19.2	19.2	27.8
Regional Transport Partnership	15.3	15.3	-
Total Central Gov. Grants to Local Authorities	58.4	58.4	51.7

Annex A.5 – Education & Skills

Portfolio Responsibilities

We are prioritising our budget towards our aim to ensure excellence and equity in education and skills, including reducing the poverty-related attainment gap and to support our wider national mission to tackle child poverty.

This portfolio's responsibilities include support for children and families plus early learning and childcare, school and post-school education. It is also responsible for the provision of skills programmes and for the funding of a number of important public bodies and agencies.

Our children, young people and learners of all ages continue to be a key priority for this Government. The Education and Skills portfolio invests in improving and changing lives for the better and underpins key government priorities, including the three missions of equality, opportunity and community.

We will maintain our commitment to invest £1 billion over the course of this parliament to tackle the poverty related attainment gap, with £200 million to be distributed in 2024-25. This long-term targeted investment improves outcomes for children and young people and helps break the cycle of poverty.

We will continue to provide £145.5 million to local authorities to maintain teachers in the system and enable councils to offer permanent contracts to our education workforce.

The next phase of our expansion of Free School Meals will be targeted in the first instance to children in primary 6 and 7 who are in receipt of the Scottish Child Payment, with £43 million of necessary capital investment to expand facilities and provision to begin during 2024-25.










We will invest £10 million capital in targeted device and connectivity provision for our most disadvantaged households with children. This will bring a range of benefits for families struggling with the cost of living crisis while also tackling digital exclusion amongst our most deprived learners.

Our continued investment in early learning and childcare (ELC) aims to ensure every child and young person has the opportunity to fulfil their potential. We will also ensure those delivering high-quality funded ELC in private, voluntary, and independent settings are paid at least £12 per hour.

We are steadfastly committed to keeping The Promise to Scotland's care-experienced children and young people. We will continue our delivery of the Whole Family Wellbeing programme, providing £50 million in investment in holistic family support across Children's Services Planning Partnerships and working with The Promise Scotland, other partners and potential investors to identify options for investment and disinvestment that support better outcomes.

We are taking action to support our colleges, universities and skills system with over £2.4 billion investment, including protecting the right to free tuition and driving forward our commitment to Widening Access. This will maintain Scotland's reputation for world-leading research; provide opportunities for people to learn and develop their skills through further and higher education and apprenticeships and provide vital financial support to students to support them in completing their studies in the face of significant cost of living pressures.

Education & Skills intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Education	 Communities
 Children and Young People	 Human Rights
 Economy	 Fair Work and Business
 Poverty	 International
	 Culture

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Education & Skills

Table A5.01: Spending Plans (Level 2)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 2	£m	£m	£m
Learning	458.4	496.9	712.5
Education Reform	92.1	99.4	98.4
Education Scotland	30.3	28.7	29.2
Children and Families	270.9	350.6	385.9
Higher Education and Student Support	1,017.6	925.1	1,484.6
Scottish Funding Council	1,973.9	2,012.6	1,905.2
Lifelong Learning and Skills	287.7	277.2	253.7
Total Education & Skills	4,130.9	4,190.5	4,869.5
<i>of which:</i>			
Total Fiscal Resource	2,900.0	2,988.9	3,117.1
<i>of which Operating Costs</i>	35.2	37.4	38.1
Non-cash	359.9	203.2	402.5
Capital	486.5	562.0	554.6
Financial Transactions (FTs)	22.1	15.0	(8.9)
UK Funded AME	362.4	421.4	804.3

Presentational Adjustments for Scottish Parliament Approval

Education Reform (NDPB Non-Cash)	(6.7)	(4.8)	(1.9)
Children and Families (NDPB Non-Cash)	(3.7)	(2.9)	(9.0)
SFC (NDPB Non-Cash)	(27.4)	(26.9)	(32.0)
Lifelong Learning (NDPB Non-Cash)	(3.3)	(3.5)	(1.8)
Central Government Grants to Local Authorities	124.5	124.5	124.5
Total Education and Skills	4,214.3	4,276.8	4,949.4

Total Limit on Income (accruing resources)	350.0
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Table A5.02 Learning Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Education Analytical Services	4.1	4.1	4.3
Improvement, Attainment & Wellbeing	187.6	213.8	186.6
Workforce, Infrastructure & Digital	266.7	279.1	521.6
Total Learning	458.4	496.9	712.5
<i>of which:</i>			
Fiscal Resource	418.0	402.8	657.8
Non-cash	-	-	-
Capital	40.4	94.2	54.7
FTs	-	-	-
UK Funded AME	-	-	-

Table A5.03 Education Reform Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Curriculum	30.8	30.9	30.0
Education Reform	36.1	42.3	43.2
Gaelic	25.1	26.1	25.1
Total Education Reform	92.1	99.4	98.4
<i>of which:</i>			
Fiscal Resource	79.8	88.0	85.8
Non-cash	6.7	4.8	4.7
Capital	5.5	6.5	7.9
FTs	-	-	-
UK Funded AME	-	-	-

Table A5.04 Education Scotland Spending Plans

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Education Scotland	30.3	28.7	29.2
Total Education Scotland	30.3	28.7	29.2
<i>of which:</i>			
Fiscal Resource	26.5	26.5	26.5
Non-cash	2.2	2.2	2.7
Capital	1.0	-	-
FTs	-	-	-
UK Funded AME	0.5	-	-

Table A5.05 Children & Families Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Children's Rights, Protection & Justice	51.1	53.6	51.4
Creating Positive Futures	32.7	37.7	43.4
Disclosure Scotland Expenditure	24.8	23.5	23.8
Office of the Chief Social Work Adviser	20.9	28.1	49.4
Redress, Relations and Response	60.5	60.7	60.3
Care Experience – Whole Family Wellbeing	25.3	95.3	84.2
Early Learning and Childcare	55.6	51.7	73.5
Total Children & Families	270.9	350.6	385.9
<i>of which:</i>			
Fiscal Resource	242.6	302.5	329.4
Non-cash	14.4	14.9	13.2
Capital	13.5	32.6	43.2
FTs	-	-	-
UK Funded AME	0.4	0.5	0.1

Table A5.06 Higher Education Student Support Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Student Support & Tuition Fee Payments	328.2	328.2	304.8
Student Loans Company Administration Costs	6.4	6.4	6.4
Student Loan Interest Subsidy to Bank	2.8	2.8	4.8
Cost of Providing Student Loans (RAB Charge) (Non-Cash)	304.1	149.0	346.4
Student Awards Agency for Scotland Operating Costs	12.9	13.0	11.2
SAAS Capital	1.9	4.9	6.9
Net Student Loans Advanced	530.0	826.0	865.0
Capitalised Interest	(80.0)	(316.5)	(200.0)
Student Loan Fair Value Adjustment	(90.0)	(90.0)	144.1
Student Loan Sale Subsidy Impairment Adjustment	1.3	1.3	(5.0)
Total Higher Education Student Support	1,017.6	925.1	1,484.6
<i>of which:</i>			
Fiscal Resource	348.6	348.6	327.1
Non-cash	305.8	150.8	346.5
Capital	1.9	4.9	6.9
FTs	-	-	-
UK Funded AME	361.3	420.8	804.1

Table A5.07 Scottish Funding Council Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Funding Council Administration	8.2	7.8	7.6
College Operational Expenditure	865.7	891.7	833.0
College Operational Income	(190.0)	(190.0)	(190.0)
<i>Net College Resource</i>	675.7	701.7	643.0
College Not for Profit (NPD) Expenditure	29.3	29.3	29.3
College Depreciation Costs	26.7	26.5	31.8
HE Resource	789.2	809.2	760.7
College Capital Expenditure	74.7	82.4	84.9
College Capital Receipts	-	-	-
<i>Net College Capital</i>	74.7	82.4	84.9
HE Capital	348.0	340.7	356.9
HE FTs	31.0	26.6	-
HE FTs Income	(8.9)	(11.6)	(8.9)
Total Scottish Funding Council	1,973.9	2,012.6	1,905.2
<i>of which:</i>			
Fiscal Resource	1,501.6	1,547.6	1,440.4
Non-cash	27.4	26.9	32.0
Capital	422.7	423.1	441.7
FTs	22.1	15.0	(8.9)
UK Funded AME	0.1	-	-

Table A5.08 Lifelong Learning & Skills Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Lifelong Learning	20.0	20.1	14.3
Skills	50.6	50.6	36.9
Skills Development Scotland	217.1	206.6	202.5
Total Lifelong Learning	287.7	277.2	253.7
<i>of which:</i>			
Fiscal Resource	282.9	273.0	250.1
Non-cash	3.3	3.5	3.4
Capital	1.5	0.7	0.2
FTs	-	-	-
UK Funded AME	-	-	-

Table A5.09 Central Government Grants to Local Authorities Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Gaelic	4.5	4.5	4.5
Local Government Attainment Grant**	120.0	120.0	120.0
Education and Skills Total Central Government Grants to Local Authorities	124.5	124.5	124.5
<i>of which:</i>			
Fiscal Resource	124.5	124.5	124.5
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

** As in previous years, a portion of the raising attainment budget line will be used to top up Pupil Equity funding above £120m, to meet the increasing costs of the programme.

Annex A.6 – Justice & Home Affairs











Portfolio Responsibilities

The Justice & Home Affairs portfolio is focused on ensuring our communities are safe and that we have effective and efficient public services including our police, fire and prisons services. As set out in our Vision for Justice, by enabling our communities to be safe, secure and resilient, by reducing and preventing crime and offending, by supporting victims and witnesses, and through working to shift societal attitudes and circumstances which perpetuate crime and harm, the portfolio aims to improve the wellbeing and life chances of all people in Scotland. Through this the portfolio plays its part in tackling inequalities, protecting and promoting human rights, and contributing to a sustainable, inclusive and prosperous economy.

The Justice & Home Affairs portfolio also has responsibility for the civil, criminal and administrative justice systems. This includes courts, tribunals, the legal aid system, and criminal justice social work services, as well as the contribution of third sector services. The work of the portfolio is underpinned by the principle that everyone has the right to access justice. The portfolio works to ensure person-centred and trauma-informed services for victims and survivors, to reduce victimisation, and to tackle and prevent violence against women and girls. The portfolio budget also includes funding to support the courts and community justice services to continue their recovery from the impacts of COVID-19.

In addition, the portfolio works to ensure Scotland is resilient and prepared to respond to a range of hazards and threats, including serious and organised crime. It also works closely with the UK Government and its agencies to ensure that powers that remain reserved to the UK Government, such as firearms regulation and counter terrorism, properly serve and protect our communities.

Justice & Home Affairs intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Communities	 Children and Young People
 Human Rights	 Economy
	 International
	 Poverty
	 Education
	 Fair Work and Business
	 Health
	 Environment

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Justice & Home Affairs

Table A6.01: Spending Plans (Level 2)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 2	£m	£m	£m
Community Justice	45.3	46.2	59.9
Judiciary	38.8	40.8	42.0
Criminal Injuries Compensation	15.6	15.6	18.6
Legal Aid	152.0	156.3	156.5
Police Central Government	84.2	80.4	72.8
Safer and Stronger Communities	7.5	7.7	6.6
Police and Fire Pensions	350.6	400.6	590.6
Scottish Prison Service	480.8	540.7	648.2
Miscellaneous	109.5	102.9	93.8
Scottish Police Authority	1,375.0	1,458.2	1,550.9
Scottish Fire and Rescue Service	352.9	364.1	393.4
Scottish Courts and Tribunals Service	134.4	151.5	165.9
Total Justice & Home Affairs	3,146.7	3,365.2	3,799.1
<i>of which:</i>			
Total Fiscal Resource	2,816.5	2,980.5	3,305.1
<i>of which Operating Costs</i>	21.3	23.4	22.3
Non-cash	151.9	168.4	182.9
Capital	177.3	213.8	308.0
Financial Transactions (FTs)	-	-	-
UK Funded AME	1.0	2.5	3.1

Presentational Adjustments for Scottish Parliament Approval

Legal Aid (NDPB Non-cash)	(0.7)	(0.7)	(0.6)
SPA (NDPB Non-cash)	(56.1)	(57.3)	(64.6)
SFRS (NDPB Non-cash)	(26.5)	(27.6)	(32.7)
Scottish Criminal Cases Review Commission (NDPB Non-cash)	(1.3)	(1.2)	(0.1)
Police Investigations and Review Commissioner (NDPB Non-cash)	(0.2)	-	(1.6)
Police Loan Charges	5.1	3.7	3.5
Judicial Salaries	(36.3)	(36.3)	(36.3)
PPP/PFI adjustments	1.6	1.2	(1.0)
SCTS - shown separately	(134.4)	(151.5)	(165.9)
Central Government Grants to Local Authorities	86.5	86.5	86.5
Total Justice & Home Affairs	2,984.4	3,181.9	3,586.1
Total Limit on Income (accruing resources)	39.7		

Table A6.02: Community Justice Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Miscellaneous	3.2	3.2	2.9
Offender Services	42.1	43.0	57.0
Total Community Justice	45.3	46.2	59.9
<i>of which:</i>			
Fiscal Resource	45.2	46.2	59.8
Non-cash	0.1	0.1	0.1
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.03: Judiciary Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Judicial Salaries	36.3	36.3	36.3
Judiciary	2.5	4.5	5.7
Total Judiciary	38.8	40.8	42.0
<i>of which:</i>			
Fiscal Resource	38.8	40.8	42.0
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.04: Criminal Injuries Compensation Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
CIC Scheme	13.8	13.8	16.8
Criminal Injuries Administration Costs	1.8	1.8	1.8
Total Criminal Injuries Compensation	15.6	15.6	18.6
<i>of which:</i>			
Fiscal Resource	15.6	15.6	18.6
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.05: Legal Aid Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Legal Aid Administration	13.7	15.0	15.2
Legal Aid Fund	138.3	141.3	141.3
Total Legal Aid	152.0	156.3	156.5
<i>of which:</i>			
Fiscal Resource	151.1	155.3	155.7
Non-cash	0.7	0.7	0.8
Capital	0.2	0.4	0.1
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.06: Police Central Government Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
National Police Funding & Reform	76.4	71.0	62.5
Police Investigations and Review Commissioner	7.4	8.0	8.7
Police Support Services	0.4	1.4	1.5
Total Police Central Government	84.2	80.4	72.8
<i>of which:</i>			
Fiscal Resource	77.2	65.9	56.0
Non-cash	2.9	2.9	3.0
Capital	4.1	11.6	13.8
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.07: Safer and Stronger Communities Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Safer Communities	7.5	7.7	6.6
Total Safer Stronger Communities	7.5	7.7	6.6
<i>of which:</i>			
Fiscal Resource	7.4	7.7	6.6
Non-cash	0.2	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.08: Police & Fire Pensions Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Police Pensions	278.4	291.4	481.4
Fire Pensions	72.2	109.2	109.2
Total Police & Fire Pensions	350.6	400.6	590.6
<i>of which:</i>			
Fiscal Resource	350.6	400.6	590.6
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.09: Scottish Prison Service Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Prison Service	480.8	540.7	648.2
Total Scottish Prison Service	480.8	540.7	648.2
<i>of which:</i>			
Fiscal Resource	367.5	397.9	436.5
Non-cash	36.0	45.8	44.7
Capital	77.3	97.0	167.0
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.10: Miscellaneous Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Other Miscellaneous	27.3	31.5	27.1
Renewal, Recovery and Transformation Fund	53.2	42.2	36.3
Safe and Secure Scotland	8.9	6.6	6.3
Support for Victims and Witnesses	20.2	22.7	24.1
Total Miscellaneous	109.5	102.9	93.8
<i>of which:</i>			
Fiscal Resource	109.3	101.7	91.6
Non-cash	0.2	0.2	0.2
Capital	-	1.0	2.0
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.11: Scottish Police Authority Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Police Authority	1,375.0	1,458.2	1,550.9
Total Scottish Police Authority	1,375.0	1,458.2	1,550.9
<i>of which:</i>			
Fiscal Resource	1,263.0	1,343.1	1,418.7
Non-cash	56.1	57.3	67.3
Capital	55.0	57.4	64.6
FTs	-	-	-
UK Funded AME	0.9	0.5	0.3

Table A6.12: Scottish Fire & Rescue Service Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Operating Expenditure	352.9	364.1	393.4
Total Scottish Fire & Rescue Service	352.9	364.1	393.4
<i>of which:</i>			
Fiscal Resource	293.7	303.7	317.3
Non-cash	26.5	27.6	33.0
Capital	32.7	32.7	43.0
FTs	-	-	-
UK Funded AME	-	-	-

Table A6.13: Scottish Courts & Tribunals Service Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish Courts and Tribunals Service	134.4	151.5	165.9
Total Scottish Courts & Tribunals Service	134.4	151.5	165.9
<i>of which:</i>			
Fiscal Resource	97.1	102.0	111.7
Non-cash	29.3	33.8	33.9
Capital	8.0	13.7	17.6
FTs	-	-	-
UK Funded AME	-	2.0	2.7

Table A6.14: Central Government Grants to Local Authorities Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Criminal Justice Social Work	86.5	86.5	86.5
Total Justice Central Government Grants to Local Authorities	86.5	86.5	86.5
<i>of which:</i>			
Fiscal Resource	86.5	86.5	86.5
Non-cash	-	-	-
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	-	-

Annex A.7 – Wellbeing Economy, Fair Work & Energy

Portfolio Responsibilities

Wellbeing Economy, Fair Work & Energy is at the heart of the Scottish Government's ambition to build a stronger, fairer, and greener economy, which meets the needs of Scotland's people and places.

This portfolio is responsible for employment and jobs, energy and offshore wind, digital strategy and connectivity, international trade and investment, and the funding of Scotland's enterprise agencies, VisitScotland and the Scottish National Investment Bank.

Through the National Strategy for Economic Transformation (NSET), the portfolio is building a fair, green, and growing Wellbeing Economy which attracts international investment and facilitates the transition to a net-zero economy. It will enable progress towards Scotland being a leading fair work nation, and through our investment in employability and training, it will deliver on the government's ambition to eradicate child poverty by removing structural barriers for those who struggle to access the labour market.

The portfolio will support the sustained growth of international exports and the attraction of more inward investment in Scotland's key sectors. Alongside our enterprise agencies, the Scottish National Investment Bank will continue to act as a mission-focused investor, making commercial investments and crowding in private capital to deliver impact across its three missions.

The portfolio supports energy transition in businesses and communities across Scotland. Our strategic investment in offshore wind will stimulate and support private investment in the infrastructure and supply chain critical to the growth of the sector. It will also support market certainty, providing thousands of new jobs, embedding innovation and boosting skills.

We will also continue to promote industrial decarbonisation across the economy, supporting a just transition for the energy sector, including support for businesses in the North East of Scotland to grow and diversify. We also continue to support early-stage investment in Hydrogen innovation, along with other technologies such as tidal and wave. Due to uncertainty from the UK Government on the timescales for Track 2 CCUS support, no budget provision has been provided for this financial year; despite this we remain committed to supporting the project with up to £80 million of Scottish Government capital funding at the earliest opportunity.











The portfolio is also building Scotland's digital capability. Our strategic investments to extend and enhance Scotland's digital infrastructure will ensure that all of Scotland can contribute to, and benefit from, the digital economy. By extending gigabit-capable fibre networks, we are providing a platform for innovation across all sectors, including the transformation of digital public services, and creating the conditions for Scotland to become a green data hosting location at the heart of the technology revolution.

The portfolio will continue to provide person-centred employability and skills support, focusing on improving long-term labour participation. Through the New Deal for Business, the portfolio will work with businesses to support an effective regulatory environment for businesses in Scotland. Alongside this, our work to implement the Investor Panel recommendations aims to increase the amount of private sector capital investment that flows to Scotland.

Scotland has the potential to become a leading European start-up nation, and the portfolio will realise that potential by continuing to invest in world-class start-up incubation environments, first-rate mentorship and commercial education, and by supporting more women to start and scale businesses. We will also progress key recommendations from the recent innovation strategy, including a focus on the commercialisation of research and reforming our approach to investing in innovative projects.

The spending plans set out below will ensure that we build on local strengths, boost investment, innovation and productivity, and promote Fair Work and wellbeing across Scotland. This is how we will deliver an economy that is fair, green, and growing, benefitting all Scotland's communities and people.

Wellbeing Economy, Fair Work & Energy intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Economy	 Children and Young People
 International	 Education
 Fair Work and Business	 Human Rights
 Environment	
 Poverty	
 Communities	
 Health	

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Wellbeing Economy, Fair Work & Energy

Table A7.01: Spending Plans (Level 2)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 2	£m	£m	£m
Offshore Wind Supply Chain	-	9.3	66.9
Energy Transition	63.3	86.1	52.5
Digital	185.6	148.3	208.8
Employability	124.0	133.6	102.9
Enterprise, Trade Investment	467.5	411.6	348.7
European Structural Funds	-	-	-
European Regional Development Fund	-	-	-
Economic and Scientific Advice	7.9	9.3	12.9
Scottish National Investment Bank	215.8	246.1	177.1
Cities Investment and Strategy	234.7	211.4	211.2
Ferguson Marine	35.2	60.0	42.5
Tourism	52.4	52.7	47.0
Total Wellbeing Economy, Fair Work & Energy	1,386.4	1,368.3	1,270.5
<i>of which</i>			
Total Fiscal Resource	449.3	492.7	457.1
<i>of which Operating Costs</i>	34.4	57.2	66.4
Non-cash	32.6	34.3	27.3
Capital	619.8	579.1	593.2
Financial Transactions (FTs)	284.6	262.0	192.9
UK Funded AME	0.1	0.3	-

Presentational Adjustments for Scottish Parliament Approval

Enterprise (NDPB Non-cash)	(23.3)	(21.1)	(11.6)
Ferguson Marine (NDPB Non-cash)	(0.5)	(0.5)	(0.6)
Highlands and Island Enterprise (NDPB Non-cash)	(2.7)	(3.2)	(3.2)
South of Scotland Enterprise (NDPB Non-cash)	(1.0)	(0.6)	-
Scottish National Investment Bank (NDPB Non-cash)	(0.8)	(1.1)	(0.3)
Tourism (NDPB Non-cash)	(4.2)	(4.4)	(2.3)
Total Wellbeing Economy, Fair Work & Energy	1,353.9	1,337.5	1,252.5
Total Limit on Income (accruing resources)	400.0		

Table A7.02: Offshore Wind Supply Chain Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Offshore Wind Supply Chain	-	9.3	66.9
Total Offshore Wind Supply Chain	-	9.3	66.9
<i>of which</i>			
Fiscal Resource	-	9.3	9.0
Non-cash	-	-	-
Capital	-	-	32.9
Financial Transactions (FTs)	-	-	25.0
UK Funded AME	-	-	-

Table A7.03 Energy Transition (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Energy Transition	63.3	75.9	45.2
CARES Recovery	-	10.2	7.3
Total Energy Transition	63.3	86.1	52.5
<i>of which</i>			
Fiscal Resource	10.3	9.6	9.1
Non-cash	-	-	-
Capital	53.0	76.5	43.4
Financial Transaction (FTs)	-	-	-
UK Funded AME	-	-	-

Table A7.04: Digital Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Digital Connectivity	130.9	96.5	143.8
Digital Economy	15.2	(1.0)	-
Digital Strategy	39.5	52.8	65.0
Total Digital	185.6	148.3	208.8
<i>of which</i>			
Fiscal Resource	28.4	34.5	37.5
Non-cash	-	3.5	4.8
Capital	151.2	112.3	166.5
Financial Transactions (FTs)	6.0	(2.0)	-
UK Funded AME	-	-	-

Table A7.05 Employability Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Employability	124.0	133.6	102.9
Total Employability	124.0	133.6	102.9
<i>of which</i>			
Fiscal Resource	123.9	133.6	102.9
Non-cash	0.1	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A7.06 Enterprise, Trade and Investment Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Enterprise	301.6	280.0	230.3
Highlands and Islands Enterprise	68.7	62.8	54.8
Innovation, Industries, Trade and Investment	60.0	34.3	36.3
South of Scotland Enterprise Agency	37.3	34.5	27.4
Total Enterprise, Trade and Investment	467.5	411.6	348.7
<i>of which</i>			
Fiscal Resource	218.0	228.4	221.3
Non-cash	27.0	24.9	18.3
Capital	149.6	132.1	115.2
Financial Transactions (FTs)	72.7	26.2	(6.1)
UK Funded AME	0.1	-	-

Table A7.07: European Structural Funds 2014-20 Programmes Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
ESF Central Government Spend – EC Income	-	-	-
ESF Central Government Spend	-	-	-
ESF Grants to Local Authorities	-	-	-
ESF Grants to Local Authorities – EC Income	-	-	-
Total ESF 2014-20 Programmes	-	-	-
<i>of which</i>			
Fiscal Resource	-	-	-
Non-cash	-	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A7.08: European Regional Development Funds Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
ERDF Central Government Spend - EC Income	-	-	-
ERDF Central Government Spend	-	-	-
ERDF Grants to Local Authorities	-	-	-
ERDF Grants to Local Authorities - EC Income	-	-	-
Total ERDF 2014-20 Programmes	-	-	-
<i>of which</i>			
Fiscal Resource	-	-	-
Non-cash	-	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A7.09: Economic and Scientific Advice (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
National Strategy for Economic Transformation and Business and Better Regulation	-	-	3.7
Scientific Engagement and Advice	3.0	3.0	3.0
Office of the Chief Economic Adviser	4.9	6.3	6.2
Total Economic and Scientific Advice	7.9	9.3	12.9
<i>of which</i>			
Fiscal Resource	7.9	9.3	12.9
Non-cash	-	-	-
Capital	-	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A7.10: Scottish National Investment Bank Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Scottish National Investment Bank	215.8	246.1	177.1
Total Scottish National Investment Bank	215.8	246.1	177.1
<i>of which</i>			
Fiscal Resource	9.0	5.8	2.8
Non-cash	0.8	1.1	0.3
Capital	0.1	1.4	-
Financial Transactions (FTs)	205.9	237.8	174.0
UK Funded AME	-	-	-

Table A7.11: Cities Investment and Strategy Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
City and Region Investment and Strategy	233.2	204.0	202.7
Growth Accelerator	1.5	7.4	8.5
Total Cities Investment and Strategy	234.7	211.4	211.2
<i>of which</i>			
Fiscal Resource	8.7	20.1	21.2
Non-cash	-	-	-
Capital	226.0	191.3	190.0
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A7.12: Ferguson Marine Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Ferguson Marine	35.2	60.0	42.5
Total Ferguson Marine	35.2	60.0	42.5
<i>of which</i>			
Fiscal Resource	1.3	1.9	1.9
Non-cash	0.5	0.5	0.6
Capital	33.4	57.6	40.0
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A7.13: Tourism Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Tourism	52.4	52.7	47.0
Total Tourism	52.4	52.7	47.0
<i>of which</i>			
Fiscal Resource	41.8	40.2	38.6
Non-cash	4.2	4.4	3.3
Capital	6.5	7.9	5.2
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	0.3	-

Annex A.8 – Rural Affairs, Land Reform & Islands

Portfolio Responsibilities

Rural Affairs, Land Reform & Islands supports Scotland’s agriculture, forestry, fishing and aquaculture sectors, the food and drink sector, land reform, and promotes the protection and restoration of our land and seas, particularly peatland.

The portfolio’s responsibilities are diverse, and include farming and food production, animal and plant health and welfare, rural and island communities, land reform, food and drink, crofting, forestry, peatland, natural capital, fishing and aquaculture. It has a critical role to support some of our most fragile rural, coastal and islands communities, enabling them to thrive and prevent depopulation.

Rural Affairs, Land Reform & Islands’ funding will ensure Scotland’s rural and blue economies are supported to become more sustainable, productive and prosperous, as well as driving forward work to protect and restore nature, to mitigate and adapt to climate change, and empower communities.













Scotland’s agriculture, forestry, fishing and aquaculture sectors play a vital role in our economy and are at the heart of our rural, coastal and island communities. We will continue the Agricultural Reform Programme and work collaboratively to further develop the future rural support framework. Our Environment, Natural Resources and Agriculture research programme will continue to provide the evidence base to support policy development and effective delivery. Sustainability will be central to our approach, working to transform future farming activity, deliver our Blue Economy Vision, Fisheries Management Strategy and Vision for Sustainable Aquaculture, and invest in peatland restoration, woodland creation and forest management.

Scotland’s first ever Good Food Nation plan sets out the main outcomes to be achieved on food-related issues, to support our food and drink sector.

We will support rural and island communities through the National Development Plan for Crofting, and legislate to enhance wildlife management and manage muirburn; to create a future framework to support agriculture and rural communities and on land reform to improve transparency of land ownership and empower communities to own land and direct how it is used. Recommendations from the land-based learning review will be used to help create employment and skills opportunities. We will continue to support six Scottish islands to become carbon neutral by 2040, and use this to advise all other Scottish islands. We will manage and restore more peatland, create more – and enhance – existing woodlands and forests, and protect wildlife and plant life.

The spending plans for 2024-25 will optimise how we use Scotland’s land and seas to produce food sustainably, help tackle climate change, provide green jobs and protect nature.

Rural Affairs, Land Reform & Islands intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Environment	 Children and Young People
 Communities	 Education
 Economy	 Human Rights
 Fair Work and Business	 Poverty
	 International
	 Fair Work and Business
	 Culture
	 Health

For further information on the purposes of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Rural Affairs, Land Reform & Islands

Table A8.01: Spending Plans (Level 2)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 2	£m	£m	£m
Agricultural Support and Related	755.0	738.9	705.7
Rural Services	53.3	58.4	59.3
Marine Funding	20.4	17.1	15.0
Marine	72.2	82.8	78.0
Islands	8.3	8.5	6.7
Land Reform	13.5	15.1	11.6
Scottish Forestry	90.9	103.7	70.1
Forestry and Land Scotland	27.2	23.8	27.8
Natural Resources and Peatland	28.4	32.3	31.4
Research Analysis and Other Services	86.5	90.3	87.0
Total Rural Affairs, Land Reform & Islands	1,155.8	1,171.0	1,092.6
<i>of which</i>			
Total Fiscal Resource	925.2	939.7	915.6
<i>of which Operating Costs</i>	130.8	139.9	139.7
Non-cash	13.7	15.5	26.7
Capital	215.9	215.7	150.3
Financial Transactions (FTs)	1.0	-	-
UK Funded AME	-	-	-

Presentational Adjustments for Scottish Parliament Approval

Crofting Commission	(0.1)	(0.1)	(0.1)
Animal License Fees	0.1	0.1	0.1
Royal Botanical Gardens (NDPB Non-cash)	(2.5)	(3.4)	(3.5)
Total Rural Affairs, Land Reform & Islands	1,153.3	1,167.6	1,089.1

Total Limit on Income (accruing resources)	300.0
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Table A8.02: Agricultural Support & Related Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Pillar 1 – Basic payments	282.0	282.0	282.0
Pillar 1 – Greening payments	142.0	142.0	142.0
Pillar 1 – Other payments	61.0	61.0	50.7
Convergence Funding	25.7	-	-
Agricultural Transformation	5.0	5.0	3.0
Technical Assistance	4.5	1.0	1.0
Agri Environment Measures	35.8	35.8	29.6
Business Development	26.0	13.1	10.3
Crofting Assistance	0.8	1.9	2.1
EU Income	(2.5)	-	-
Forestry	0.1	0.1	0.1
Less Favoured Area Support Scheme	65.5	65.5	65.5
ARE Operations	89.2	91.8	102.4
Science and Advice for Scottish Agriculture	-	0.7	-
Agricultural Reform Programme	20.0	39.0	17.0
Total Agricultural Support & Related	755.0	738.9	705.7
<i>of which</i>			
Total Fiscal Resource	696.8	693.8	675.7
Non-cash	4.9	5.0	16.2
Capital	53.3	40.1	13.8
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.03: Rural Services Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Agricultural & Horticultural Advice & Support	2.2	2.2	2.2
Animal Health	19.6	25.6	24.7
Crofting Commission	4.0	4.2	4.6
Food Industry Support	9.6	8.4	9.6
Community Led Local Delivery	11.6	11.6	12.2
Rural Economy and Communities	1.4	1.5	1.2
Veterinary Surveillance	4.9	4.9	4.8
Total Rural Services	53.3	58.4	59.3
<i>of which</i>			
Total Fiscal Resource	49.4	58.4	59.2
Non-cash	0.1	0.1	0.1
Capital	3.8	-	-
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.04: Marine Funding Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
EU Fisheries Grants	14.1	5.2	-
Fisheries Harbour Grant	1.0	1.0	0.5
Marine Fund Scotland	14.5	14.5	14.5
Marine EU Income	(9.2)	(3.6)	-
Total Marine Funding	20.4	17.1	15.0
<i>of which</i>			
Total Fiscal Resource	16.0	5.0	6.5
Non-cash	-	-	-
Capital	4.4	12.1	8.5
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.05: Marine Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Marine Directorate	72.2	82.8	78.0
Total Marine Directorate	72.2	82.8	78.0
<i>of which</i>			
Total Fiscal Resource	58.1	69.1	64.6
Non-cash	5.1	5.7	6.1
Capital	9.1	8.0	7.3
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.06: Islands Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Carbon Neutral Islands	3.0	3.0	2.2
Islands Bonds	0.3	-	-
Islands Plan	5.0	5.5	4.5
Total Islands	8.3	8.5	6.7
<i>of which</i>			
Total Fiscal Resource	3.0	3.5	2.4
Non-cash	-	-	-
Capital	5.3	5.0	4.3
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.07 Land Reform Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Land Reform	12.0	13.6	10.0
Scottish Land Commission	1.6	1.5	1.6
Total Land Reform	13.5	15.1	11.6
<i>of which</i>			
Fiscal Resource	5.5	7.7	6.6
Non-cash	-	-	-
Capital	8.0	7.4	5.0
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.08 Scottish Forestry Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Programme and Running Costs	19.5	21.2	19.9
Depreciation	0.7	0.9	0.6
Woodland Grants	69.5	77.2	45.4
Forest Research (Cross Border Services)	4.5	4.5	4.3
EC Receipts	(3.2)	-	-
Total Scottish Forestry	90.9	103.7	70.1
<i>of which</i>			
Fiscal Resource	38.9	45.8	42.5
Non-cash	0.7	0.9	0.6
Capital	50.4	57.0	27.0
Financial Transactions (FTs)	1.0	-	-
UK Funded AME	-	-	-

Table A8.09 Forestry & Land Scotland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Forestry and Land Scotland Resource	16.7	12.2	15.6
Forestry and Land Scotland Capital	10.5	11.6	12.2
Total Forestry & Land Scotland	27.2	23.8	27.8
<i>of which</i>			
Fiscal Resource	16.7	12.2	15.6
Non-cash	-	-	-
Capital	10.5	11.6	12.2
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.10 Natural Resources & Peatland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Natural Resources and Peatland	28.4	32.3	31.4
Total Natural Resources & Peatland	28.4	32.3	31.4
<i>of which</i>			
Fiscal Resource	5.8	8.9	8.0
Non-cash	-	-	-
Capital	22.6	23.4	23.4
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Table A8.11 Research, Analysis & Other Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Economic and Other Surveys	4.3	3.8	3.7
Programmes of Research	49.9	48.4	47.7
Royal Botanic Garden, Edinburgh	28.7	33.8	32.0
Strategic Policy, Research and Sponsorship	3.6	4.3	3.6
Total Research, Analysis & Other Services	86.5	90.3	87.0
<i>of which</i>			
Fiscal Resource	35.1	35.4	34.5
Non-cash	2.9	3.8	3.7
Capital	48.5	51.1	48.8
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-

Annex A.9 – Constitution, External Affairs & Culture

Portfolio Responsibilities

The Constitution, External Affairs & Culture portfolio engages at home and internationally to enhance Scotland's reputation and increase our economic success, prosperity and wellbeing. We also promote Scotland as a great place to live, visit, work, study and do business.

This portfolio is responsible for our constitutional policy and strategy, managing our global affairs network and supporting the culture sector. It is also responsible for the funding of the National Records of Scotland and the British Irish Council.












2024-25 funding will support the culture sector to increase resilience and sustainability, ensure international work supports delivery of domestic policy, and continue to project the values we aim to espouse on the global stage. It allows us to provide the people of Scotland with further information on the opportunities of an independent Scotland within the EU in the Building a New Scotland series, and continue to demonstrate our commitment to EU values, and our alignment with EU policy priorities.

The impacts of COVID-19, Brexit and the rising costs of living and operating have created significant challenges for the culture sector. Scotland's unique culture is known the world over and is valued at home in and of itself, and also in recognition of the central role it plays in the wellbeing and prosperity of individuals and communities across Scotland.

Our continued and increased investment in Scotland's culture and heritage will improve the resilience and sustainability of our culture sector and, in tandem with our cross-Government public service reform activity, will support our publicly funded culture bodies to deliver high-quality services, sustainably and equitably, that are fit for the future. We will continue to support the culture sector to deliver highly skilled jobs, successful businesses, and thriving communities. We will work with delivery partners to promote equity of access to our world-class collections and heritage assets and opportunities for cultural and creative participation.

We remain committed to being a good global citizen and to playing our part in tackling global challenges, including climate change, poverty, injustice and inequality. Through our international work we support the National Strategy for Economic Transformation and the transition to Net Zero, highlighting the opportunities to build a hydrogen economy. Across our international and European relationships, we will continue our commitment to internationalisation, supported by the work of our international network of offices. We will continue to build our relationships, celebrate cultural, educational and ancestral connections, and exchange policy ideas to address shared challenges, ensuring Scotland remains a valued and well-connected nation.

Constitution, External Affairs & Culture intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Communities	 Poverty
 Culture	 Education
 International	 Fair Work and Business
 Economy	 Health
 Children and Young People	 Environment
	 Human Rights

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Constitution, External Affairs & Culture

Table A9.01: Spending Plans (Level 2)

Level 2	2022-23 Budget £m	2023-24 Budget £m	2024-25 Budget £m
Culture	194.5	180.8	196.6
External Affairs	26.9	27.2	26.4
Historic Environment Scotland	70.1	72.7	74.2
National Records of Scotland	59.6	33.0	34.5
Total Constitution, External Affairs & Culture	351.0	313.7	331.7
<i>of which:</i>			
Total Fiscal Resource	297.1	269.4	287.4
<i>of which Operating Costs</i>	15.3	15.1	16.3
Non-cash	16.8	18.2	19.2
Capital	37.1	26.1	25.2
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	0.1	-

Presentational Adjustments for Scottish Parliament Approval

National Galleries of Scotland (NDPB Non-cash)	(2.5)	(2.5)	(2.5)
National Libraries of Scotland (NDPB Non-cash)	(3.2)	(4.1)	(4.3)
National Museums of Scotland (NDPB Non-cash)	(3.7)	(3.6)	(3.9)
Historic Environment Scotland (NDPB Non-cash)	(3.0)	(4.0)	(5.0)
Creative Scotland (NDPB Non-cash)	(1.0)	(0.9)	(1.0)
National Records of Scotland - shown separately	(59.6)	(33.0)	(34.5)
Total Constitution, External Affairs & Culture	278.2	265.6	280.4
Total Limit on Income (accruing resources)	200.00		

Table A9.02: Culture & Major Events Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Creative Scotland and Other Arts	76.2	64.5	75.6
Cultural Collections	90.0	87.9	91.9
Culture and Major Events Staffing	3.5	3.5	3.6
National Performing Companies	22.9	22.9	23.6
Architecture and Place	1.5	1.5	1.5
Royal and Ceremonial	0.4	0.4	0.4
Total Culture & Major Events Scotland	194.5	180.8	196.6
<i>of which:</i>			
Total Fiscal Resource	156.7	156.6	171.6
Non-cash	10.3	11.1	11.3
Capital	27.6	13.1	13.7
FTs	-	-	-
UK Funded AME	-	-	-

Table A9.03: External Affairs Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
International and European Relations	26.8	27.1	26.3
British Irish Council	0.1	0.1	0.1
Total External Affairs	26.9	27.2	26.4
<i>of which:</i>			
Total Fiscal Resource	26.9	26.7	25.9
Non-cash	-	0.4	0.4
Capital	-	-	-
FTs	-	-	-
UK Funded AME	-	0.1	-

Table A9.04: Historic Environment Scotland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Operational Costs	96.9	114.5	129.7
Capital Expenditure	6.5	9.0	8.0
Less Income	(33.3)	(50.8)	(63.5)
Total Historic Environment Scotland	70.1	72.7	74.2
<i>of which:</i>			
Total Fiscal Resource	60.6	59.7	61.2
Non-cash	3.0	4.0	5.0
Capital	6.5	9.0	8.0
FTs	-	-	-
UK Funded AME	-	-	-

Table A9.05: National Records of Scotland Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Operational Costs	62.4	34.8	36.8
Capital Expenditure	3.0	4.0	3.5
Less Income	(5.8)	(5.8)	(5.8)
Total National Records of Scotland	59.6	33.0	34.5
<i>of which:</i>			
Total Fiscal Resource	53.0	26.3	28.5
Non-cash	3.6	2.7	2.5
Capital	3.0	4.0	3.5
FTs	-	-	-
UK Funded AME	-	-	-

Annex A.10 – Crown Office & Procurator Fiscal Service

Portfolio Responsibilities

The Crown Office & Procurator Fiscal Service is the sole public prosecution authority in Scotland, prosecuting cases independently, fairly and effectively in the public interest. It is also responsible for investigating sudden, unexplained and suspicious deaths and allegations of criminal conduct by police officers. This work helps to ensure that Scotland is safe from crime, disorder and danger.

The Lord Advocate has Ministerial responsibility for the work of the service. The Lord Advocate's position as head of the systems of criminal prosecution and investigation of deaths is enshrined in the Scotland Act 1998 and she exercises that responsibility independently of any other person.

The funding for the Crown Office & Procurator Fiscal Service in 2024-25 will support the continued recovery of the court system from the backlogs caused by the COVID-19 pandemic, and the reduction of waiting times for justice.






The Crown Office & Procurator Fiscal Service is a demand-led organisation with responsibility to meet state obligations to deliver justice. It operates within a complex criminal justice system to deliver justice, with the volume and complexity of the service's casework continuing to grow.

Along with justice partners, the Crown Office & Procurator Fiscal Service has made a five-year commitment to address trial backlogs caused by the effects of the COVID-19 pandemic. The backlog of cases in the justice system have already been reduced by around a third and these will continue to decrease through targeted use of the expanded court capacity programme. This includes a particular focus on more serious cases within the solemn courts while seeking to ensure that the volume of summary cases is regularised during 2024.

Sexual crime has increased and makes up just over 70 per cent of High Court cases and there continue to be high levels of domestic abuse cases. Violence against women and girls, sexual crime and domestic abuse will form the bulk of casework for some years to come. Victims and witnesses of crime are at the heart of the justice system, and the Crown Office & Procurator Fiscal Service will ensure that justice responses are robust, supportive and trauma-informed.

The spending plans for the Crown Office & Procurator Fiscal Service will ensure a just, safe and resilient Scotland where genuine equality and opportunity allows everyone to reach their potential and contribute fully to society.

Crown Office & Procurator Fiscal Service intended contributions to the National Outcomes

Primary National Outcomes	Secondary National Outcomes
 Communities  Human Rights	 Economy  Fair Work and Business  Environment

For further information on the purpose of the portfolio budget, and contributions to national outcomes (including impacts of spend on equality of outcome) please refer to the relevant portfolio annex in the published Equality and Fairer Scotland Budget Statement.

Crown Office & Procurator Fiscal Service

Table A10.01: Crown Office & Procurator Fiscal Service Spending Plans (Level 2)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 2	£m	£m	£m
Crown Office & Procurator Fiscal Service	184.4	198.7	223.0
Total Crown Office & Procurator Fiscal Service	184.4	198.7	223.0
<i>of which</i>			
Total Fiscal Resource	168.3	181.4	203.4
Non-cash	8.4	9.0	9.9
Capital	7.8	8.3	9.7
Financial Transactions (FTs)	-	-	-
UK Funded AME	-	-	-
Total Limit on Income (accruing resources)			3.0

Table A10.02: Crown Office & Procurator Fiscal Service Spending Plans (Level 3)

	2022-23 Budget	2023-24 Budget	2024-25 Budget
Level 3	£m	£m	£m
Staff Costs	132.5	148.2	167.1
Office Costs	4.0	4.5	4.6
Case-related	17.8	17.1	18.4
Centrally Managed Costs	22.4	20.6	23.2
Capital Expenditure	7.8	8.3	9.7
Total Crown Office & Procurator Fiscal Service	184.4	198.7	223.0
<i>of which</i>			
Total Fiscal Resource	168.3	181.4	203.4
Non-cash	8.4	9.0	9.9
Capital	7.8	8.3	9.7
FTs	-	-	-
UK Funded AME	-	-	-

Annex B

Scottish Government Fiscal Control Framework

(1) Introduction

The Scottish Government is required to set a balanced budget each year. This must also remain within the key control totals as set out below:

Table B.01 – Scottish Government Total Funding

	2022-23	2023-24	2024-25
Scottish Government Discretionary Fiscal Budget	£m	£m	£m
Fiscal Resource	39,188	41,944	44,527
Non Domestic Rates	2,766	3,047	3,068
Capital	5,824	5,940	6,017
Financial Transactions	527	424	176
Total Discretionary Fiscal Budget	48,305	51,354	53,788
Effect of IFRS16 on Discretionary Resource Funding	(203)	(200)	(203)
Effect of IFRS16 on Discretionary Capital Funding	861	441	233
Discretionary Funding Revised for IFRS16	48,963	51,595	53,817
Scottish Government Non-discretionary Budget	£m	£m	£m
Non-Cash Resource Budget	1,103	1,015	1,322
UK Funded Annually Managed Expenditure (UKAME)	6,934	7,444	4,329
Effect of IFRS16 on Non-Cash Resource Budget	209	228	231
Effect of IFRS16 on AME budget	16	10	8
Total non-discretionary Budget	8,262	8,697	5,890
Total Scottish Budget	57,225	60,292	59,708

The prior year comparators throughout this document reflect the position as set out in the Scottish Budget as approved by Parliament for that year but adjusted to reflect the impact of baseline transfers between portfolios and the impact of the public sector adoption of International Financial Reporting Standard 16, which changes the budgeting and accounting treatment of leases. The funding position shown is consistent with the original draft Budget allocation for a given year. The Budget position changes throughout the year and subsequent budget revisions are available from the Scottish Government website.

Some figures may not sum due to rounding (all Scottish Budget figures are rounded at Level 4. Level 4 tables are published alongside the Scottish Budget document on the Scottish Government website).

This presentation draws a distinction between the discretionary budget, where the Scottish Government may deploy cash funding according to its own priorities within devolved competence, and the non-discretionary budget which can only be used for specific defined purposes with no scope to fire into discretionary budget lines.

The **discretionary fiscal budget** comprises four sub-categories of spending subject to their own control limits. These sub-limits are imposed by HM Treasury as part of UK fiscal rules. These limits apply to:

Fiscal resource budgets – the largest element of government expenditure comprises expenditure on the day-to-day costs of delivering public services, used for example to pay public sector staff wages and purchase goods and services. Full analysis of the fiscal resource funding envelope is detailed in table B.02 below.

Capital budgets are used mainly to support the delivery of public infrastructure in Scotland. This is split between fiscal capital and a separate control for budgets that can only be used to support loan or equity investment in bodies outside the public sector – labelled as Financial Transactions. It is not possible within HM Treasury fiscal rules to use capital budgets to fund additional day-to-day expenditure; they must be used to support long-term investment. Full analysis of the capital and Financial Transactions funding envelope is detailed in tables B.03 and B.04 below.

Non-Domestic Rates (NDR) – are fully devolved and outside scope of the block grant and Fiscal Framework arrangements controlled by HM Treasury. These are forecast by the Scottish Fiscal Commission (SFC) based on Scottish Government policies and collected by local authorities. The total distributable amount used in Scottish Budgets reflects the forecasts by the SFC taking into account outturn and other adjustments managed through the NDR pool. The arrangements for operation of the Non-Domestic Rates, and the management of the NDR pool in Scotland are available on the Scottish Government website.

To note, NDR is disclosed as AME within the Local Government portfolio allocation.

The **non-discretionary budget** reflects the items where use of funding is restricted and/or has no impact on cash deployment and has two subcategories.

The non-cash resource limit – largely for depreciation of assets. It is not possible to use the notional non-cash budgets to support any fiscal spending.

UK Funded AME – A small number of programmes that, whilst they fall within the devolved responsibilities of the Scottish Government, continue to be funded annually by the UK Government on the basis of demand (shown here as UK-funded Annually Managed Expenditure or UK-funded AME). These budgets are ring-fenced for specific purposes – principally NHS and teachers’ pension payments and Student Loans. HM Treasury fiscal rules prohibit the use of funding provided for these areas to support other expenditure. However, this is not the case for all demand-led programmes notably Social Security expenditure in Scotland, which is managed within the Fiscal Resource Departmental Expenditure Limit (DEL) rather than AME. This means that any demand risk in Social Security Expenditure has to be managed alongside demand risk with other portfolio expenditure. This is different from the rest of the UK.

The Scottish Government operates within the requirements of the Fiscal Framework, agreed as part of the further devolution of fiscal powers contained in Scotland Act 2016 and subsequently revised in August 2023.

(2) Fiscal Resource Funding Envelope

A full breakdown of the fiscal resource envelope by source of funding is detailed below.

Table B.02 Fiscal Resource Funding

	2022-23	2023-24	2024-25
Fiscal Resource Funding	£m	£m	£m
Core Block Grant from UK Government	34,322	36,023	36,960
Ring-fenced Funding	704	715	715
Total UK Settlement (A)	35,026	36,737	37,674
Social Security Block Grant Adjustment (B)	3,587	4,360	5,191
Block Grant Adjustment for Taxes and Non-Tax Income	(14,639)	(16,131)	(18,066)
Scottish Income Tax	13,671	15,810	18,844
Land and Buildings Transaction Tax	749	773	730
Scottish Landfill Tax	101	79	58
Non-Tax Income	25	25	25
Net Budget Adjustment for Taxes and Non-Tax Income (C)	(94)	557	1,592
Reconciliations	(15)	46	(338)
Resource Borrowing	15	41	338
Resource Borrowing Costs	(76)	(120)	(124)
Capital Borrowing Costs	(92)	(112)	(141)
Crown Estate Revenues	40	310	200
Scotland Reserve	120	-	-
Migrant Surcharge	92	120	200
KLTR	5	5	5
Other	180	-	18
Spillover	400	-	-
Resource to Capital Switch	-	-	(89)
Other Income and Funding Adjustments (D)	669	289	69
Total Scottish Government Fiscal Resource Funding (A+B+C+D)	39,188	41,944	44,527
<i>Non Domestic Rates - Distributable Amount</i>	<i>2,766</i>	<i>3,047</i>	<i>3,068</i>
Total Scottish and Local Government Fiscal Resource Funding	41,954	44,991	47,594
<i>IFRS 16 Adjustment to Budget Aggregate</i>	<i>(203)</i>	<i>(200)</i>	<i>(203)</i>
IFRS 16 Adjusted Fiscal Resource Funding	41,751	44,791	47,391

Some figures may not sum due to rounding

Scottish Government budgets are determined through the combination of block grant funding from HM Treasury and some ring-fenced funds as explained below. The block grant is adjusted to reflect the transfer of social security powers, devolution of taxes and other income devolved to Scotland (through the Scotland Act 2012 and Scotland Act 2016), plus any planned use of available devolved borrowing powers and Non-Domestic Rates Income. Specifically:

Total UK Settlement (A) – This contains the core block grant settlement as outlined in the UK Autumn Budget. Ring-fenced funding here relates to the replacement EU funding for Agriculture and Fisheries.

Changes in the Scottish Government’s block grant continue to be determined via the operation of the Barnett formula. Under the Barnett formula, the Scottish Government’s block grant in any given financial year is equal to the block grant baseline plus a population share of changes in UK Government spending on areas that are devolved to the Scottish Parliament. Detail of how the Barnett formula works is set out in the UK Government’s Statement of Funding Policy^[2].

Social Security Block Grant Adjustment (B) – The block grant is adjusted upwards to reflect the devolution of social security powers and this figure is calculated by HM Treasury with reference to forecasts prepared by the Office for Budget Responsibility.

Net Budget adjustment for Taxes and Non Tax Income (C) – The total funding available to the Scottish Government is also dependent on decisions Scottish Ministers take on tax policy. Variation of Scottish tax policy relative to that of the UK will adjust the level of tax income received by the Scottish Government and the overall level of funding available to support spending plans. For the purpose of this budget, these relativities are drawn between existing UK tax policy and the devolved tax policy proposals advanced by the Scottish Government. No assumptions are made about possible future changes to UK tax policy.

Other Income and Funding Adjustments (D) – A number of other adjustments are made to fiscal resource funding; these are detailed below. These form part of the overall fiscal envelope.

Reconciliations – This comprises positive and negative outturn movements versus previous forecasts on income tax (net of BGAs) along with final outturn reconciliations in respect of Social Security and fully devolved taxes. Block Grant Adjustments (BGAs) and these reconciliations are part of the Fiscal Framework agreement between the Scottish Government and HM Treasury.

Resource Borrowing – The Scottish Government can use resource borrowing to offset any negative reconciliations arising from forecast errors, within the overall annual and cumulative resource borrowing limits as defined in the Fiscal Framework agreement. In 2024-25 this power is being deployed to offset the adverse BGA reconciliations in relation to devolved taxes and benefit expenditure and included within the net reconciliation total above.

Borrowing Costs – All costs of capital and resource borrowing (including repayments of principal and interest) are deducted directly from fiscal resource funding.

Crown Estate Revenues – In 2022-23 the Crown Estate Scotland concluded the first round of offshore wind leasing which has generated in excess of £756 million of income. The amounts detailed for 2023-24 is as previously profiled. The amount profiled for 2024-25 has been reduced from the £350 million set out in the 2023 Medium Term Financial Strategy to £200 million. This reflects ongoing risks around managing the 2023-24 budget position and the possibility that additional funding will be required to balance the position. Active management of the 2023-24 position will continue, with final decisions on the amount of Crown Estate revenues to be drawn down taken towards the end of the 2023-24 financial year. The Crown Estate has also announced successful bidders on the INTOG (Innovation and Targeted Oil & Gas) leasing round (designed to enable offshore wind energy to directly supply offshore oil and gas platforms). Successful applicants have now accepted initial exclusivity agreements that enable them to progress through the application process.

Scotland Reserve – The Scotland Reserve allows the Scottish Government limited ability to manage spending across financial years. The Fiscal Framework sets out the limits of the Scotland Reserve – for 2023-24 up to £700 million in aggregate may be deposited in the Reserve. Maximum drawdown in any one year from the Reserve is £250 million of resource budget and £100 million of capital budget (including Financial Transactions). The Fiscal Framework renegotiation increased the aggregate limit in real terms from 2024-25 and waives the drawdown limits.

Migrant Surcharge – This is income derived from charges on migrants for using NHS Services and is collected by the UK Department for the Home Office and redistributed to devolved governments on a Barnett formula basis. Despite the Barnett formula applying, this is not a Barnett Consequential included within the block grant as it has no relationship to UK departmental spending. Amounts are allocated to Scottish Government's settlements incrementally. The uplift in forecast for 2024-25 is driven by an anticipated UK policy change (announced on 13 July 2023) on the level of charges applied.

King's Lord Treasurer Remembrancer (KLTR formerly Queen's QLTR) – This is the Crown's representative in Scotland who deals with ownerless property. In the Scotland Act 1998, the Crown's property rights in ownerless goods and the revenues raised from them were transferred to Scottish Ministers and the revenues paid into the Scottish Consolidated Fund.

Other – The £18 million for 2024-25 other fiscal resource relates to an anticipated correction to the block grant for an error in the Home Office comparability factor applied at the last UK Spending Review (+£21 million), offset by an adjustment to the Block Grant baseline for the devolution of Crown Estates to Scotland (-£3 million, agreed as part of the Fiscal Framework renegotiation). In 2022-23 the amount was related to expected, but unconfirmed, Barnett consequentials, which were subsequently received in full.

Spillover – As part of the 2022-23 Scottish Budget £620 million ‘other income’ assumption, £400 million was assumed to be forthcoming through the conclusion of a previous dispute on the application of increases to the personal allowance on adjustments to the Scottish Block Grant, dating back to 2017-18. An agreement was reached in 2022-23 reflecting all prior year adjustments up to and including financial year 2021-22 resulting in a transfer of £375 million in 2022-23. No adjustment is made or required for 2023-24 onwards.

Resource to Capital Switch – Recognising the pressure on infrastructure investment as a result of the persistent UK government squeeze on capital funding, £89 million of resource funding is being transferred to support the capital position.

Non-Domestic Rates Income – This is determined by policies set by the Scottish Government. In 2024-25, £3,069 million will form part of the settlement to Local Government in Scotland. The detailed policies for 2024-25 are set out in Chapter 2.

Public Sector Adoption of International Financial Reporting Standard 16 (IFRS 16) –

The public sector adoption of IFRS 16 changes the budgeting and accounting treatment for leases. This is a technical change, with budgets now adjusted to align with the requirement to capitalise the value of leased assets. 2024-25 is the final year of a three-year transition period with budgets for 2024-25 and prior year comparators are adjusted to reflect the necessary changes. These changes provide additional capital and non-cash budget cover to be applied for existing and new assets acquired under lease arrangements, to allow for their reclassification and subsequent depreciation. The changes to the resource budget position adjust for the elements of the rental costs that are now capitalised and therefore no longer score as resource. Non-discretionary ring-fenced budget cover is being provided by HM Treasury to support this change in treatment and the Scottish Government’s net discretionary funding is not impacted by these changes.

(3) Capital and Financial Transactions Funding Envelope

Table B.03 Capital Funding Envelope

	2022-23	2023-24	2024-25
Capital Funding	£m	£m	£m
Core Block Grant from UK Government	4,469	4,757	4,701
Ring-fenced Funding	643	632	670
Borrowing (per Capital Borrowing Policy)	450	450	458
Scotland Reserve	118	-	-
Fossil Fuel Levy	44	-	-
City Deals	100	100	100
<i>Resource to Capital Switch</i>	-	-	89
Total Capital Funding	5,824	5,940	6,017
<i>IFRS 16 Adjustment to Budget Aggregate</i>	861	441	233
IFRS 16 Adjusted Capital Funding	6,685	6,380	6,250

Table B.04 Financial Transactions Funding Envelope

	2022-23	2023-24	2024-25
Financial Transactions Funding (£m)	£m	£m	£m
Core Block Grant from UK Government	466	186	176
Scotland Reserve	61	50	-
Corrections to historic settlement to be reflected	-	188	-
Total Financial Transactions Funding	527	424	176

Core Block Grant Settlement from UK Government – As with fiscal resource these amounts are as per the recent UK Autumn Statement on 22 November 2023 and determined using the Barnett formula.

Ring-fenced Funding – This funding relates to the separate and specific agreement to transfer capital funding to support Network Rail outside the usual Barnett arrangements.

Capital Borrowing – Up to 2023-24 the Scottish Government could borrow up to £450 million per annum for capital borrowing, subject to a cumulative limit of £3 billion. From 2024-25, following the Fiscal Framework renegotiation, these limits will grow in line with inflation. The Scottish Government's policy on capital borrowing seeks to utilise borrowing capacity in a fiscally sustainable manner within these limits. An additional memorandum is published alongside this Budget document that provides more detail on the approach to capital borrowing and the approach to a potential future bond issuance, subject to due diligence.

Scotland Reserve – As detailed above the Scottish Government has ability to carry forward some funds or net underspends via the Scotland Reserve. No assumption is made for carry forward in the 2024-25 Budget.

Fossil Fuel Levy – The Fossil Fuel Levy was used to compensate power companies for the higher costs involved in meeting the terms of contracts to purchase renewable electricity, awarded to certain projects during the 1990s under a former renewables support mechanism. The funding shown for 2022-23 represents a final transfer to the Scottish Government following the winding up of the scheme. No such funding is available from 2023-24 onwards.

City Deals Funding – City deals are jointly funded through agreement with the UK Government. UK Government contributions to these agreements are not yet included in the block grant figures. The £100 million anticipated here is consistent with the profile of UK Government contributions to these agreements.

Corrections to historic FT settlement – The methodology underpinning the Barnett calculation (and subsequent repayment requirements) of Financial Transactions was amended as part of the 2020 UK Spending Review. This drew a distinction between FTs to be allocated on a gross basis and those allocated on a net basis (where repayments can be retained for redeployment). The change revealed some previous miscalculation of the Scottish Government FT settlement since 2015. In aggregate the total change amounted to around £400 million. £188 million reflects an adjustment to the FT settlement agreed with HMT for 2023-24. The balancing amount remains subject to discussion.

Financial Transactions – a separate control for capital budgets that can only be used to support loan or equity investment in bodies outside the public sector – labelled as Financial Transactions.

(4) Specific Funding Issues for 2024-25 and beyond

Whilst Barnett funding from the UK Government has increased in real terms in 2024-25 on the basis of the standard GDP deflator calculation, this does not compensate the Scottish Budget for increases in prices over 2023-24 and 2024-25 combined. As the table below demonstrates, the funding received for 2024-25 is lower in real terms than in 2022-23.

Table B.05 Real Terms change in Core Block Grant from the UK Government

Block Grant Funding (2023-24 prices)	2022-23 £m	2023-24 £m	2024-25 £m
Fiscal Resource Budget	37,162	36,737	37,052
Capital Budget	4,742	4,757	4,623
Financial Transactions Budget	494	186	173
Total	42,398	41,680	41,848
Real Terms Change against prior year	-	(1.7%)	0.4%
Cumulative Real Terms changes since 2022-23	-	(1.7%)	(1.3%)

Table B.06 Real Terms change in Discretionary Funding

Total Discretionary Funding (2023-24 prices)	2022-23 £m	2023-24 £m	2024-25 £m
Fiscal Resource Budget	44,514	44,991	46,808
Capital Budget	6,179	5,940	5,918
Financial Transactions Budget	559	424	173
Total	51,252	51,354	52,899
Real Terms Change against prior year	-	0.2%	3.0%
Cumulative Real Terms changes since 2022-23	-	0.2%	3.2%

GDP Deflators for 2023-24 prices	0.943	1.000	1.061
GDP Deflators for 2022-23 prices	1.000	1.061	

Looking at discretionary funding (incorporating the effect of Scottish Government policies on tax and borrowing) shows that these policies have mitigated these inflationary effects. The 2023-24 discretionary budget is shows a small increase in real terms against the opening budget position for 2022-23, whilst for 2024-25 Scottish Government funding in total has increased by 3.4% after factoring in devolved funding policies.

- [1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/503481/fiscal_framework_agreement_25_feb_16_2.pdf
- [2] [Statement of Funding Policy 2021 \(publishing.service.gov.uk\)](#)
- [3] [Local government: Non-domestic rates \(business rates\) - gov.scot \(www.gov.scot\)](#)

Annex C

Summary of Portfolio Spending Plans

Table C.01: Total Proposed Budget for 2024-25

2024-25 Scottish Budget	Resource £m	Ring-fenced £m	Capital £m	Financial Transactions £m	Total £m	UK Funded AME £m	Total £m
NHS Recovery, Health & Social Care	18,243	394	820	-	19,458	104	19,562
Deputy First Minister & Finance	9,139	23	668	25	9,855	6,490	16,346
Social Justice	6,901	85	526	(31)	7,481	-	7,481
Transport, Net Zero & Just Transition	1,617	366	2,594	(2)	4,575	1	4,575
Education & Skills	3,117	402	555	(9)	4,065	804	4,870
Justice & Home Affairs	3,305	183	308	-	3,796	3	3,799
Wellbeing Economy, Fair Work & Energy	457	27	593	193	1,270	-	1,270
Rural Affairs, Land Reform & Islands	916	27	150	-	1,093	-	1,093
Constitution, External Affairs & Culture	287	19	25	-	332	-	332
Crown Office & Procurator Fiscal Service	203	10	10	-	223	-	223
Scottish Government	44,186	1,537	6,248	176	52,147	7,403	59,550
Scottish Parliament & Audit Scotland	137	16	2	-	155	2	157
Total Scottish Budget	44,323	1,553	6,250	176	52,302	7,405	59,706

Table C.02: Total Managed Expenditure

				Real terms @ 2023-24 prices		
	2022-23 Budget	2023-24 Budget	2024-25 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m	£m	£m	£m
NHS Recovery, Health & Social Care	17,838	18,923	19,562	18,926	18,923	19,239
Deputy First Minister & Finance	18,476	19,472	16,346	19,603	19,472	16,075
Social Justice	5,551	6,609	7,481	5,890	6,609	7,357
Transport, Net Zero & Just Transition	4,864	4,527	4,575	5,161	4,527	4,500
Education & Skills	4,131	4,190	4,870	4,383	4,190	4,789
Justice & Home Affairs	3,147	3,365	3,799	3,339	3,365	3,736
Wellbeing Economy, Fair Work & Energy	1,386	1,368	1,270	1,471	1,368	1,250
Rural Affairs, Land Reform & Islands	1,156	1,171	1,093	1,226	1,171	1,075
Constitution, External Affairs & Culture	351	314	332	372	314	326
Crown Office & Procurator Fiscal Service	184	199	223	196	199	219
Scottish Parliament & Audit Scotland	140	153	157	149	153	154
Total	57,224	60,292	59,706	60,714	60,292	58,720

Table C.03: Fiscal Resource

				Real terms @ 2023-24 prices		
	2022-23 Budget	2023-24 Budget	2024-25 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m	£m	£m	£m
NHS Recovery, Health & Social Care	16,752	17,706	18,243	17,773	17,706	17,941
Deputy First Minister & Finance	8,451	8,655	9,139	8,967	8,655	8,988
Social Justice	4,655	5,867	6,901	4,939	5,867	6,787
Transport, Net Zero & Just Transition	1,449	1,537	1,617	1,537	1,537	1,591
Education & Skills	2,900	2,989	3,117	3,077	2,989	3,066
Justice & Home Affairs	2,817	2,980	3,305	2,988	2,980	3,250
Wellbeing Economy, Fair Work & Energy	449	493	457	477	493	450
Rural Affairs, Land Reform & Islands	925	940	916	982	940	900
Constitution, External Affairs & Culture	297	269	287	315	269	283
Crown Office & Procurator Fiscal Service	168	181	203	179	181	200
Scottish Parliament & Audit Scotland	122	127	137	129	127	135
Total	38,985	41,745	44,323	41,363	41,745	43,591

Table C.04: Non-Cash (Ring-fenced)

				Real terms @ 2023-24 prices		
	2022-23 Budget	2023-24 Budget	2024-25 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m	£m	£m	£m
NHS Recovery, Health & Social Care	335	368	394	355	368	388
Deputy First Minister & Finance	29	29	23	31	29	23
Social Justice	54	70	85	57	70	83
Transport, Net Zero & Just Transition	295	312	366	313	312	360
Education & Skills	360	203	402	382	203	396
Justice & Home Affairs	152	168	183	161	168	180
Wellbeing Economy, Fair Work & Energy	33	34	27	35	34	27
Rural Affairs, Land Reform & Islands	14	16	27	14	16	26
Constitution, External Affairs & Culture	17	18	19	18	18	19
Crown Office & Procurator Fiscal Service	8	9	10	9	9	10
Scottish Parliament & Audit Scotland	15	16	16	16	16	15
Total	1,311	1,243	1,553	1,391	1,243	1,527

Table C.05: Capital (inc Financial Transactions)

				Real terms @ 2023-24 prices		
	2022-23 Budget	2023-24 Budget	2024-25 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m	£m	£m	£m
NHS Recovery, Health & Social Care	647	744	820	687	744	807
Deputy First Minister & Finance	758	820	693	805	820	681
Social Justice	842	672	495	893	672	487
Transport, Net Zero & Just Transition	3,111	2,678	2,591	3,301	2,678	2,549
Education & Skills	509	577	546	540	577	537
Justice & Home Affairs	177	214	308	188	214	303
Wellbeing Economy, Fair Work & Energy	904	841	786	960	841	773
Rural Affairs, Land Reform & Islands	217	216	150	230	216	148
Constitution, External Affairs & Culture	37	26	25	39	26	25
Crown Office & Procurator Fiscal Service	8	8	10	8	8	9
Scottish Parliament & Audit Scotland	1	8	2	1	8	2
Total	7,212	6,804	6,426	7,652	6,804	6,320

Table C.06: UK Funded Annually Managed Expenditure

				Real terms @ 2023-24 prices		
	2022-23 Budget	2023-24 Budget	2024-25 Budget	2022-23 Budget	2023-24 Budget	2024-25 Budget
	£m	£m	£m	£m	£m	£m
NHS Recovery, Health & Social Care	104	105	104	110	105	102
Deputy First Minister & Finance	9,236	9,968	6,490	9,800	9,968	6,383
Social Justice	-	-	-	-	-	-
Transport, Net Zero & Just Transition	9	1	1	10	1	1
Education & Skills	362	421	804	384	421	791
Justice & Home Affairs	1	3	3	1	3	3
Wellbeing Economy, Fair Work & Energy	-	-	-	-	-	-
Rural Affairs, Land Reform & Islands	-	-	-	-	-	-
Constitution, External Affairs & Culture	-	-	-	-	-	-
Crown Office & Procurator Fiscal Service	-	-	-	-	-	-
Scottish Parliament & Audit Scotland	2	2	2	2	2	2
Total	9,716	10,501	7,405	10,308	10,501	7,282

Annex D

Budget Bill Reconciliation and Cash Authorisation

Table D.01: Revised NDPB Cash and Resource Budgets by Portfolio, 2024-25

	NDPB Budget (Cash terms) £m	Non-Cash items £m	NDPB Budget (HMT Budget Equivalent Terms) £m
NHS Recovery, Health & Social Care	128.1	1.3	129.3
Social Justice	-	-	-
Wellbeing Economy, Fair Work & Energy	553.4	18.1	571.5
Education & Skills	2,158.8	44.7	2,203.5
Justice & Home Affairs	2,016.5	99.7	2,116.2
Transport, Net Zero & Just Transition	1,006.2	202.8	1,209.0
Rural Affairs, Land Reform & Islands	38.1	0.1	38.1
Constitution, External Affairs & Culture	154.8	16.8	171.5
Deputy First Minister & Finance	3.4	-	3.4
Crown Office & Procurator Fiscal Service	-	-	-
Total	6,059.2	383.4	6,442.6

Table D.02: Presentational Adjustments for Parliamentary Approval

	A HMT Budget £m	B NDPB Non-cash £m	C Adjusted Budget £m	D Tech Adjust £m	E Other bodies and transfers £m	F LA grants £m	G Parliamentary Budget Approval £m
NHS Recovery, Health & Social Care	19,561.7	(1.3)	-	21.0	(22.9)	-	19,558.5
Social Justice	7,481.0	-	-	-	(9.2)	92.2	7,564.0
Wellbeing Economy, Fair Work & Energy	1,270.5	(18.1)	-	-	-	-	1,252.4
Education & Skills	4,869.5	(44.7)	-	-	-	124.5	4,949.4
Justice & Home Affairs	3,799.1	(99.7)	(32.8)	(1.0)	(165.9)	86.5	3,586.1
Transport, Net Zero & Just Transition	4,575.2	(202.8)	42.8	(25.4)	(3.0)	51.7	4,438.4
Rural Affairs, Land Reform & Islands	1,092.6	(0.1)	0.1	-	-	-	1,092.6
Constitution, External Affairs & Culture	331.7	(16.8)	-	-	(34.5)	-	280.4
Deputy First Minister & Finance	16,345.5	-	-	-	(3,448.5)	(354.9)	12,542.1
Crown Office & Procurator Fiscal Service	223.0	-	-	-	-	-	223.0
National Records of Scotland	-	-	-	-	34.5	-	34.5
Teachers & NHS Pensions	-	-	-	-	3,422.4	-	3,422.4
Office of Scottish Charity Regulator	-	-	-	-	3.6	-	3.6
Scottish Courts & Tribunal Service	-	-	-	-	165.9	-	165.9
Scottish Housing Regulator	-	-	-	-	5.6	-	5.6
Scottish Fiscal Commission	-	-	-	-	2.7	-	2.7
Revenue Scotland	-	-	-	-	11.0	-	11.0
Registers of Scotland	-	-	-	-	10.0	-	10.0
Environmental Standards Scotland	-	-	-	-	3.0	-	3.0
Consumer Scotland	-	-	-	-	2.4	-	2.4
Food Standards Scotland	-	-	-	-	22.9	-	22.9
The Scottish Government	59,549.8	(383.4)	10.0	(5.5)	-	-	59,171.0
Scottish Parliament & Audit Scotland	156.6	-	-	-	-	-	156.6
The Scottish Government	59,706.4	(383.4)	10.0	(5.5)	-	-	59,327.6

Table D.03: The Components of the Scottish Budget 2024-25

	Expenditure Within Expenditure Limit £m	Expenditure Within UK Funded AME £m	Other Expenditure £m	Total Budget £m
Scottish Government - Portfolios				
NHS Recovery, Health & Social Care	19,433.8	103.7	21.0	19,558.5
Social Justice	7,563.7	0.4	-	7,564.0
Wellbeing Economy, Fair Work & Energy	1,252.4	-	-	1,252.4
Education & Skills	4,145.1	804.3	-	4,949.4
Justice & Home Affairs	3,498.33	3.1	84.7	3,586.1
Transport, Net Zero & Just Transition	4,437.8	0.6	-	4,438.4
Rural Affairs, Land Reform & Islands	1,092.5	-	0.1	1,092.6
Constitution, External Affairs & Culture	280.4	-	-	280.4
Deputy First Minister & Finance	9,474.1	3,068.0	-	12,542.1
Total Programme	51,178.2	3,980.0	105.8	55,263.9
Crown Office & Procurator Fiscal Service	223.0	-	-	223.0
Total Scottish Government (Consolidated)	51,401.1	3,980.0	105.8	55,486.9
Scottish Housing Regulator	5.6	-	-	5.6
National Records of Scotland	34.5	-	-	34.5
Office of Scottish Charity Regulator	3.6	-	-	3.6
Scottish Courts & Tribunal Service	165.9	-	-	165.9
Scottish Fiscal Commission	2.7	-	-	2.7
Revenue Scotland	11.0	-	-	11.0
Registers of Scotland	10.0	-	-	10.0
Environmental Standards Scotland	3.0	-	-	3.0
Consumer Scotland	2.4	-	-	2.4
Food Standards Scotland	22.6	0.4	-	22.9
Scottish Teachers' & NHS Pensions Schemes	-	3,422.4	-	3,422.4
The Scottish Administration	51,662.4	7,402.7	105.8	59,171.0
Directed Funded Bodies				
Scottish Parliament Corporate Body	141.1	2.0	-	143.1
Audit Scotland	13.5	-	-	13.5
The Scottish Government	51,817.1	7,404.7	105.8	59,327.6

Table D.04: Revised NDPB Cash and Resource Budgets by Portfolio, 2024-25

	Budget	Adjustments		Cash Authorisation
	£m	Depreciation £m	Other £m	£m
Scottish Administration	59,171.0	(859.3)	(3,526.1)	54,785.6
Scottish Parliament Corporate Body	143.1	(14.6)	(2.0)	126.5
Audit Scotland	13.5	(1.2)	-	12.4
Total	59,327.6	(875.0)	(3,528.1)	54,924.5

Annex E

National Performance Framework

Scotland's National Performance Framework (NPF) is our wellbeing framework that sets out a vision of societal progress through the National Outcomes and enables everyone to work towards these shared goals and provides clarity on the shared goals we are working towards.

Our commitment to the three missions of equality, opportunity and community, as laid out in the recent Policy Prospectus, will contribute towards all the National Outcomes, taking us towards a country that prioritises wellbeing for all.

A review of the National Outcomes is underway. This is our opportunity to ensure that the outcomes continue to reflect what matters most to communities across Scotland and will be informed by the consultation and engagement that has taken place with individuals and organisations. The result of this review will be laid before Parliament in early 2024.

We are also committed to continually improving the way the NPF is used, across government and more widely. The Scottish Government has committed to developing an implementation plan to improve the implementation of the revised National Performance Framework.

We will continue to explore the development of legislative proposals on a wellbeing and sustainable development Bill, to support greater implementation of the NPF, and to ensure the interests of future generations are taken into account in decisions made today.

The Scottish Government is also redesigning its approach to internal performance reporting. This will draw on the mandate letters and strategic delivery plans for each portfolio, to inform the performance reporting and monitoring necessary to align the commitments with the Programme for Government, with the Budget, through to the Prospectus and ultimately the NPF, bringing the data together that is necessary to measure Scottish Government's progress towards the National Outcomes.

Annex F - Supporting Documents

The following annexes and supporting documents are published online only.

Annexes

- Annex G** Budget Split by HM Treasury Aggregate
- Annex H** Outturn Comparison 2015-16 to 2022-23
- Annex I** Scottish Government Operating Costs
- Annex J** Climate Change Assessment of the Budget
- Annex K** Scottish Parliament Corporate Body & Audit Scotland

Supporting Documents

Scottish Budget 2024-25 – Pre-Budget Scrutiny by Parliamentary Committees

Scottish Budget 2024-25 – Level 4 Tables

Scottish Budget 2024-25 – Analysis by Classification of Functions of Government

Carbon Assessment of the 2024-25 Capital Budget – Detailed Breakdown

You can also find additional Budget publications on gov.scot/budget



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