

Deputy First Minister and Cabinet Secretary for
Finance

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Our Reference: 202300391022

Your Reference: Scottish Budget - North East Scotland regional priorities

17 January 2024

Dear Julie

Thank you for your letter of 14 December. Please accept my apologies for the delay in responding.

While the Scottish Government has been faced with one of the most difficult financial settlements since devolution please be assured that we are making the most of every resource available to continue to grow and transform the economy in Scotland through investment of more than £1.37 billion. There is no doubt that difficult decisions have had to be made but spending is being targeted at measures that will support our long-term ambitions for a wellbeing economy that is fair, green and growing.

Most notably,

- We are pushing forward with the transition to net zero to create growth, opportunity, and jobs;
- We are kick-starting our commitment of up to £500 million to anchor our offshore wind supply-chain in Scotland with investment of £67 million. Combined with the deployment of £20 million already committed funding to offshore wind projects via our Enterprise Agencies and SNIB, that brings the total support for offshore wind in Scotland to £87 million next year.
- Increasing investment in digital connectivity by more than 50% to £140 million, supporting Scotland's businesses to grow and connecting over 114,000 homes and businesses through the R100 broadband programme;
- Expanding our flagship Techscaler programme, taking forward the implementation of the Innovation Strategy, and prioritising the implementation of Ana Stewart and Mark Logan's 'Pathways' report focussed on helping more women to start and scale businesses.

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Tha Ministearanna h-Alba, an luchd-comhairleachaidh sònraichte agus Rùnaire Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

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Progress will continue on the First Minister's three missions of Equality, Opportunity and Community. We will play our part in tackling the global climate emergency and make progress towards Scotland being a leading fair work nation, helping deliver on the government's ambition to eradicate child poverty. While the economy portfolio budget has decreased, it will benefit from expenditure across other government portfolios. And, in times of financial constraint, we are protecting, as far as possible, the interventions and services that will provide support to business. This includes reforms to the planning system, including work to improve resourcing, which will help enable quality development and deliver sustainable economic growth. Significant spending on transport networks and infrastructure which will help people and goods get to where they need to be. We are also continuing to accelerate energy efficiency upgrades and installation of clean heating systems. And through the work of the New Deal for Business Group, we will continue to improve our relationship with industry.

We will continue to do all we can to support businesses. In 2024-25, the Basic Property Rate will be frozen, delivering the lowest poundage rate in the UK for the sixth year in a row and we will provide a package of reliefs worth an estimated £685 million. The New Deal for Business Non-Domestic Rates sub-group provides an opportunity for discussion on further enhancements to the operation and administration of the Non-Domestic Rates system following the final implementation of the Barclay Review. Short-life Task Teams created within the sub-group are exploring particular topics linked to the sub-groups recommendations, such as transparency of valuations and how reliefs can better support property improvement and investment.

The Budget underlines the ongoing commitment to green growth, and our absolute determination to truly maximise the economic opportunities and benefits from Scotland's offshore wind potential. We will set out a Green Industrial Strategy to ensure that we seize the economic opportunities of the global transition to net zero and, in addition, the Budget provides funding to promote the re-use of resources and reduce consumption, modernise recycling and decarbonise waste disposal as part of Scotland's transition to a circular economy.

Thank you again for taking the time to set out your organisations' recommendations.

Yours sincerely



SHONA ROBISON

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