

Deputy First Minister and Cabinet Secretary for
Finance

Leas Phrìomh Mhinistear agus Rùnaire a' Chaibineit
airson Ionmhas

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Ryan Crighton

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Our Reference: 202400396856

Your Reference: Funding Settlement

29 February 2024

Dear Ryan Crighton,

Thank you for your letter dated 30 January regarding the challenges being faced by colleges in Aberdeen and Aberdeenshire, and indeed across all of Scotland, in the current fiscal climate.

Against a backdrop of financial pressures across the public sector, the Scottish Government has prioritised as far as possible protecting investment in the college sector.

While the college's operational budget is lower than the comparable 2023-24 budget, several in year savings have been taken in demand-led areas of spend. The Scottish Funding Council will now work with the sector to translate the 2024-25 budget into specific college allocations, and we anticipate those allocations to be very similar to the core funding colleges received and are investing in 2023-24.

We remain committed to supporting a high-quality post-school education, research and skills system with over £2.4 billion investment. This will maintain Scotland's reputation for world-leading research; offer vital financial support to students to support them in completing their studies in the face of significant cost of living pressures; and provide opportunities for people to learn and develop their skills through further and higher education and apprenticeships – honouring this government's commitment to free tuition.

We also remain unwavering in our mission to secure Scotland's just transition to net-zero emissions by 2045. Scottish Government has committed £4.7 billion in capital and resource in 2024-25 for activities that will have a positive impact on delivery of our climate change goals.

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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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The UK Autumn Statement was the worst-case scenario for Scotland. The Chancellor had £27bn of fiscal headroom for the Autumn Statement, but rather than provide the funding needed in services and infrastructure, he cut taxes. These decisions have meant that the Scottish Government's block grant has fallen in real terms by 1.2% since 2022-23 across resource and capital combined. Capital is due to contract by almost 10% in real terms over five years.

The change in budget allocation to the Just Transition Fund which you refer to is due to a reduction in capital and financial transactions funding allocations from the UK Government which the Fund relies on.

Despite this, Scottish Government remains committed to the 10-year Just Transition Fund programme and existing projects will continue to be funded in 2024-25. We have already committed £7 million in Just Transition Fund support to Higher and Further Education institutions across the North East and Moray to deliver projects which will create jobs, support innovation, and secure the highly skilled workforce of the future. This includes funding for construction of a dedicated Energy Transition Skills Hub based at North East Scotland College and support for the North East Skills Accelerator to deliver upskilling and reskilling training to over 600 people, free of charge.

You rightly point out the need for joined up policy if we are to deliver lasting action to secure Scotland's just transition to a net zero future and that is why our focus remains on delivering the ambitious policy packages in our updated Climate Change Plan, Adaptation Programme and emerging Just Transition plans to bring a nation-wide transformation for a greener, fairer, and stronger Scotland.

The views of stakeholders from across Scotland will be vitally important in shaping our journey to net zero and as we continue to publish new and updated policies throughout the year, it is critical we utilise the knowledge and expertise of those who live and work in the North East.

To ensure the voices of the business community are captured I hope to count on the Chamber's continued engagement, for which we are grateful. To this end, I invite you and your members to participate in the consultation process for Scotland's draft Scottish National Adaptation Plan 3, here: [Climate change - draft Scottish National Adaptation Plan 3: consultation - Scottish Government consultations - Citizen Space](#)

Yours sincerely,



SHONA ROBISON

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