



Tom Arthur
Minister for Community Wealth and Public Finance
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

—
The Hub
Exploration Drive
Aberdeen Energy Park
Bridge of Don
Aberdeen
AB23 8GX

—
T 01224 343900
E info@agcc.co.uk
www.agcc.co.uk

14 December 2023

Dear Minister

We wanted to write to outline the priorities of Aberdeen and Grampian Chamber of Commerce ahead of the Scottish Budget next week.

We hope to see a Budget that creates the conditions for business to flourish, encourages growth, creates good quality jobs and helps to unlock the full potential of a net zero economy.

Aberdeen & Grampian Chamber of Commerce is the largest business chamber in Scotland, with over 1,200 member organisations, collectively employing over 100,000 people across the region.

Our policy work focuses on four key areas — creating a prosperous business environment, supporting a just energy transition, regenerating our city and town centres and improving regional connectivity — and we hope to see the Scottish Government take action on all of these fronts in the forthcoming Budget.

1. Creating a prosperous business environment

Despite the difficult headwinds facing government spending, we urge the Scottish Government to avoid measures in the forthcoming budget that may make Scotland less competitive, particularly in relation to any decisions on income and property tax rates and thresholds. We are concerned that further increases in terms of bands and rates will reduce the spending power of Scottish consumers, damage business confidence, remove money from the real economy, disincentivise investment in Scotland and inhibit our ability to create jobs and attract and retain the talent our economy and society needs.

2. Supporting a just energy transition

Recognising the scale of the challenge of energy transition and the need to go further and faster in creating a more diversified and resilient economy as we move away from oil and gas, we believe that the Scottish Government should raise its ambition in the support available for our region. It has become very clear that a Just Transition Fund disbursing just £50 million annually to our region to deliver this ambition — arguably the most important task of governments globally — is extremely limited. The Scottish Government should at least double the Just Transition Fund to deliver £1 billion in projects over the ten-year funding period. This would represent a sound investment in Scotland's future that will deliver significant return over the long term.

3. City and town centre regeneration

The Scottish Government should freeze the headline poundage rate on business rates and match the more generous terms on offer in England for Retail, Hospitality and Leisure (RHL) businesses. Doing so would ensure that many Scottish businesses can create and retain jobs and continue to make a significant contribution to the Scottish economy, particularly in the challenging setting of town and city centres. Currently, Scottish pubs are closing at twice the rate in Scotland versus the rest of the UK. This would complement the welcome direct funding support already in place from the Scottish Government for the community-led Our Union Street project.

4. Improving regional connectivity

North-east businesses can reach their potential by being well-connected to the rest of Scotland and, in turn, to the rest of the world. An accelerated programme of rail improvement for the region, which shortens journey times to and from other major centres of commerce must be delivered.

Our Chamber is proud to be working in partnership with the Campaign for North East Rail to establish the case for reinstating passenger and freight rail in the Buchan area, with support from the Scottish Government for the feasibility work. We would like funding to be earmarked for subsequent phases of work, should the study demonstrate a compelling case to move from concept to design and delivery.

We thank you for your continued engagement with Aberdeen & Grampian Chamber of Commerce, wish you well with your Budget preparations and look forward to seeing tax and spend proposals for the year ahead and beyond which unlock and maximise the full economic potential of our region.

Yours sincerely,



Russell Borthwick
Chief Executive