

Budget brings £640 million boost for Scottish Government

11th March 2020

Delivering his first Budget the Chancellor, Rishi Sunak, outlined the additional funding for the Scottish Government, allowing it to deliver on the priorities of the Scottish people.

The Chancellor also announced a package of measures to tackle the impact of the Covid-19 outbreak on the UK economy, with the Scottish Government to receive additional funding support public services, vulnerable people and reduce the costs for businesses.

The Chancellor of the Exchequer, Rishi Sunak, said:

Our central mission is to level up and unite people in our shared aims of a more prosperous country, in which opportunity is spread fairly across Scotland and the breadth of our United Kingdom.

This is a Budget that will deliver for the Scottish people, with £640 million in extra funding for the Scottish Government, a significant boost to broadband infrastructure and a package of support for the Scotch whisky industry, among other economic measures.

Our United Kingdom is the most successful political and economic union in history, and through this Budget we will further strengthen the ties that bind us and kickstart a decade of investment in all our communities.

Today's announcements for Scotland also include:

- £640 million in additional funding for the Scottish Government
- A significant package of support for the Scotch whisky industry. Alongside this, a £1 million GREAT campaign to promote the Scottish food and drink sector, including Scotch
- Plans to rollout gigabit capable broadband to the hardest to reach areas of Scotland and increasing 4G coverage in Scotland from 42% to 74%
- Tay Cities has also successfully bid for £6.7 million to fund full fibre broadband
- £10 million over 3 years for research and development to decarbonise UK distilleries, which includes Scotch whisky
- £5 million for trials of 5G in Scotland

With Scotch whisky one of the UK's key exports and an industry that employs more than 10,000 people in Scotland alone, the UK Government is supporting this vital sector with a package of measures including a freeze on spirits

duty, and £10 million research and development funding to decarbonise the distilling process. Alongside this a £1 million marketing campaign to promote exports of Scottish food and drink, including Scotch.

The Budget also confirmed £25 million for an Argyll & Bute Growth Deal.

This year's Budget delivers on the promises made to the British people and lays the foundations for a decade of growth by giving everyone the same opportunity to thrive wherever they live.

With commitments to increase the National Living Wage, National Insurance thresholds and the Employment Allowances across the UK, today's Budget means someone working full time on the minimum wage in Scotland will be over £5,200 better off compared to ten years ago.

Scottish Secretary Alister Jack said:

This is a great budget for Scotland. Decisions taken by the UK Government over the last year will deliver an almost £2 billion funding boost for the Scottish Government.

People and businesses right across Scotland will see the benefits – more than £5 billion for broadband and 4G connectivity, an increase in the national living wage, £22 billion for research and development across the UK, and a freeze in fuel duty. The Scotch whisky industry gets a welcome boost, with a freeze on spirits and a review of alcohol duty, and £10 million help to develop green technology. We will also invest £1 million in promoting Scottish produce to overseas markets.

We will continue our extensive investment in growth deals across Scotland, now at almost £1.5 billion, with confirmation of £25 million UK Government funding for Argyll and Bute. Every part of Scotland will be covered by growth deals, with investment to be announced soon for Falkirk and the Scottish islands.

Following decisions taken at this Budget, notably on funding for health business rates relief and roads, the Scottish Government's resource and capital budgets in 2020-2021 will increase by over £220m and £410m respectively with a total increase of more than £640m.

The additional funding, when combined with the £1.3bn funding in 2020-21 provided at the Spending Round 2019, results in the largest year-on-year real-terms funding increase for the Scottish Government in a decade.