News story: UK Government Budget delivers for Scotland

The Chancellor announced a freeze on spirits duty. The freeze will give our world leading distillers the confidence needed to invest and grow their businesses and encourage new firms to enter the market. A bottle of Scotch is now £1.15 cheaper than it would otherwise have been since ending the duty rise in 2014.

The UK Government is also committed to supporting hardworking people across Scotland. Fuel duty has been frozen for the eighth successive year, which will save the average driver in Scotland nearly £9 every time they fill up their car. The UK Government is also extending the rural fuel duty rebate scheme for the Scottish Islands until 2023, allowing drivers in those remote communities to continue to benefit from a 5p per litre reduction in fuel costs.

Scotland’s Oil and Gas industry will benefit from the introduction of a Transferable Tax History, which enables oil companies to pass on their tax history to new buyers when they sell their UK oil and gas fields. This will encourage investment in North Sea oil production, safeguard jobs and ensure that the UK benefits from every last drop of oil.

As well as continuing to support the Tay Cities and Stirling and Clackmannanshire City Deals announced at Autumn Statement 2016, the Chancellor today revealed that the UK Government would begin formal negotiations for a Borderlands Growth Deal. Once agreed, this deal will support local priorities and bolster the region’s economy.

The personal tax allowance – the amount you can earn before you start paying income tax – will rise from £11,500 to £11,850 in April 2018. In 2018-19, increases the UK Government has made to the personal allowance will benefit 2.4 million people in Scotland, compared to 2015-16.

Scotland’s emergency services will also directly benefit by a new move to enable Police Scotland and the Scottish Fire and Rescue Service to claim VAT refunds – saving them more than £40 million annually.

Scottish charities will also reap the rewards of more than £3.3 million of LIBOR funding raised from fines levied on banks. In addition to this, the UK Government will provide £2.2 million to support improvements to the Lady Haig’s Poppy Factory in Edinburgh.

The Chancellor also set out plans – as a result of Barnett consequentials – to boost the Scottish Government’s budget by £2 billion.

Secretary of State for Scotland, David Mundell said:

> This Budget demonstrates the UK Government is delivering for

Scotland.

From support for city deals and some of our finest charities to landmark tax measures on oil and gas and whisky, this Budget backs Scotland's great industries. This is in addition to the £2 billion of extra spending power the Scottish Government will have as a result of this Budget.

This Budget will directly benefit people right across Scotland as we work to create an economy fit for the future.

Further information

The Scottish Government's block grant will increase in real terms over the Spending Review Period between 2015 and 2020. The boost will give the Scottish Government even greater spending power to bolster Scotland's productivity and increase growth, as part of a successful UK economy. The Scottish Government can choose how to spend this increase in its budget alongside the increased tax and borrowing powers that it took on earlier this year. This will mean the Scottish Government is more accountable for its investment decisions.

By the end of the year, the UK Government will publish the first breakdown of changes in devolved administrations' block grant funding. This will increase transparency and allow greater scrutiny of the UK's funding arrangement. This breakdown will be published on an annual basis.