

Record £41 billion per year for Scotland in budget

- UK Government will provide a record £41 billion per year to the Scottish Government.
- Scotland will also benefit from UK-wide support for people and businesses, green jobs and investment to level up opportunities.
- Targeted funding will support local projects across Scotland, including road and infrastructure improvements, investment in local communities and funding for businesses.

The Chancellor today announced Barnett-based funding for the Scottish Government of £41 billion per year – delivering the largest annual funding settlement, in real terms, since devolution over 20 years ago. This includes a £4.6 billion per year spending boost – as part of a Budget and Spending Review that delivers a stronger economy for the whole of the UK.

Rishi Sunak set out a plan to deliver the priorities of the British people by investing in stronger public services, levelling up opportunity, driving business growth and helping working families with the cost of living.

As part of the significant spending plans, Scotland will receive an average of £41 billion per year in Barnett-based funding representing a 2.4% rise in the Scottish Government's budget each year. The Scottish Government will now receive around £126 per person for every £100 per person of equivalent UK Government spending in England.

Chancellor of the Exchequer, Rishi Sunak said:

This is a budget for the whole of the UK. We're focused on what matters most to the British people – the health of their loved ones, access to world-class public services, jobs for the future and tackling climate change.

By providing record funding, the Scottish Government can tackle backlogs in the NHS and ensure people in Scotland get the support they need as we recover from the pandemic.

The UK Government continues to level up opportunities across all parts of the UK, with investments in green jobs and high-speed internet access for thousands more homes in Scotland through Project Gigabit.

Scottish Secretary, Alister Jack said:

The Budget delivers for people in Scotland, and right across the UK.

The Scottish Government's block grant, boosted by an additional £4.6 billion a year due to spending in England, means that the funding for the Scottish Government is the highest it has ever been.

It demonstrates our commitment to level up right across the UK. The Budget ushers in an era of real devolution, ensuring money is spent on projects that matter most to people in Scotland. The UK Government made a clear commitment to maintain Scotland's level of funding following the vote to leave the EU, and we have delivered on that promise. We are taking decisions in the UK rather than in Brussels and dealing directly with local authorities who know their communities best.

From the Knoydart community pub, to Dumbarton town centre and the Granton Gasworks – all these projects will bring real, visible improvements for local communities. Special funding for Glasgow's iconic Burrell Collection and Extreme E will help drive economic growth and jobs on the back of culture and tourism.

The continuation of the freeze on spirit duty will be a boost to Scotland's thriving whisky industry.

Over the past 18 months the UK Government has been focused on protecting people's livelihoods, their incomes, and their jobs. We now need to look to the future, to build a stronger economy for people in all parts of the UK.

Targeted funding in Scotland

On top of the record funding for the Scottish Government, Scotland will benefit from the UK Government's commitment to invest in people, jobs, communities and businesses.

Targeted projects in Scotland include:

- Over £200 million to be invested in Scotland to boost the post-pandemic recovery and enhance the Scottish economy. This will include £172 million of the Levelling Up Fund for 8 important projects including the redevelopment of Inverness Castle, the much-needed renovation of the Westfield Roundabout in Falkirk, and a new marketplace in Aberdeen City Centre, as well as over £1.07 million of the Community Ownership Fund for five projects in Whithorn, Inverie, New Galloway, Kinloch Rannoch and Callander that are protecting valued community assets.
- Providing £1.9 billion for farmers and land managers and £42.2 million to support fisheries. Up to £1 million, to support the delivery of a 'green' formula E race showcasing Hebridean Green Hydrogen to a global audience.
- Expanding the existing trade and investment hub in Edinburgh to grow trade for Scotland.

- Up to £3 million to bring world-class art exhibitions to the Burrell Collection in the heart of Glasgow.

UK-wide support

As a result of our strong United Kingdom, Scotland will benefit from:

- A 50% cut in domestic Air Passenger Duty for flights between England, Scotland, Wales and Northern Ireland and an additional £22.5 million of new funding in anticipation of the Union Connectivity Review recommendations where we will work with the devolved administrations on improving UK-wide connectivity.
- New funding for the British Business Bank to establish a £150 million fund in Scotland, helping Scottish businesses to get the financing they need.
- The new £1.4 billion Global Britain Investment Fund which will support investment directly into Scotland.
- A record £20 billion by 2024-25 in Research and Development supporting innovation in Scotland.
- Confirmation that total funding will at a minimum match the size of EU Funds in Scotland, each year through the over £2.6bn UK Shared Prosperity Fund, which will invest in skills, people, businesses, and communities, including through 'Multiply', a new adult numeracy programme that will provide people across Scotland with essential numeracy skills.
- An increase to the National Minimum Wage of £9.50 an hour, with young people and apprentices also seeing increases.
- Freezes to fuel duty for the twelfth consecutive year and a freeze on Vehicle Excise Duty for heavy goods vehicles.
- A freeze on alcohol duty, which will mean that whisky benefits from the lowest real terms tax rate since 1918.