

Extract from briefing provided to Scottish Government Ministers 11 November 2020

Consequential

On 5 November the Chancellor announced an increase in the consequential allocated to Scotland from £7.2 billion to £8.2 billion. The upfront guarantee of further consequential payments to cover the rest of the financial year meets one of our long term requests and will enable us to quickly tackle the impacts of the pandemic in Scotland as they arise.

This covers consequential arising from a number of areas including health, transport, social care and business support. Other issues remain to be resolved, including how funding is provided for demand-led business support, where demand is greater than the Barnett share.

However, we are pleased that the Chancellor has listened to and addressed some of our concerns. If the Scottish Government is to meet the on-going challenges of COVID-19 as well as support economic recovery, the UK Government must give the Scottish Government either the additional funding or powers needed to respond.

Key economic levers on tax and borrowing lie with the UK Government and our ability to respond is hampered by the centralised UK budgeting approach. Throughout this crisis, the Scottish Government has repeatedly called for the UK Government to do more to protect business both in Scotland and in the UK.