

Item 1: Excerpt from DFM first draft stage three opening speech, dated 22 February 2024

“Our block grant funding has fallen by 1.2 per cent in real terms since 2022-23. And our capital spending power is due to contract by almost 10 per cent in real terms over five years. That’s around £1.6 billion in total – equivalent to the cost of building a large hospital.”

Item 2: Excerpt from DFM final stage three opening speech, dated 26 February 2024

“And our capital spending power is due to contract by almost 10 per cent in real terms over five years. And that’s after factoring in our borrowing powers. All told that’s a cut from Westminster to our ability to invest in infrastructure of around £1.6 billion in total.”

Item 3: Excerpt from DFM Budget Briefing Pack, dated 19 December 2023

- The UK Government did not inflation-proof their Capital Budget which has resulted in nearly a 10% real-terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.

Item 4: Excerpt from DFM Budget Briefing Pack, dated 19 December 2023

- The OBR forecasts following the Autumn Statement show a deteriorating outlook for the medium term, with nearly a 10% real terms reduction in our UK capital funding forecast.

Item 5: Excerpt from DFM Budget Briefing Pack, dated 16 January 2024

- The UK Government did not inflation-proof their Capital Budget which has resulted in nearly a 10% real-terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.

Item 6: Excerpt from DFM Budget Briefing Pack, dated 16 January 2024

- A 10% real terms cut, alongside construction supply chain issues, labour shortages and high inflation means that we cannot deliver on all our capital projects.

Item 7: Excerpt from DFM Budget Briefing Pack, dated 16 January 2024

- The OBR forecasts following the Autumn Statement show a deteriorating outlook for the medium term, with nearly a 10% real terms reduction in our UK capital funding forecast.

Item 8: Excerpt from DFM Budget FPAC Specific Briefing Pack, dated 16 January 2024

CAPITAL BUDGET

SFC FORECAST CAPITAL BUDGET WILL DECREASE BY 20% OVER FIVE YEARS (TO 2028-29). THIS DIFFERS FROM SCOTTISH GOVERNMENT CALCULATION. (KENNETH GIBSON)

[redacted s30(b)(ii)]

- **Analysis from both the SFC and the Scottish Government forecast a significant reduction to our available capital funding over the medium term.**
- The figures cover different time periods and include different assumptions:
- The SFC analysis forecasts up to 2028-29 (in comparison to 2027-28 for SG), and;
- The SFC analysis includes assumptions around our capital borrowing policy and Financial Transactions which are not included in the SG analysis.
- The Scottish Government Capital Block Grant is forecast to contract by almost 10% in real terms over 5 years (2023-24 to 2027-28).

INFRASTRUCTURE INVESTMENT PIPELINE (IIP) WAS NOT PUBLISHED ALONGSIDE THE BUDGET

- The 2024-25 Scottish Budget sets out £6 billion of capital spending to support employment and the economy through our infrastructure plans, to achieve our net zero ambitions and to underpin the provision of high-quality public services.
- The UK Government did not inflation-proof their Capital Budget which has resulted in nearly a 10% real-terms cut in our capital funding over the medium-term between 2023-24 and 2027-28.
- Given the worsening outlook for capital, it will take more time to prepare the multi-year capital allocations and to refresh the infrastructure investment pipeline.
- We remain firmly committed to infrastructure investment as a key factor in securing economic growth and high-quality public infrastructure across Scotland.