

The Outcome of the Targeted Review of the Capital Spending Review – Updated Spending Allocations for 2023-24 to 2025-26.

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Scottish Government
Riaghaltas na h-Alba
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Ministerial Foreword



I am pleased to publish the outcomes of the targeted review of the Scottish Government's Capital Spending Review, together with the updated Medium-Term Financial Strategy and the Resource Spending Review.

I published the original Capital Spending Review alongside the current five-year Infrastructure Investment Plan in February 2021. Since then, there have been changes in three key factors which have a bearing on the Scottish Government's infrastructure investment pipeline of projects and programmes.

Firstly, we received a lower than expected capital settlement from the UK Government's Autumn 2021 Spending Review – reducing the funding envelope by over £750 million. This reduction not only puts at risk the growth we wish to stimulate in the Scottish economy, but also risks disrupting the longer term investment certainty that we provided last year. Also – under the Levelling Up agenda - the UK Government is increasingly willing to make decisions about spending in Scotland without considering the strategic spending plans set by the Scottish Government and local authorities.

Secondly, the establishment of the new Scottish Government in 2021 with an increased commitment to tackle global climate and nature emergencies, reinforced by COP 26. Despite being prominent in our original plans, action was needed to strengthen these commitments to ensure Scotland continues to play its part in addressing these twin global crises. This is underpinned by specific commitments and targets set out in the landmark Bute House Agreement between the Scottish National Party and the Scottish Green Party, which has required a review of the spending plans to ensure the best fit between our mutual priorities and investments.

And lastly, but perhaps most significantly, while Scotland continues to recover from COVID-19, we face the additional impacts of high inflation, supply chain pressures and business disruption due to a combination of the impact of the UK's exit from the European Union, the pandemic and the crisis in Ukraine.

While the implications of these events are still evolving, I know that the cost of living crisis is badly affecting every part of Scotland's economy, and will continue to do so for some time.

This emphasises the importance of providing clarity on the available spending allocations going forward to allow investments to be made. However, these plans alone will not be able to fully insulate Scotland from further effects of energy or commodity price changes and further adjustments may be necessary in the future.

I will continue to call upon the UK Government, who face the same challenges as Scotland, to use the levers only they have at their disposal to respond and whose choices in response to these challenges will benefit all of the UK, as well as Scotland. Without a significant change in the position of the UK Government to release additional capital or to agree an increase in the Scottish Government's borrowing capacity, alongside other UK Government actions such as the reduction or removal of VAT on energy and construction costs, it will not be possible to meet all of our commitments within the funding available. In parallel, I will work closely with my colleagues across Scottish Government portfolios to monitor the deliverability of our infrastructure investment plans and make any further adjustments we may need to make as the impact of external influences on our economy evolves.

Despite these challenges, by considering all the options available to me and working closely with Scottish Green Party colleagues, this targeted review will add to, rather than diminish, the positive commitments published in the 2021 Capital Spending Review and Infrastructure Investment Plan. These capital commitments also support the priorities set out in the Resource Spending Review:

- **Reduce child poverty** through making available more than £3.6 billion for the affordable housing programme, and £220 million of new investment in priorities to support children and families through the roll out of digital devices and school infrastructure, play parks and a system of school age childcare.
- **Address the climate crisis** through over £5 billion investment in rail infrastructure, £1.8 billion to deliver the Heat in Buildings strategy, and expansion of the Just Transition Fund to over £150 million by 2025-26.
- **Build a strong and resilient economy** by investing over £525 million to deliver on five years of the £5 billion City Region and Regional Growth Deals programme and supporting Local Government capital investment with £1.9 billion of funding.

In the context of current challenging economic circumstances, the Scottish Government is committed to improving the lives of people in Scotland. As a result of this targeted review of the capital programme, we will focus investment on the key challenges of addressing climate change, tackling child poverty and economic recovery whilst adhering to the strategic investment principles set out in the Infrastructure Investment Plan.



KATE FORBES
Cabinet Secretary for Finance and Economy

Context

In February 2021, the Scottish Government published a five-year Capital Spending Review (CSR)¹ alongside the Infrastructure Investment Plan 2021-22 to 2025-26 (IIP)², with the aim of providing a strong and coherent framework for directing future commitments and giving confidence and certainty to sectors across Scotland following the impacts of COVID-19 and the UK's exit from the European Union.

These documents focused on three strategic themes for guiding investment decisions in Scotland:

- Enabling the transition to net zero emissions and environmental sustainability;
- Driving inclusive economic growth; and
- Building resilient and sustainable places and communities.

The Capital Spending Review of 2021 followed the important work of the independent Infrastructure Commission for Scotland in 2020 and was shaped and informed by a public consultation on the draft Infrastructure Investment Plan.

It was also published during the COVID-19 pandemic, designed to offer certainty and stability for industries, labourers and supply chain manufacturers who support Scotland's construction and building sectors. The Capital Spending Review and Infrastructure Investment Plan together signalled a commitment to maintaining existing infrastructure and to redoubling the Scottish Government's efforts to invest in infrastructure to support the transition to a net zero economy – with a dedicated Low Carbon Fund of £2 billion spread over the 5 years of the plan. This certainty and ambition has been preserved in this targeted review, reinforcing the steps this Government is taking to deliver the National Infrastructure Mission.

What was not certain, however, at the time of publication of the original Capital Spending Review was the level of funding Scotland would receive from the UK Government's own spending review. In February 2021, our expectations for future years' capital grant allocations were based on forecasts presented by the Office for Budget Responsibility. Our approach was prudent, based on the modelled central funding scenario set out in the Medium-Term Financial Strategy published in January 2021³ and recognised the risk that the allocations could reduce as well as increase compared to that scenario.

With this in mind, the use of capital borrowing in the Capital Spending Review was not maximised at the time of publication, leaving some headroom in later years, and a number of mitigation options (should allocations reduce in the future) were described. The Scottish Government has had to deploy some of these mitigating options as the UK Spending Review in October 2021 resulted in a decrease in the Scottish Government's capital grant of £752 million between 2022-23 and 2024-25, compared to the forecast, shown in Table 1 below.

¹ <https://www.gov.scot/publications/investing-jobs-capital-spending-review-2021-22-2025-26/pages/1/>

² <https://www.gov.scot/publications/national-mission-local-impact-infrastructure-investment-plan-scotland-2021-22-2025-26/pages/1/>

³ <https://www.gov.scot/publications/scotlands-fiscal-outlook-scottish-governments-medium-term-financial-strategy/documents/>

These changes risk undermining Scotland’s commitment to ensuring sufficient investment reaches our infrastructure priorities. In establishing the National Infrastructure Mission, we set out an analysis showing the benefits that investment in infrastructure could have for Scotland. The constrained investment trajectory Scotland has received from the UK Government, coupled with the current impact of high inflation, places significant additional pressure on our capital programme and will curtail efforts to reduce emissions and adapt to the changing climate.

Table 1: Changes to Scotland’s capital grant allocation during 2021, £ millions

	2022-23	2023-24	2024-25	Total (3 years)
Modelled UK capital allocation in CSR (Feb. 2021)	5,260	5,558	5,757	16,575
Actual UK capital allocation (Oct. 2021)	5,112	5,389	5,322	15,823
Difference	-148	-169	-435	-752

Since publication new commitments, including a number to further address the global climate and nature emergencies, have also arisen from the Scottish National Party’s election manifesto and the 2021 Programme for Government, as well as the associated Bute House Agreement signed with the Scottish Green Party in September 2021. In addition, those responsible for delivering and maintaining infrastructure projects have seen a rise in supply chain costs.

As economies reopened in the aftermath of COVID-19, significant inflation, coupled with shortages in the supply of particular construction materials was experienced. The crisis in Ukraine has considerably exacerbated these pressures on construction projects. Since early 2022, significant increases in energy prices are driving further price increases and leading to great uncertainty around delivery periods for certain construction materials, including steel and residential construction products. In addition, labour shortages driven by the UK’s exit from the European Union are exacerbating the challenges to infrastructure delivery.

Construction prices have been particularly hard hit. The Office for National Statistics is tracking inflation on all new work at 8%, with housing tracking well above this at 10.9%⁴. The UK Department for Business, Energy and Industrial Statistics material price index for ‘All Work’ increased by 21% in March 2022 compared to the same month the previous year⁵. This has led to increased spending forecasts and cost pressures on major capital projects and programmes, with delays in several major projects. Scotland is not alone in this

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<https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/interimconstructionoutputpriceindices>

⁵ <https://data.gov.uk/dataset/75ee36ed-21f7-4d7b-9e7c-f5bf4546145d/monthly-statistics-of-building-materials-and-components>

situation, surging demand for commodities and constrained supply has affected most countries worldwide.

While this review sets out some actions that the Scottish Government has been able to take, the scale of these issues requires action on the part of the UK Government. This action needs to be proportionate to reflect the considerable cost increases in levels of net investment and to take action in the wider economy at a time when it is desperately needed.

Given the significant changes described above, a targeted review of the Capital Spending Review was undertaken to ensure that the Scottish Government's key priorities are still being achieved within the reduced available capital allocations and in light of new commitments and market conditions. The process involved portfolios updating their spending forecasts for both existing Capital Spending Review commitments and new commitments, reflecting the inflation and supply chain impacts, whilst considering how best to prioritise the available budget for each portfolio to maximise outcomes.

There has also been an opportunity to consider the alignment between capital spending with budget planning decisions taken through the Resource Spending Review, which has focused on the four key themes of reducing child poverty, addressing the climate crisis, building a strong and resilient economy and helping our public services recover strongly from the pandemic.

Fiscal Position

The National Infrastructure Mission

The National Infrastructure Mission (NIM) was announced as part of the 2018 Programme for Government. Our aim is to increase Scottish Government's annual infrastructure investment by 1% of 2017 Scottish GDP, £1.5 billion, by the end of this Parliament. The National Infrastructure Mission was introduced with an aim of raising Scottish infrastructure investment to internationally-competitive levels; boosting broadband, transport, and low-carbon energy; and supporting inclusive economic growth.

Just under 85% of the Scottish Government capital budget, including Financial Transactions funding, flows from UK Government decisions and allocations. The remaining sums arise from income and receipts, deployment of Scottish Government capital borrowing powers, from innovative financial and revenue finance models, and from recycling repayments from earlier Financial Transaction loans. We remain on track to meet the National Infrastructure Mission. The latest forecast for the National Infrastructure Mission trajectory is published in the Medium-Term Financial Strategy⁶.

For the Capital Spending Review, we focus on the spending plans associated with capital grant, use of borrowing and Financial Transactions.

Capital Grant

The UK Spending Review provided confirmation of the capital grant allocations in the years 2022-23, 2023-24 and 2024-25. As described above, these were lower than expected in each year, at a time when inflationary pressures mean that more rather than less investment is needed. The trajectory of the monetary value of capital grant allocations to Scotland shows relatively little change between 2022-23 and 2023-24 and a slight reduction between 2023-24 and 2024-25. In real terms, this represents a steep decline in the buying power of our investment given the rates of inflation. It also does not match the ambition Scotland has to deliver increased investment in infrastructure to internationally competitive levels – set out in our National Infrastructure Mission – and fails to respond to the need for infrastructure to support Scotland's net zero emissions targets.

Given this outcome, and the lack of allocation for 2025-26, we have revised our modelled figure for 2025-26 downwards but with a modest increase on the previous year. Until annual budgets are confirmed, and any adjustments made for consequential funding, the final figures for any given year will not be known.

Capital Borrowing

As stated in the Medium-Term Financial Strategy, published alongside this updated Capital Spending Review, the Scottish Government's capital borrowing policy has been updated to allow for up to £450 million of borrowing and other funding in each of the remaining years

⁶ The 2022 Medium-Term Financial Strategy is available at: <http://www.gov.scot/isbn/9781804354988>

of the Capital Spending Review, as well as allowing for more flexibility in the Government's spending plans across these years. This will allow us to re-phase capital programmes in reaction to any changes in market conditions or supply chain impacts that will in turn have impacts on the construction industry. Where further capital borrowing is required to support the funding position, the terms of any borrowing will be amended to balance the resource cost impact and longer term fiscal sustainability.

Financial Transactions

It was assumed in the 2021 Capital Spending Review that no Financial Transactions would be available for years beyond 2021-22 as there was uncertainty around the UK Government's plans for the continuation of Financial Transactions funding.

The UK Spending Review subsequently confirmed that £828 million of Financial Transactions would be allocated for years 2022-23, 2023-24 and 2024-25. Since then, an extra £400 million of Financial Transactions is anticipated from previous years' adjustments by HM Treasury across 2023-24 and 2024-25, with the precise timing to be agreed with HM Treasury.

Whilst Financial Transactions are not interchangeable with capital grant and there are limitations on their use, they can be used to continue the capitalisation of the Scottish National Investment Bank and provide further funding for the enterprise agencies and key Government activities such as the North East and Moray Just Transition Fund and the Heat in Buildings strategy, where there is an interaction with the private sector or a role for loans or equity support. Financial Transactions are a useful tool for being able to support businesses and investment in the private sector however the uncertainty and volatility of their funding presents a challenge for managing these programmes and providing certainty and a pipeline. Current market conditions may also impact on the appetite to take on additional debt through Financial Transactions loans.

The portfolio funding envelopes presented in this review are based on the capital, borrowing and Financial Transactions profiles in Table 2 below.

Table 2: Capital Funding Available 2021-22 to 2025-26, £ millions.

	2021-22	2022-23	2023-24	2024-25	2025-26	5 year total (2021-22 to 2025-26)
Capital Grant¹	5,520	5,256	5,489	5,422	5,669 ²	27,356
Capital borrowing / Other Capital Funding³	150 ⁴	568	450	450	450	2,068
Financial Transactions^{5,6}	408	527	386	376	0	1,697
Total Capital Funding	6,078	6,351	6,325	6,248	6,119	31,121

¹ Capital grant figure includes UK Capital Allocation, Additional Whitehall Transfers, Fossil Fuel Levy in 2022-23 only and excludes estimated capital receipts.

² Modelled capital allocation figure.

³ Combination of capital borrowing, consequentials and other capital funding. Expected capital borrowing to be between £250 million - £450 million each year from 2022-23.

⁴ Actual borrowing.

⁵ Includes FT consequentials and excludes FTs recycled.

⁶ Includes additional £400 million of FTs with £200 million in 2023-24 and £200 million in 2024-25, with profile to be agreed with HM Treasury.

Capital Investment

The table below shows the Level 1 capital spend per portfolio over the remaining 3 years of the spending review period. Annex A shows level 2 and level 3 budget allocations, by portfolio, across the same period.

Table 3: Level 1 Capital Funding Allocations, by Portfolio, 2022-23 to 2025-26, £ millions¹.

Portfolios	Capital				3-Year Total
	2022-23 Budget	2023-24	2024-25	2025-26	
Constitution, External Affairs and Culture	30.5	29.0	21.3	23.0	73.3
Education and Skills	484.0	523.4	461.6	508.8	1,493.8
Finance and Economy	681.0	618.5	579.2	611.3	1,809.0
Health and Social Care	554.0	443.0	428.0	443.0	1,314.0
Justice	166.0	226.0	283.0	171.0	680.0
Net Zero, Energy and Transport	2,485.0	2,734.5	2,767.1	2,940.3	8,441.9
Rural Affairs and Islands	75.9	72.5	64.0	82.9	219.4
Social Justice, Housing and Local Government	1,341.2	1,279.3	1,257.4	1,331.4	3,868.1
Crown Office and Procurator Fiscal Service	5.3	11.3	9.3	6.3	26.9
Parliament	1.1	1.1	1.1	1.1	3.3
Totals	5,824.0	5,938.6	5,872.0	6,119.1	17,929.7

¹The Level 1 totals cannot be directly compared with those published in 2021 Capital Spending Review due to a change in the Portfolio responsibilities following the 2021 Holyrood election.

These allocations provide funding that allow the Scottish Government and delivery partners to continue to progress, and in some cases increase, investment in each of the three themes of the existing Capital Spending Review, as well as underpinning some of the key priorities of the Resource Spending Review and the Bute House Agreement.

This includes:

- Increasing planned spending on Heat in Buildings from £1.6 billion to £1.8 billion over the CSR period (including Financial Transactions);
- Increasing planned capital investment in Active Travel to £656 million between 2023-24 and 2025-26;
- Funding to support the expansion of the Just Transition Fund to over £150 million by 2025-26 (including Financial Transactions);

- Providing additional support for agriculture with total investment of £247 million over the CSR period;
- Annual funding of £10 million provided to the Marine Fund Scotland in support of projects delivering Scotland's Blue Economy Vision outcomes;
- £100 million for peatland restoration, £64 million for the Nature Restoration Fund and a further £87 million to deliver a new national park, nature networks, increasing protected areas, and restoring ancient woodland and Atlantic rainforest over the CSR period;
- Supporting the roll out of digital devices to school pupils and improvements to school infrastructure through £140 million investment;
- Completing the £60 million investment in play parks by 2025-26;
- £30 million to support a system of school age childcare;
- £400 million to progress the National Treatment Centre programme;
- Continuing to support the delivery of 110,000 affordable homes by 2032; and
- Supporting the cladding remediation programme with £180 million of capital investment over 3 years.

We will also continue to progress key commitments as set out in the original Capital Spending Review, including:

- Investing over £5 billion in major rail improvements;
- Increasing digital connectivity across Scotland through the £600 million Reaching 100% programme;
- Investment of over £525 million over the capital spending review period for the £5 billion City Region and Regional Growth Deals programme;
- Support Local Government capital investment with £1.9 billion of funding over the remainder of the capital spending review period (2023-24 to 2025-26);
- Support Ferry services and invest in new vessels with £580 million of funding;
- Invest in flood defence and nature-based solutions to increase climate resilience; and
- Investing over £500 million in modernising the prison estate.

The challenging external market conditions of inflation and supply chain impacts described above are already causing delays and placing pressure on budgets associated with certain projects. Reflecting this, as well as the challenging fiscal position, within this targeted review of the 2021 Capital Spending Review, there are a number of areas where the funding profile has had to be slowed down - such as road improvement programmes. It is now unlikely that the Capital Spending Review's ambition to double the level of spending on maintenance of infrastructure will be reached. These are not choices that the Government has taken lightly and it will ensure that the maintenance of our assets will still be prioritised where possible. This is in line with the investment hierarchy established in the Infrastructure Investment Plan.

The updated Capital Spending Review allocations set out in this document reflect a prudent approach to over-programming. In the more material capital programmes, portfolios will take into account the particular circumstances in delivering projects and exercise some

prudent discretion in over-programming. The overall assessment of collective programming and risk management will be agreed for each budget year going forward.

The Net Zero, Energy and Transport portfolio, with a CSR allocation of £8.5 billion over 2023-24 to 2025-26, is responsible for a significant proportion of the government's infrastructure commitments, covering key national transport, energy and environment programmes and projects. As a result, it is also subject to the most volatility in delivery schedules arising from potential delays in planning permissions, site complications and supply-chain interruptions. Therefore a prudent over-programming approach is being utilised, with the portfolio managing within a 4% tolerance over the remaining three years of the Capital Spending Review. This will enable the portfolio to manage any slippage across its wide range of programmes to maximise the level of capital investment achievable, driving economic growth and net zero commitments.

Beyond the Capital Spending Review period

The Scottish Government remains committed to the projects and programmes set out in the Capital Spending Review and Infrastructure Investment Plan where business cases continue to demonstrate value for money. For a small number of major projects and programmes which span this and future spending review periods, due to the uncertainty about long term pricing and market conditions, funding is not able to be confirmed in full at this time. The Scottish Government remains committed to investing in Scotland's future and will regularly assess future funding and financing opportunities to deliver the right strategic assets in the right places.

The purpose of this update is to set out clear plans to provide our partners and the market with confidence in the Scottish Government's approach but there remains significant volatility and elements of the infrastructure programme will continue to develop.

We will keep progress under review with final allocations agreed by Parliament each year through the annual budget process and periodically with our six-monthly reporting on the Infrastructure Investment Plan.

Financial Transactions

The table below shows the Financial Transactions allocation per portfolio for 2023-24 and 2024-25. Portfolios receive income from previous Financial Transactions investments which are factored into the gross amounts in the table.

Financial Transactions allocations available for 2025-26 have yet to be confirmed by the UK Government. As with the capital tables, the figures for 2022-23 reflect those published as part of the 2022-23 Scottish Budget.

Table 4: Financial Transactions Allocations, Net and Gross, by Portfolio, £ millions¹.

Portfolios	Net Financial Transactions			2-Year Total	Gross Financial Transactions			2-Year Total
	2022-23 Budget	2023-24	2024-25		2022-23 Budget	2023-24	2024-25	
Education and Skills	22.1	15.0	10.0	25.0	31.00	23.9	18.9	42.8
Finance and Economy	284.6	258.0	254.0	512.0	298.5	292.8	288.2	581.0
Health and Social Care	10.0	5.0	5.0	10.0	10.0	5.0	5.0	10.0
Net Zero, Energy and Transport	60.3	41.0	61.0	102.0	72.7	46.1	61.1	107.2
Social Justice, Housing and Local Government	150.0	67.0	46.0	113.0	231.0	153.0	140.0	293.0
Totals	527.0	386.0	376.0	762.0	643.2	520.8	513.2	1,034

¹ Figures may not sum due to rounding.

These allocations include:

- £581 million towards supporting the economy, including capitalisation of the Scottish National Investment Bank and the enterprise agencies.
- £102 million towards addressing the climate crisis with, £42 million to support delivery of the Heat in Buildings strategy and £60 million for the North East and Moray Just Transition Fund.
- £293 million to support the Affordable Housing Supply Programme in 2023-24 and 2024-25 through, for example, shared equity schemes and charitable bonds.

Conclusion

The Scottish Government is committed to improving the lives of the people of Scotland by focusing investment on tackling the climate and nature emergencies, supporting economic recovery and tackling child poverty, guided by the strategic principles set out in the Infrastructure Investment Plan and the National Infrastructure Mission.

This document sets out the outcome of the targeted review of the Scottish Government's capital spending plans, as published in February 2021. This review has been prompted by a range of factors – including changes in funding allocations, market conditions and fresh commitments outlined in the Programme for Government and the Bute House Agreement.

Scotland is constrained by reliance on the UK Government for capital grant allocations as well as limited capital borrowing powers, therefore, it has not be possible to immediately fund all the commitments from the existing spending review and those set out in the Programme for Government. However, the investment pipeline presented here creates a balanced and strategic plan for Scotland's infrastructure assets, remaining aligned with the themes of the Infrastructure Investment Plan. The Scottish Government will continue to press the UK Government to use the levers at its disposal to help mitigate the current market conditions and support infrastructure investment which is so vital for the economy.

The revised capital allocations presented here are designed to steer infrastructure investments and provide some medium-term planning certainty. However, as stated above, there remains significant volatility and elements of the infrastructure programme will continue to develop. The Scottish Government will therefore keep progress under review, with final allocations agreed by Parliament each year through the annual budget process, and will periodically provide public updates on this progress through our six-monthly reporting to Parliament on the Infrastructure Investment Plan.

ANNEX A: Portfolio Capital Spending Totals, 2021-22 – 2025-26, Level 2 & 3, £ millions.

In the table, the figures for 2021-22 and 2022-23 reflect those published as part of the Scottish Budget in each year.

	Capital ¹					5 Year Total
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	
Constitution, External Affairs and Culture						
Cultural Collections	8.2	21.0	17.0	9.8	9.0	65.0
Culture and Major Events - Total	8.2	21.0	17.0	9.8	9.0	65.0
HES Direct Capital	6.0	6.5	9.0	8.0	10.0	39.5
Historic Environment Scotland - Total	6.0	6.5	9.0	8.0	10.0	39.5
NRS Capital Expenditure	3.0	3.0	3.0	3.5	4.0	16.5
National Records of Scotland - Total	3.0	3.0	3.0	3.5	4.0	16.5
Constitution, External Affairs and Culture - Total	17.2	30.5	29.0	21.3	23.0	121.0
Education and Skills						
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	5 year total
Education Scotland	2.2					2.2
Gaelic	3.0	3.0	4.0	4.0	4.0	18.0
Curriculum and Qualifications	2.5	2.5	2.5	3.9	3.2	14.6
Workforce and Infrastructure	0.2	10.2	60.2	25.2	55.2	151.0
Improvement, Attainment and Wellbeing	0.2	30.2	0.2	0.2	0.2	31.0
Learning - Total	8.1	45.9	66.9	33.3	62.6	216.8
Children's Rights, Protection and Justice	2.3	2.1	2.4	2.1	2.4	11.3
Disclosure Scotland	5.6	6.4	5.0	3.0	3.0	23.0
Creating Positive Futures		5.0	10.0	15.0	25.0	55.0

	Capital ¹					5 Year Total
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	
Children and Families -Total	7.9	13.5	17.4	20.1	30.4	89.3
School Age Childcare			10.0	10.0	10.0	30.0
Early Learning and Childcare - Total			10.0	10.0	10.0	30.0
College Capital Expenditure	33.7	74.7	73.6	37.0	36.3	255.3
Higher Education Capital	346.7	348.0	353.6	359.4	367.6	1,775.3
Scottish Funding Council - Total	380.4	422.7	427.2	396.4	403.9	2,030.6
Student Awards Agency for Scotland (SAAS) - Operating Costs - Capital	1.6	1.9	1.9	1.9	1.9	9.2
Higher Education Student Support - Total	1.6	1.9	1.9	1.9	1.9	9.2
Education and Skills - Total	398.0	484.0	523.4	461.6	508.8	2,375.8
Finance and Economy						
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	5 year total
Highlands and Islands Enterprise	30.2	30.0	28.4	27.2	27.0	142.8
South of Scotland Enterprise	13.4	15.2	15.2	15.2	15.2	74.2
Rural Economy Enterprise - Total	43.6	45.2	43.6	42.4	42.2	217.0
Cities Investment and Strategy	198.1	226.0	203.8	201.5	202.9	1,032.3
Regeneration	94.3	80.0	65.0	70.0	70.0	379.3
Cities Investment and Regeneration - Total	292.4	306.0	268.8	271.5	272.9	1,411.6
Connectivity - Capital	98.2	127.2	117.4	101.9	125.7	570.4
Digital Connectivity - Total	98.2	127.2	117.4	101.9	125.7	570.4
Planning	5.0	7.0	10.0	10.0	7.0	39.0
Planning - Total	5.0	7.0	10.0	10.0	7.0	39.0

	Capital ¹					5 Year Total
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	
Tourism	18.5	5.3	5.3	5.3	5.3	39.7
Tourism - Total	18.5	5.3	5.3	5.3	5.3	39.7
Scottish Enterprise	72.2	80.0	76.2	72.8	75.1	376.3
Enterprise	35.4	9.8	0.9	0.2	0.2	46.5
Innovation and Industries	7.9	21.3	20.6	20.0	24.8	94.6
Enterprise, Trade and Investment - Total	115.5	111.1	97.7	92.9	100.1	517.4
Digital Strategy	3.3	20.4	41.5	39.3	41.8	146.3
Digital Strategy - Total	3.3	20.4	41.5	39.3	41.8	146.3
Digital Economy		3.6				3.6
Digital Economy - Total		3.6				3.6
Scottish Public Pensions Agency Administration	2.2	4.6	4.7	2.7	2.8	17.0
Scottish Public Pensions Agency - Total	2.2	4.6	4.7	2.7	2.8	17.0
Capital/IT Provision	0.5	0.8	0.5	0.5	0.5	2.8
Revenue Scotland - Total	0.5	0.8	0.5	0.5	0.5	2.8
Scottish Government Capital Projects	15.0	12.8	11.0	8.3	8.3	55.4
Other Finance - Total	15.0	12.8	11.0	8.3	8.3	55.4
Accountant in Bankruptcy Capital	1.1	1.1	1.1	1.1	1.1	5.5
Accountant in Bankruptcy - Total	1.1	1.1	1.1	1.1	1.1	5.5
Ferguson Marine	45.0	33.4	10.9			89.3
Ferguson Marine - Total	45.0	33.4	10.9			89.3
Capital/IT Provision	3.0	2.5	6.0	3.3	3.5	18.3
Registers of Scotland - Total	3.0	2.5	6.0	3.3	3.5	18.3
Finance and Economy - Total	643.3	681.0	618.5	579.2	611.3	3,133.3

Health and Social Care						
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	5 year total
Health Capital Investment	549.0	574.0	463.0	448.0	463.0	2,497.0
Health Capital Receipts	- 20.0	- 20.0	- 20.0	- 20.0	- 20.0	- 100.0
Health and Social Care - Total	529.0	554.0	443.0	428.0	443.0	2,397.0
Justice and Veterans						
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	5 year total
Administration	0.1	0.1	0.1	0.1	0.1	0.5
Legal Aid - Total	0.1	0.1	0.1	0.1	0.1	0.5
Police National Funding and Reform	4.6	7.1	13.6	4.6	4.6	34.5
Police Central Government - Total	4.6	7.1	13.6	4.6	4.6	34.5
Capital Expenditure	72.8	72.8	97.0	192.3	80.3	515.2
Scottish Prison Service - Total	72.8	72.8	97.0	192.3	80.3	515.2
Capital	45.5	65.5	80.5	80.5	55.5	327.5
Capital Receipts		- 20.0	- 35.0	- 35.0	- 10.0	- 100.0
Scottish Police Authority - Total	45.5	45.5	45.5	45.5	45.5	227.5
Capital	32.5	32.5	32.5	32.5	32.5	162.5
Scottish Fire and Rescue Service - Total	32.5	32.5	32.5	32.5	32.5	162.5
Capital	8.0	8.0	8.0	8.0	8.0	40.0
Scottish Courts and Tribunals Service - Totals	8.0	8.0	8.0	8.0	8.0	40.0
Miscellaneous	3.0		29.3			32.3
Miscellaneous - Total	3.0		29.3			32.3
Justice and Veterans - Total	166.5	166.0	226.0	283.0	171.0	1,012.5

Net Zero Energy and Transport						
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	5 year total
Programmes of Research	32.2	33.2	31.8	32.8	33.8	163.8
Royal Botanic Garden Edinburgh (RBGE)	18.4	15.3	19.3	14.2	12.4	79.6
Research, Analysis and Other Services - Total	50.6	48.5	51.1	47.0	46.2	243.4
National Parks	2.3	2.3	3.3	3.6	3.4	14.9
Environmental Quality	1.0	1.0	1.0	1.0	1.0	5.0
Natural Resources, Peatland and Flooding	30.7	39.8	59.8	60.2	71.2	261.7
Scottish Environment Protection Agency	6.2	4.1	6.1	6.4	2.9	25.7
NatureScot	2.5	1.8	1.8	1.8	1.5	9.4
Zero Waste	17.3	18.7	23.2	18.1	16.5	93.8
Environmental Services - Total	60.0	67.6	95.2	91.1	96.5	410.4
Land Reform	10.6	8.0	8.4	9.5	11.5	48.0
Land Reform - Total	10.6	8.0	8.4	9.5	11.5	48.0
Climate Action and Just Transition Fund	4.0	14.0	40.0	10.0	40.0	108.0
Climate Change - Total	4.0	14.0	40.0	10.0	40.0	108.0
Voted Loans	180.2	170.0	170.0	170.0	145.0	835.2
Private Water		5.0	5.0	5.0	5.0	20.0
Scottish Water - Total	180.2	175.0	175.0	175.0	150.0	855.2
Energy	165.4	168.4	268.9	317.9	420.4	1,341.0
Fuel Poverty/Energy Efficiency	139.0	141.7	124.0	145.0	162.0	711.7
Energy - Total	304.4	310.1	392.9	462.9	582.4	2,052.7
Major Public Transport Projects	173.0	247.0	238.9	397.6	273.9	1,330.4
Rail Franchise	294.0	312.0	329.0	338.9	349.0	1,622.9

Rail Infrastructure	501.0	427.0	442.0	411.0	492.0	2,273.0
Rail Services - Total	968.0	986.0	1,009.9	1,147.5	1,114.9	5,226.3
Smartcard Programme	2.8	2.0	2.0	2.0	2.0	10.8
Community Bus Fund			10.0	10.0	10.0	30.0
Concessionary Fares and Bus Services - Total	2.8	2.0	12.0	12.0	12.0	40.8
Agency Administration Costs		5.1	1.2			6.3
Road Safety		15.0	21.0			36.0
Scottish Canals	12.2	12.2	12.2	12.2	12.2	61.0
Support for Active Travel	85.3	113.8	157.9	248.9	248.9	854.7
Future Transport Fund - Low Carbon	107.4	129.9	169.4	122.0	145.0	673.6
Travel Strategy and Innovation	35.1	16.5	12.9	8.9	26.0	99.4
Active Travel, Low Carbon and Other Transport - Total	239.9	292.4	374.5	392.0	432.1	1,732.0
Capital Land and Works	155.7	136.9	122.4	182.1	187.1	784.2
Forth and Tay Road Bridge Authorities	0.9	0.8	6.5	6.6	2.8	17.6
Queensferry Crossing	2.1	1.8				3.9
Network Strengthening	104.4	116.0	80.0	69.0	68.5	437.9
Roads Improvements	46.3	36.5	29.4	24.9	25.2	162.3
Structural Repairs	100.0	119.0	98.7	96.7	93.1	507.5
Motorways and Trunk Roads - Total	409.4	411.0	337.1	379.2	376.7	1,913.4
Support for Ferry Services	21.8	21.8	21.8	21.8	21.8	109.0
Vessels and Piers	63.1	74.5	170.0	117.1	81.4	506.1
Capital Receipts	- 7.1	- 7.0	- 7.0	- 7.0	- 7.0	- 35.1
Ferry Services - Total	77.8	89.3	184.8	131.9	96.2	580.0
Highlands and Islands Airports Ltd	57.7	20.4	17.6	20.6	23.1	139.4
Air Services - Total	57.7	20.4	17.6	20.6	23.1	139.4
Woodland Grants	45.0	48.5	54.0	60.0	64.0	271.5

Forest Research (Cross Border Services)		1.7	1.7	1.7	1.7	6.9
Scottish Forestry - Total	45.0	50.2	55.7	61.7	65.7	278.4
Capital	22.1	10.5	11.6	12.2	11.6	68.0
Forestry and Land Scotland - Total	22.1	10.5	11.6	12.2	11.6	68.0
Over Programming			- 31.3	-185.4	- 118.6	- 335.3
Net Zero Energy and Transport - Total	2,432.4	2,485.0	2,734.5	2,767.1	2,940.3	13,359.3
Rural Affairs and Islands						
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	5 year total
Agricultural Support and Related Services	41.4	57.1	45.1	45.0	57.9	246.5
Agricultural Support and Related Services - Total	41.4	57.1	45.1	45.0	57.9	246.5
Marine Fund Scotland			10.0	10.0	10.0	30.0
EU Fisheries Grants	9.6	9.6	9.6			28.8
Fisheries Harbour Grants	1.0	1.0	1.0	1.0	1.0	5.0
Marine EU Income	- 6.2	- 6.2	- 6.2			- 18.6
Fisheries and Aquaculture - Total	4.4	4.4	14.4	11.0	11.0	45.2
Marine Scotland	7.7	9.1	8.0	8.0	8.0	40.8
Marine - Total	7.7	9.1	8.0	8.0	8.0	40.8
Islands	9.5	5.3	5.0		6.0	25.8
Islands - Total	9.5	5.3	5.0		6.0	25.8
Rural Affairs and Islands - Total	63.0	75.9	72.5	64.0	82.9	358.3

Social Justice Housing and Local Government						
	2021/22 Budget	2022/23 Budget	2023/24	2024/25	2025/26	5 year total
Social Security Advice, Policy and Programme	71.0	81.7	69.7	61.3	43.5	327.2
Social Security Scotland	22.0		5.0	5.0	5.0	37.0
Social Security - Total	93.0	81.7	74.7	66.3	48.5	364.2
More Homes	675.4	605.2	543.6	480.9	516.7	2,821.8
Income	- 20.4	- 18.4	- 16.4	-14.3	- 12.3	- 81.8
Housing Support	14.3	15.0	18.0	18.0	15.0	80.3
Housing - Total	669.2	601.8	545.3	484.6	519.4	2,820.3
Building Standards	13.0	8.0	30.0	50.0	100.0	201.0
Building Standards - Total	13.0	8.0	30.0	50.0	100.0	201.0
Connected Communities	0.3					0.3
Connected Communities - Total	0.3					0.3
Scottish Housing Regulator	0.2	0.2	0.5	0.1	0.1	1.1
Scottish Housing Regulator - Total	0.2	0.2	0.5	0.1	0.1	1.1
Social Justice			3.0	3.0	3.0	9.0
Social Justice - Total			3.0	3.0	3.0	9.0
Support for Capital	489.9	510.5	486.9	514.4	521.4	2,523.1
Specific Capital Grants	139.1	139.1	139.1	139.1	139.1	695.5
Local Government - Total	629.0	649.6	626.0	653.5	660.5	3,218.6
Social Justice Housing and Local Government - Total	1,404.7	1,341.2	1,279.3	1,257.4	1,331.4	6,614.0
Crown Office and Procurator Fiscal Service - Total	4.8	5.3	11.3	9.3	6.3	37.0
Parliament	1.3	1.1	1.1	1.1	1.1	5.7
Total	5,660.2	5,824.0	5,938.6	5,872.0	6,119.1	29,413.9

¹ Totals may not sum due to rounding. Level 2 Totals are shown in grey shading.



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