

Scottish Budget – doubles the Scottish Child Payment and freezes income tax

Finance Secretary Kate Forbes delivered her third budget to The Scottish Parliament on Thursday, saying it was “bold, ambitious and progressive”.

The three main concerns which Ms Forbes said it tries to address are climate change, tackling inequalities and investing in the economy and public services. In addition there is a desire to make the country fairer, greener and more prosperous.

Some of the headlines include:

- Income tax rates remain unchanged although basic rate bands will increase in line with inflation and higher rates are frozen
- Landfill Tax rates increase from 1 April 2022
- The Scottish Child Payment will double to £20
- The rate poundage on which non-domestic rates is based is set at the lowest rate in the UK with the basic rate set at 49.8 pence
- £18 billion for Health and Social Care including £12.9 billion for health boards
- £1.6 billion for social care and integration to increase spending on social care by 25% and lay the groundwork for the National Care Service including £10.50 minimum wage for adult social care staff

- £150 million for walking, wheeling and cycling to reduce car kilometres
- £110 million to provide free bus travel for under 22 year olds
- Funding of £145.5 million for more teachers and classroom assistants
- £123 million for Scotland's woodlands
- £1.4 billion for the police
- £20 million out of £500 million proposed in the next ten years for the North East and Moray
- £12.5 billion for local authorities
- £124 million for employability and training

Ms Forbes said: "The 2022-2023 Budget addresses our key priorities, targets resources for low income households and paves the way for future investment over the life of this Parliament. It is a budget of choices.

"My last two Budgets have been shaped by our experiences of Covid but we are now lifting our eyes to the future. This is a transitional Budget, as people, businesses and services get back on their feet.

"This Budget focuses on tackling the climate emergency, reducing inequalities and supporting economic recovery. It is the first budget of this partnership in government and has been developed in cooperation with the Scottish Green Party, delivering on commitments made as part of the Bute House Agreement. I welcome their support and their constructive challenge."



Kate Forbes with her budget

Scottish Greens co-leader Patrick Harvie said: “The Scottish Greens in Government are working for Scotland. This budget delivers progress on key Green policies to tackle the climate emergency and end child poverty, including investing £2 billion to tackle the climate emergency and doubling the Scottish Child Payment, giving £20 a week to over 400,000 children and their families.

“It’s clear the pandemic continues to pile pressure on budgets, inflation and the NHS. That’s why a just transition and a green recovery from the pandemic are needed if we are to build a fairer, greener future than leaves no-one behind. This budget is our first step towards that.”

Reaction

Claire Telfer, Save the Children’s head of Scotland said: “We wholeheartedly welcome today’s budget announcement from the

Scottish Government that sees the doubling of the Scottish Child Payment from April 2022 and other commitments to put money in the pockets the families who need it most.

This winter especially, we will see families struggle with inflated bills to heat their homes as well as rising food prices and costs of living.

Last month, a parent told us “I don’t really manage to pay all essential bills. I’ve not had our heating on all year, only a handful of times and that was when our daughter was born.”

Another parent said (of the rising costs) “It is causing me so much anxiety and I struggle to sleep at night worrying about it.”

Even after the Scottish Child Payment increases and is extended to under 16’s, too many children will be living in poverty and we will remain some way off achieving Scotland’s statutory child poverty targets.

Today’s priorities are very welcome. We will need a continued focus on children and tackling child poverty by putting money directly into parent’s pockets next year and beyond”.

Stuart Hay, Director, Living Streets Scotland said: “Today marks a fundamental and positive change in how transport is funded with a much greater focus on people walking, wheeling and cycling.

“Walking accounts for 22% of all trips, so it’s great to see spending levels reflecting this reality, switching from a focus on new road schemes that have resulted in congestion and emissions.

“The £150 million investment will make it easier, safer and more attractive for more people to choose cleaner ways to travel. This is vital in the face of a climate emergency and a crisis in public health brought about by inactivity.

“This level of investment means new projects, such as national action to get more children walking to school are possible. It also makes plans to cut traffic on Scotland’s roads and streets by 20% more realistic.”

Scottish Conservative Shadow Cabinet Secretary for Finance, Liz Smith MSP, said: “The SNP had a bigger block grant from the UK Government to spend in this Budget than ever before and yet, they have failed to deliver a Budget that protects Scottish jobs and local services.

“Rishi Sunak provided a huge funding increase for the Scottish Budget but once again, the SNP refused to pass on that record funding and deliver a fair deal for local communities.

“The SNP are giving businesses less than a quarter of what they deserve. They are leaving Scottish jobs in the lurch by refusing to deliver the tax cut that thousands of small businesses need to survive and thrive.

“The Greens’ influence in government seems to have put improvements to Scotland’s roads in the slow lane. Vital infrastructure projects that would kickstart the Scottish economy are no longer a priority for the SNP.

“Kate Forbes didn’t take the opportunity to accelerate Scotland’s economic recovery from Covid. Instead, she used this Budget as an opportunity to try and provoke more baseless grievances with the UK Government.

“This Budget has mostly been the same old story from a tired government that is increasingly out of ideas.”

Scottish Labour finance spokesperson Daniel Johnson MSP said: “The people of Scotland are looking to the government for an ambitious recovery plan for our country – frankly, this disappointing budget is anything but what the country needs.

“Faced with the largest block grant in recent years, the SNP

has decided to stick to business as usual and manage decline. The people of Scotland deserve so much better.

“From the meagre 48p pay rise for care workers to the paltry green jobs scheme, it is clear that this is a government out of ideas and without ambition for the people of Scotland.

“A real terms cut to local government funding will mean more cuts to local government services and more council tax rises for hardworking families.

“When the times call for ambition, the SNP delivers complacency. When our economy and our NHS require investment, the SNP offers managed decline.

“There is a better way.

“Scottish Labour makes no apologies for pushing this government to be bold.

“That is why, throughout the budget process, Scottish Labour will tirelessly fight for a fair and ambitious recovery for our economy, our public services, and the people of Scotland.”