

Cabinet Secretary for Finance and Local Government
Shona Robison MSP



F/T: 0300 244 4000
E: scottish.ministers@gov.scot

Ross Greer MSP
Finance Spokesperson, Scottish Green Party
By email: Ross.Greer.msp@parliament.scot

23 January 2025

Dear Ross,

Scottish Budget 2025-26 – Offer to the Scottish Green Party

Thank you for your constructive approach to the development of the Scottish Budget for 2025-26. Over recent months we have explored a range of policy priorities, recognising that this is a Budget by Scotland, for Scotland.

Through our actions in the draft budget, that I outlined on 4 December 2024, I reflected a number of priorities that we share, and responded to specific priorities that you highlighted for the Scottish Green Party.

I know that a real terms uplift in Local Authority funding was a key area where we had a common position as this saw the local government settlement increase to over £15 billion. I believe that the steps we have outlined on putting in place a universal Winter Heating payment and taking the actions necessary to effectively scrap the two child benefit cap are also ones where we are in agreement.

You should already be in receipt of my letter setting out the Scottish Government's position on implementation of Scottish Local Authorities Remuneration Committee (SLARC) review recommendations, which I know you are keen are taken forward swiftly.

£767 million to boost the delivery of affordable housing, as well as over £300m in energy efficient and clean heat measures are also demonstrating investment in areas you have set out as key for your group.

Following our engagement prior to the budget, your party's aims for over £4.7 billion on 'climate positive' activity were delivered, as were your policies of free bus travel to asylum seekers, and inter-island free ferry travel to children and young people under 22.

In recent weeks the Scottish Labour party has signalled that they intend to abstain in the forthcoming budget. While that may be sufficient to ensure passage of the budget, the First Minister has been clear that it is our hope to build as broad support as possible for Scotland's Budget both within and outwith parliament.

It is in that spirit that I have welcomed our ongoing engagement on the budget to appreciate what further priorities you would welcome being taken forward within the understanding of the limited scope that there is within the available resources.

Potential Areas of Additional Investment

On **Nature Restoration** the draft budget set out £5 million for the reinstatement of the Nature Restoration fund to local authorities, and a further £18 million of restoration funding. With your agreement, I intend to increase this by a further £3 million of capital, taking overall nature restoration funding to its highest ever level of £26 million. It is our intention to at least maintain that level of investment in the following financial year.

You set out clearly that one of your key priorities was the establishment of a pilot of a **£2 bus fare cap** in a regional transport partnership area. I would propose, with your support, to establish a 12-month pilot from 1 January 2026. Our estimate is that this one year pilot would cost up to £10 million to operate for the one year term of the pilot, with a cost of up to £3 million in the coming budget for the establishment and operation of the scheme. Clearly the delivery of the scheme will be subject to negotiations with bus operators in the selected area, and I would want to keep you informed of the progress towards implementation routinely through the year to give you some assurance that it can be delivered.

We discussed in our engagement if there were further steps that could be taken toward relieving the impacts of child poverty. To that end we, with your agreement, will **extend free school meal eligibility** in S1-S3 in 8 local authority areas – covering pupils in an urban, rural, semi-urban and island authorities in receipt of Scottish Child Payment. Our aim would be to extend this **test of change** phase for the next school year, starting in August 2025, followed by an evaluation. Initial estimates are that this would cost around £3 million, with the majority of the costs falling in the 2026/27 financial year.

Matters Outwith the Budget

Beyond the spend commitments within this offer, I set out our response on matters that were material to your position:

- **Devolving Parking Fines.** We recognise your ask around devolving parking fines to Local Government. As this would require a change to Scottish Government guidance, I can commit as part of this offer that we will undertake a further public consultation exercise in Summer 2025 and engage with you further on this.
- **Infrastructure Levy.** As set out at our last engagement, the impacts of the Infrastructure Levy sunset clause will need to be explored in more detail, particularly given potential adverse impacts relating to the investment pipeline. The Minister for Public Finance has confirmed he will meet with you and relevant senior officials shortly to discuss this further.

Next Steps

If you and your group were to agree to these further points I've outlined, I would aim to bring forward the necessary amendments to the Budget Bill to reflect that. In order to set these changes out to parliament at Stage 1, ahead of formally tabling these at Stage 2, I would need to finalise these around a week before the Stage 1 debate.

I would be grateful if you, on behalf of the Scottish Green group, could indicate if you would now support the Scottish Budget, and its associate instruments, by close of Monday 27 January.

Further to this I will want to update Parliament as soon as practicably possible on these matters and will discuss this further with you once I hear back from you.

I recognise that the budget does not deliver all things the Scottish Green party would wish it to. But equally, I think we all recognise that if we are to keep making the progress that each of us wishes to see that this will necessitate compromise on all of our parts. That has been at the heart of my engagement with you, and the other parties represented in the chamber.

With action to tackle poverty, invest in local services, and deliver climate positive investment I hope that this is a budget that the Scottish Green group can now support.

Yours sincerely,

A handwritten signature in black ink that reads "Shona Robison" with a horizontal line extending to the right.

SHONA ROBISON