

Colin Smyth MSP
Convener
Economy and Fair Work Committee
By e-mail: Economyandfairwork.committee@parliament.scot

16th January 2025

Dear Convener

Scottish Budget Bill 2025-26 allocation to Consumer Scotland

Following the publication of the Scottish Budget Bill for 2025-26, I am writing to advise that Consumer Scotland has been allocated a total of £4.112 million core budget for 2025-26, consisting of £3.525 million in resource funding and capital funding of £0.587 million for IFRS16. While this budget allocation remains a guided one until the final budget is approved, as Accountable Officer, accountable to the Scottish Parliament, to support the Committee's scrutiny of the Budget Bill I am writing to confirm the implications it will have for Consumer Scotland and our ability to operate effectively as a statutory body.

The Budget Bill allocation to Consumer Scotland is satisfactory within the context of the wider fiscal situation. It would enable Consumer Scotland to continue to deliver on our statutory functions and meet our staff costs within the framework defined by public sector pay policy. For clarity, we understand that discussions around funding for the increase in employers National Insurance contributions will take place once the Scottish Government has received formal advice from the UK Government on how this matter will be managed in Scotland.

The allocation of £4.112m is the figure we had requested from the Scottish Government. Given the public sector financial situation we had sought a funding allocation that would allow us to maintain a level position rather than the approach of considered growth we had previously planned. Prior to the budget being published, we worked closely with the Consumer Policy liaison team in the Scottish Government and appreciate their constructive approach to discussions.

You may recall from our most recent session with the committee that Consumer Scotland receives two streams of funding. Our core funding (this allocation) is delivered through the Scottish Budget Act, while our work on energy, heat networks, postal services (UK Government) and water (Scottish Government) on behalf of consumers in Scotland is delivered through levy funding. Our funding for 2025-26 in the levy areas will be confirmed as part of our annual Work Programme process.

As you stated at our recent appearance before the Committee, we are accountable to the Scottish Parliament, and the Economy and Fair Work Committee is our lead committee. In that context I trust that this letter is helpful.

Kind regards,

A handwritten signature in blue ink, appearing to be 'S. Ghibaldan', with a stylized flourish extending to the right.

Sam Ghibaldan