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Richard Leonard MSP
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Issued by email to:
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Dear Convener,

Thank you for the recent opportunity to provide evidence to the Public Audit Committee. I agreed to follow up in writing with further information on two points that Members raised in relation to child poverty and Scotwind revenues.

Firstly, in relation to child poverty analysis, the Scottish Government published its 'Cumulative Impact Assessment'¹ alongside the 2022-26 Tackling Child Poverty Delivery Plan, *Best Start, Bright Futures*, in March 2022². This estimated, for the first time, the impact of a selection of policies upon rates of both relative and absolute child poverty in Scotland and presented the Scottish Government's forecasts of poverty rates in future years. Full detail of the methodology underpinning these estimates is set out within the report.

Two further updates have been published in June 2023³ and February 2024⁴, refreshing both estimates of impact and forecast rates of poverty. These updates reflect the latest policy announcements at the time of publication and also make use of the latest available poverty data, and macroeconomic forecasts from the Office for Budget Responsibility.

The Scottish Government will publish the latest 'Poverty and Income Inequality in Scotland' statistics on 27 March 2025. This will include official poverty statistics for 2023-24. The Cabinet Secretary for Social Justice will lay an annual progress report, detailing analysis in relation to the targets, in the Scottish Parliament before the end of June to enable Parliamentary consideration and scrutiny.

¹ [Tackling child poverty delivery plan 2022-2026 - annex 4: cumulative impact assessment](#), Mar 2022

² [Best Start, Bright Futures: tackling child poverty delivery plan 2022 to 2026](#), Mar 2022

³ [Annual progress report 2022-23: annex b - cumulative impact assessment update](#), Jun 2023

⁴ [Child poverty cumulative impact assessment: update](#), Feb 2024

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As I noted during the session, independent analysis, including from the Joseph Rowntree Foundation⁵ has set out the relative impact of policies upon rates of child poverty in Scotland and across the UK.

Secondly, I committed to provide further information on ScotWind revenues which are planned for investment in strategic projects in 2025-26. This information is included at Annex A.

In total £810 million of revenue has been raised through a combination of ScotWind (£756 million) and INTOG option fees (£54 million). With the crystallisation of the first INTOG option fee in 2024-25, it is more appropriate to consider these combined funding sources as Crown Estate income.

In 2022-23, £96 million of Crown Estate income was drawn down and utilised by the Scottish Government to support the overall fiscal position, with the majority accessed as part of the November 2022 Emergency Budget Review.

There remains £350 million of Crown Estate income that is currently not profiled and is available to support future financial years. Annex B provides a detailed breakdown of the evolution of Crown Estate income.

I trust that this information is helpful to Committee members.

Best wishes,



JP Marks
Permanent Secretary to the Scottish Government

⁵ [Economic and employment growth alone will not be enough to reduce poverty levels, Joseph Rowntree Foundation, Jan 2025](#)

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Annex A – 2025-26 Utilisation

Portfolio	Detail	Scotwind Capital	Scotwind Resource	Total
F&LG	Responding to COSLA's ask for funding to respond to the climate emergency by making available £40 million to target local priorities. Additionally, £20 million is allocated for Orkney Islands Council and Shetland Islands Council to enable them to sustain and improve interisland connectivity in the way that best meets local needs. £10 million has been dedicated to reform public services.	52.0	18.0	70.0
NZE	Supporting offshore wind capital investment, nature restoration and energy and transition funds. Additionally, £25 million has been allocated to support economic growth at the Grangemouth Industrial Cluster.	179.9	5.0	184.9
RALRI	£16 million to progress transformation and reform of the agriculture and food and drink industries, including energy efficiency and improved resilience. The remaining funding will be targeted towards peatlands restoration and woodlands creation.	30.6	0.0	30.6
Transport	Supporting capital investment for sustainable and active travel programmes and low carbon programmes	78.5	0.0	78.5
	Total	341.0	23.0	364.0

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Annex B – Crown Estate Revenues

Year	Description	Budget £'m	Spend £'m	Balance £'m
2022	Scotwind Option Fees generated			756
2022-23	Budget Plan	40		
	Emergency Budget Review	56		
	Total Expenditure		96	660
2023-24	Budget Plan	310		
	Total Expenditure		0	660
2024-25	Budget Plan	200		
	Initial INTOG revenues			54
	Additional drawdown included at ABR	224		
	Reduction in drawdown included in the SBR	-424		
	Forecast Expenditure*		0	714
2025-26	Budget Plan	336		
	Stage 2 and Stage 3 Amendments	28		
	Forecast Expenditure **	364	364	350
Future years	Unallocated funding available	350		

* 2024-25 financial year is still to be concluded, this position assumes no ScotWind revenues required in line with the Spring Budget Revision position

** Assumes all profiled Crown Estate funding will be spent in 2025-26

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