



T: 0300 244 4000  
E: [dfmcscr@gov.scot](mailto:dfmcscr@gov.scot)

Elena Whitham MSP  
Convener  
Social Justice and Social Security Committee

Email: [SJSS.committee@parliament.scot](mailto:SJSS.committee@parliament.scot)

28 September 2022

Dear Convener,

### **Public Sector pay and the Emergency Budget Review**

Thank you for your letter of 22 September in relation to my statement on Public Sector pay and the Emergency Budget Review and the invitation to attend Committee.

As the Committee will be aware, the Scottish Government cannot overspend on its budget. With inflation meaning our budget is now worth £1.7 billion less in real terms than it was last December, we must make difficult decisions to prioritise immediate support whilst also balancing our budget. The Emergency Budget Review is being undertaken in order to meet the increased costs of public sector pay and to provide support as part of the cost of living crisis.

The harsh reality of a fixed budget with limited fiscal powers means we must prioritise our budgets in order to ensure we move to balance and provide additional support to those in need where possible. This includes ensuring resources for the doubling of the Fuel Insecurity Fund are available along with increased support for Discretionary Housing Payments, as announced in the Programme for Government.

I set out £560 million in reductions in planned spending and forecasting as the first stage of our Emergency Budget Review. Throughout this process we have taken those savings that we consider have the least impact on public services and on individuals.

Still, these decisions have not been easy and they will not be without consequence.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)



The impact of these decisions is that we will be unable to move forward with planned additional activity within employability to scale and enhance available support for parents this year. However, I want to reassure the Committee that we remain committed to employability playing its role in contributing to the reduction of child poverty rates in Scotland.

I am aware that a tight labour market can point to a situation whereby those who are unemployed are those facing significant barriers to the labour market and in most need of support. With this in mind, I would also like to take this opportunity to confirm that our core employability funding for this year remains, and that we will continue to prioritise support for those who need it most, including parents. For 2022/23, we have allocated up to £59.433m to be delivered through our No One Left Behind approach and £23.5m for Fair Start Scotland. Both of these interventions continue to provide much needed support and retain their focus of supporting those furthest from the labour market to progress towards, entering and sustaining employment.

Employment support for disabled people is also part of our devolved remit, and will likewise continue to be delivered through No One Left Behind and Fair Start Scotland.

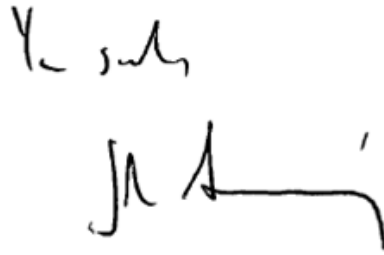
As part of our routine management of the funding for bus services, the Scottish Government continually monitors forecasted spend against budget. As a result of the demand led nature of the concessionary travel schemes, we have reduced our forecast for rest of this financial year due to a lower than expected patronage. This change in the forecast will have no impact on access to the Older and Disabled Persons Scheme and the Young Persons Scheme. If patronage were now to rise above the forecasted levels so would our expenditure on the schemes.

Similarly, the level of saving in 2022/23 from the Scottish Funding Council (SFC) is based on routine forecasts of underspends. SFC have sought to minimise the impact of required savings on front line allocations for learning and teaching, and support for students, for this this academic year.

The £20m savings offered from the SFC are based on underspends in Student Support, European Structural Fund (ESF) and for ring-fenced & non-core funds from previous years across.

Despite a fixed budget, we continue to prioritise our national mission to tackle child poverty and continue to take significant action to tackle and reduce child poverty in Scotland, including through our Scottish Child Payment which we are further increasing to £25 per week for all eligible children under 16 from 14 November this year, given our long standing commitment as a Government to Social Justice.

I will set out the final Emergency Budget Review on the week commencing 24 October but I must be clear that further intervention will represent a significant challenge given the largely fixed Scottish Government budget and limited fiscal powers.

A handwritten signature in dark ink, appearing to read 'John Swinney', with a stylized flourish at the end.

**JOHN SWINNEY**

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

St Andrew's House, Regent Road, Edinburgh EH1 3DG  
[www.gov.scot](http://www.gov.scot)



Accredited  
Until 2020

