



What you need to know about the draft Scottish budget 2020/21

Background

The Scottish Government's [draft budget for 2020/21](#) was published on 6 January 2020.

The Public Finance Minister Kate Forbes presented the draft budget as being part of a *"bold and ambitious programme"* with a focus on *"fairness and collective wellbeing"*.

It was acknowledged that the budget process has been bespoke this year to account for the delay in the UK Government budget. It is expected that the Scottish budget will be passed on 5 March 2020 in time for local authorities to finalise their spending plans.

The Public Finance Minister stressed that without knowledge of the UK Government's budget, block grant and Barnett consequential, the Scottish Government has had to base the draft Bill on a best estimate. The announcement also included the caveat that the budget may have to be revised in the event of a no deal Brexit in December 2020.

What's in the budget?

Housing

The draft Budget has committed £843.0 million to the Affordable Housing Supply Programme (AHSP), the final installment of funds committed to meet the 50,000 affordable homes target.

Home ownership will be supported through Help to Buy and Open Market Shared Equity schemes and a new £150.0 million pilot First Home Fund.

There will be further allocations from the £50.0 million Ending Homelessness Together Fund. However, the budget does not give details of how much will be allocated or what the funds will be used for.

Fuel poverty and energy efficiency

The draft Budget was billed as a budget to tackle the climate emergency and included announcements on infrastructure, transport and environmental measures. For housing, £137.1 million has been allocated for energy

efficiency measures. This is an increase from £119.6 million in the previous budget.

A £120.0 million heat transition fund was announced to support decarbonization of homes and other buildings, including a £50.0 million Heat Networks Early Adopter Challenge Fund for local authorities.

Social security

The Scottish welfare fund (SWF) has increased from £33.0 million to £35.5 million.

The 2020/21 Budget for discretionary housing payments (DHPs) to mitigate the bedroom tax has been set at £59.7 million – an increase of £7.4 million from the previous year. The DHP pot to support people with other needs has been increased from £10.9 million to £12.9 million.

Additionally, there will be £21.0 million allocated to the new Scottish Child Payments. The first payments will be made before the end of the year and the Scottish Government estimates that by the time the benefit is fully rolled out as many as 30,000 children could be lifted out of poverty.

Local government settlement

The draft budget document pledges £11.8 billion total spend for local government for 2020/21. Regarding local government funding outwith core settlement, the Budget document states this has increased from £447.9 million to £496.8 million.

Reaction from CIH

The increase in funding for the AHSP is welcome but we will continue to raise concerns about the lack of long-term financial certainty for social landlords beyond 2021.

While some additional funding has also been made available for energy efficiency measures, £137.1 million falls far short of the amount needed to address a climate emergency. The Existing Homes Alliance estimates that [at least £240 million per year will be required](#) for our homes to reach net-zero carbon by 2045.