

Budget Announcement

Finance Secretary John Swinney has announced the details of the [Scottish draft budget for 2011/2012](#) to Parliament.

Mr Swinney stated that the Scottish budget was facing a UK imposed deficit of £1.3 billion next year. The revenue budget will fall by £500 million, and the capital budget will decrease by £800 million.

The budget sets out details of the sharpest fall in spending in any one year period.

The Headlines

- Efficiency targets across the public sector will rise to 3%, with each body reporting their plans and results.
- Deliver savings of £200m in the next three years, more details are in the [Efficiencies from Procurement](#) document published today.
- The number of public sector bodies will be reduced by 25%.
- Government will not raise the Scottish Variable Rate of income tax.
- Business rates to increase for largest companies, including supermarkets.
- Public sector pay will be frozen for all workers earning more than £21,000 per year.
- "Sets a framework" for discussions on pay with NHS staff, teachers, police and fire-fighters.
- Public sector pay will be reduced by 10% by the end of 2012.
- The number of senior NHS managers will be cut by 25%.
- NHS distinction awards will be frozen.
- The no compulsory redundancies policy will be sustained provided an increase in flexible working practices can be agreed.
- Several organisations face a reduced budget, including Skills Development Scotland.
- Spending on transport projects will prioritise existing projects rather than new ones.
- The existing eligibility requirement for concessionary travel will remain.

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- Prescription charges will be abolished as planned.
- Funding will be made available for 34,500 training opportunities.
- £100 million will be committed to capital budget.
- Forth Replacement Crossing will proceed.
- Investment in frontline services and health improvement will continue.
- Money from the health budget will be allocated to help the NHS and COSLA address the needs of the most vulnerable.
- Local authorities have agreed to the delivery of the current single outcomes agreement and the implementation of the Early Years Framework.
- Funding to maintain the pupil teacher ratio during primary years.
- Funding to reduce teacher unemployment and maintain Educational Grants.
- Free personal care will remain.
- Police officer numbers will be maintained.
- The council tax freeze will be extended into 2012.
- Cuts in local authority spending will be limited to 2.6% compared to the average 6.4% for non protected areas if councils deliver SNP priorities like continuing the council tax freeze into a fourth year.
- The Scottish Government draft proposals for the transition to a low carbon Scotland has been laid before parliament.
- There will be an increase in the money going to the Climate Action Fund.