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Kenneth Gibson MSP
Convener, Finance and Public Administration
Committee

Copy to:
Paul Sweeney MSP

17 January 2024

Dear Kenny,

Further to my appearance at the Finance and Public Administration Committee yesterday and the questions raised on the matter of capital funding for the Clyde Gateway, I am writing to confirm the situation. I am also copying this letter to Paul Sweeney MSP following his point of order in the Chamber yesterday.

I can confirm that there was an inadvertent error in the published draft budget document in Table A2.17. That table incorrectly contained details of £5 million in capital funding for Clyde Gateway in 2024-25. This table collates information from across a range of portfolios about funding which is transferred from them to local government, either as a whole or local government partners or individual councils for specific programmes of work, outwith the local government settlement.

This table was added to the budget document at the request of a previous Committee to aid understanding of funding transferred to local authorities which is not contained in the formal settlement for local government as a whole. Given historical challenges in assuring the full and complete accuracy of this table, this year the budget contained a footnote to that table to the effect that: *“These figures represent best estimates at the time of the 2024-25 Scottish Government Budget. The actual sums payable will be notified by the relevant policy team at the earliest opportunity.”*

Unfortunately, the figures for capital funding for the Clyde Gateway were based on the previous year funding rolling forward, and the change for 2024-25 was not identified timeously. We will imminently be publishing an erratum to the budget document to correct this.

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In relation to the position of capital budget allocations for Clyde Gateway in 2024-25, there is currently no capital budget specifically allocated to Clyde Gateway for the coming year to deliver priority projects.

Ministers have, however, yet to determine how the remaining budget within the portfolio will be prioritised. The Minister for Local Government Empowerment and Planning met with Martin McKay, Chief Executive of Clyde Gateway, at the earliest opportunity on 21 December 2023 to clarify the budget position. The Minister highlighted to Mr McKay the challenging budget context in maintaining the capital funding allocation for 2024/25 and asked him to speak to officials about how to best manage this and their future delivery.

The Scottish Government is aiming to protect the revenue allocation for Clyde Gateway so that they are able to continue to deliver their programmes and the projects already underway. We are keen to continue working closely with Clyde Gateway to support them into the future and to explore other potential funding models that might help place them on a more sustainable footing.

Officials are in discussion with Martin McKay about how best to mitigate the reduced capital budget for Clyde Gateway. Ministers will also be considering options shortly for the allocation of the regeneration capital budget shortly.

It is deeply unfortunate that this error occurred, the Scottish Government will be reviewing the process for assuring the accuracy of this table in future years, and will consider alternative approaches to the presentation of this information such as to avoid such errors in the future. I can however assure the Committee and Parliament that to the best of my knowledge there are no other errors within the budget document.

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