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# GOVERNMENT EXPENDITURE & REVENUE SCOTLAND 2024-25

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AUGUST 2025



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# Summary

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## Introduction

- Government Expenditure and Revenue Scotland (GERS) addresses three questions about Scotland's public sector finances under the current constitutional arrangements:
  - What revenues were raised in Scotland?
  - How much was spent on public services for Scotland?
  - To what extent did revenues cover the costs of these public services?
- GERS is not a measure of the Scottish Government's fiscal position, rather it is a measure of Scotland's overall fiscal position. Further information on Scottish Government and devolved finances is provided in the FAQs and Preface.
- GERS is an Accredited Official Statistics publication. It is assessed by the Office for Statistics Regulation (OSR), the regulatory arm of the UK Statistics Authority, to ensure that it meets the standards set out in the Code of Practice for Statistics.
- The tables below provide figures for the last three years. Figures for back to 1998-99 are available online in the accompanying spreadsheets.
- Feedback from users of the publication is welcome. Comments can be emailed to [economic.statistics@gov.scot](mailto:economic.statistics@gov.scot).

## Scotland's Overall Fiscal Position

- GERS provides two measures of Scotland's fiscal position, the net fiscal balance and the current budget balance.
- The net fiscal balance measures the difference between total public sector expenditure and public sector revenue. It therefore includes public sector capital investment, such as the construction of roads, hospitals, and schools, which yields benefits not just to current taxpayers but also to future taxpayers. It is shown in Table S.1 below.
- The results for this year's publication show overall public finances in Scotland weakening, as expenditure grew faster than revenue. Revenues from the North Sea and the Energy Profits Levy fell in 2024-25 for the second year as energy prices continued to fall back from the highs seen in 2022 and 2023. Compared to the UK, weaker revenue growth also reflected weaker growth in interest income from student loans and the impact of the Council Tax freeze.
- On the spending side, falling inflation saw spending on reserved debt interest payments, partly linked to inflation, fall back slightly, although it remains higher than pre-pandemic. Growth in spending on social protection grew strongly and has grown faster in Scotland than the UK in 2024-25. This will in part reflect spending associated with devolved social security programmes.

**Table S.1: Net Fiscal balance, Scotland and UK 2022-23 to 2024-25**

<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scotland (£ million)	-19,010	-21,407	-26,188
Scotland - excluding North Sea (£ million)	-26,901	-26,280	-30,265
Scotland (% of GDP)	-8.7%	-9.7%	-11.6%
Scotland - excluding North Sea (% of GDP)	-13.9%	-12.9%	-14.3%
UK (% of GDP)	-4.9%	-4.8%	-5.1%

- In 2024-25, Scotland's net fiscal balance as a share of GDP was -11.6%, compared to -9.7% in 2023-24. This is a deterioration of 1.9 percentage points for Scotland, whilst the UK deficit deteriorated by 0.4 percentage points. This partly reflects a fall in North Sea revenue, with Scottish North Sea revenue falling by £0.8 billion in 2024-25 to £4.1 billion.
- However, the difference is primarily explained by movements in non-North Sea revenue and spending, with Scottish revenue growing more slowly and Scottish expenditure growing more quickly than the UK. Excluding North Sea revenue, the net fiscal balance for Scotland worsened by 1.3 percentage points.
- The current budget balance shows the difference between revenue and current expenditure only. It therefore excludes public sector capital investment. It measures the degree to which taxpayers meet the cost of paying for public services, excluding capital investment. It is shown in Table S.2 below.
- The current budget balance for Scotland tends to move in line with the net fiscal balance figure but is typically around 2 to 3 percentage points smaller as a share of GDP. However, the gap between the current budget balance and the net fiscal balance increased in 2024-25, as capital spending grew strongly, particularly with increased reserved capital spending on defence. In 2024-25, the deficit on the Scottish current budget balance increased by 1.0 percentage points.

**Table S.2: Current Budget Balance, Scotland and UK 2022-23 to 2024-25**

<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scotland (£ million)	-13,745	-15,978	-18,708
Scotland - excluding North Sea (£ million)	-21,636	-20,851	-22,784
Scotland (% of GDP)	-6.3%	-7.3%	-8.3%
Scotland - excluding North Sea (% of GDP)	-11.2%	-10.2%	-10.7%
UK (% of GDP)	-3.1%	-2.3%	-2.5%

## Scotland's revenue

- Table S.3 shows two measures of Scotland's public sector revenue: (i) all Scottish revenue, and (ii) excluding North Sea revenue.
- Scotland's revenue in 2024-25 grew by £1.4 billion to £91.4 billion. This was an increase of 1.5% from 2023-24. This reflects growth in onshore receipts being partially offset by falling oil and gas revenue. Scottish revenue was 8.0% of the UK total, the same as its population share.

- Scotland's share of UK non-North Sea revenue was 7.7% in 2024-25, slightly lower than in 2023-24 but the same as 2022-23. Onshore revenue grew by 2.5%, with strong growth in income tax and inheritance tax, which both grew by 10%, offset by falling receipts from National Insurance Contributions, fuel duties, and interest and dividends.
- The growth in income tax and inheritance tax reflects the impact of inflation contributing to high nominal earnings growth and increases in asset values. Falling receipts from National Insurance Contributions reflects reductions in the rate paid by employees. Fuel duties declined slightly, reflecting the trend toward electric and hybrid vehicles. The decline in interest and dividends reflects reductions in the interest rate applied on Scottish student loans.

**Table S.3: Total Revenue, Scotland and UK 2022-23 to 2024-25**

<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scotland (£ million)	87,190	90,019	91,376
Scotland - excluding North Sea (£ million)	79,299	85,146	87,300
Scotland (% of UK revenue )	8.4%	8.2%	8.0%
Scotland - excluding North Sea (% of UK revenue)	7.7%	7.8%	7.7%
Scotland (% of GDP )	39.8%	40.9%	40.4%
Scotland - excluding North Sea (% of GDP)	41.1%	41.8%	41.1%
UK (% of GDP)	40.0%	40.0%	39.3%

- Table S.4 below shows estimates of revenue per person for Scotland and the UK. In the latest year, revenue per person was £91 higher than the UK average. The difference between revenue per person in Scotland and the UK is variable and depends largely on North Sea revenue. In 2022-23, when North Sea revenue was higher, revenue per person was £718 higher than the UK average.
- Excluding North Sea revenue, revenue per person in Scotland was lower than the UK average by £578 in 2024-25.

**Table S.4: Revenue per person (£ per person) Scotland and UK 2022-23 to 2024-25**

<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scotland	15,975	16,360	16,471
Scotland - excluding North Sea	14,530	15,475	15,736
UK	15,257	16,027	16,380
UK - excluding North Sea	15,111	15,948	16,314
Difference Scotland minus UK - Including North Sea	718	333	91
Difference Scotland minus UK - excluding North Sea	-581	-473	-578

## Scotland's spending

- Table S.5 below shows estimates of public spending for Scotland. Expenditure increased to £117.6 billion in 2024-25, from £111.4 billion in 2023-24. As a share of GDP, public spending remained at historically high levels in 2024-25, at 52% of GDP, over 5 percentage points higher than prior to the pandemic.
- Overall, spending in 2024-25 grew slightly faster than the onshore economy. Spending as a share of onshore GDP increased to 55.4%.
- Within overall spending, 2024-25 saw particularly strong growth in social protection and spending. Growth in spending on social protection grew faster in Scotland than the UK in 2024-25. This will in part reflect spending associated with devolved social security programmes.
- In contrast, there were falls in spending associated with reserved public sector debt interest as inflation fell back from the highs seen during 2022-23, and spending associated with the EU Withdrawal Agreement.

**Table S.5: Total Public Sector Expenditure, Scotland and UK 2022-23 to 2024-25**

<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scotland (£ million)	106,200	111,426	117,564
Scotland (% of UK Expenditure)	9.1%	9.1%	9.1%
Scotland (% of GDP)	48.5%	50.6%	52.0%
Scotland - excluding North Sea (% of GDP)	55.1%	54.8%	55.4%
UK (% of UK GDP)	44.9%	44.7%	44.4%

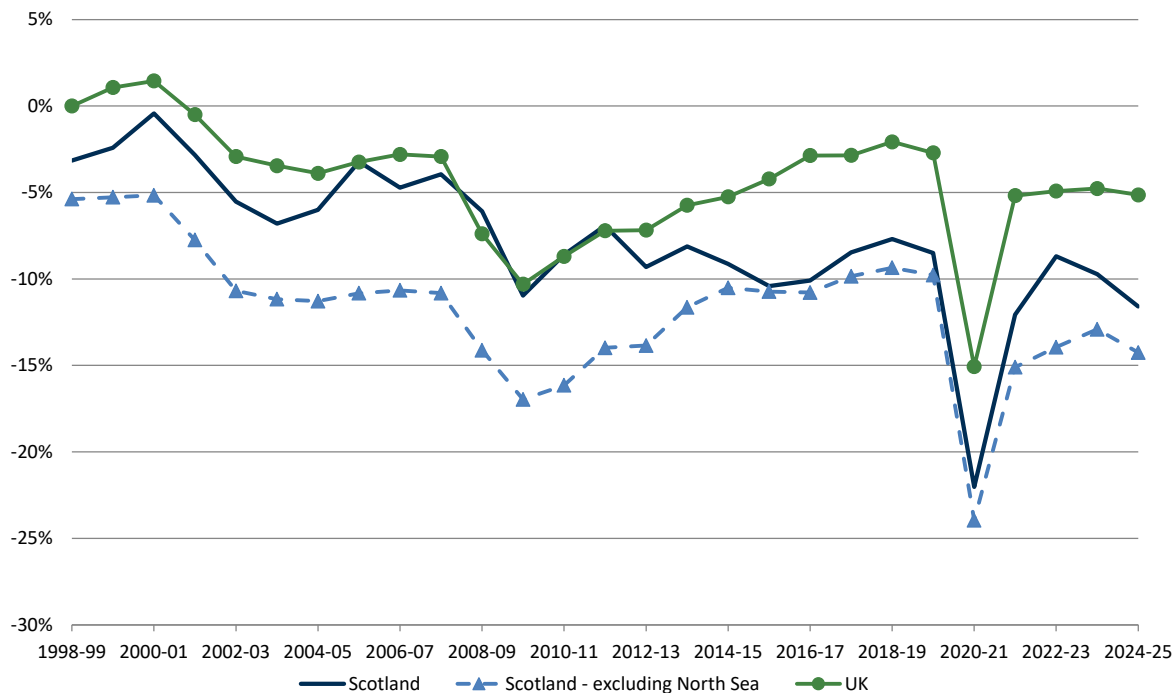
- Table S.6 below shows estimates of expenditure per person for Scotland and the UK. Expenditure for Scotland has been consistently higher per person than the UK average over the period.

**Table S.6: Total Expenditure per Person ( £ per person) Scotland and UK 2022-23 to 2024-25**

<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scotland	19,459	20,251	21,192
UK	17,132	17,940	18,523
Difference Scotland minus UK	2,327	2,311	2,669

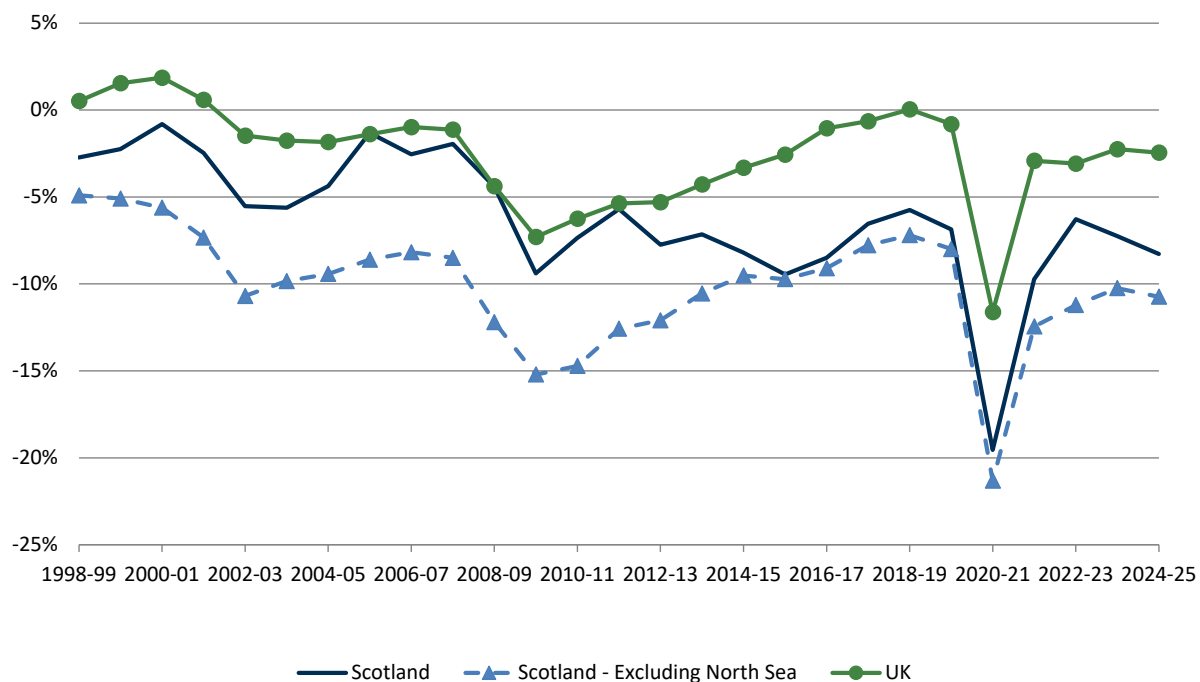
**Chart S1: Net fiscal balance weakened in 2024-25 as expenditure grew faster than revenue**

Annual Net Fiscal Balance, 1998-99 to 2024-25, Percentage of GDP



**Chart S2: Current balance weakened in 2024-25 as expenditure grew faster than revenue**

Annual Budget Balance , 1998-99 to 2024-25, Percentage of GDP



## Frequently Asked Questions

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Below is a summary of some of the most frequently asked questions and their answers.

**Q: Who produces GERS?**

A: GERS is produced by Scottish Government statisticians. It is designated as an Accredited Official Statistics product, which means that it is produced independently of Scottish Ministers and has been assessed by the Office for Statistics Regulation (OSR) and confirmed to comply with the standards of trustworthiness, quality and value in the Code of Practice for Statistics.

**Q: How does GERS relate to the finances of the Scottish Government?**

A: GERS does not directly relate to the finances of the Scottish Government, which has limited borrowing powers. The fiscal balances in GERS compare total public sector spending to total public sector revenue. They do not correspond to a deficit of any particular part of the public sector. Separate reports are available on Scottish Government and Scottish Local Government finances. In 2024-25, the devolved public sector borrowed £2.5 billion.

**Q: Why is public sector spending per person higher for Scotland in GERS?**

A: Public sector spending in Scotland consists of spending on devolved services by the Scottish Government and local authorities, and spending on reserved services by the UK Government. For reserved spending such as public sector debt interest, international services, and defence, Scotland is allocated a population share of UK spending, and so spending per person on these areas is the same.

As such, spending per person for Scotland is higher primarily due to spending on devolved services. While there are no official estimates of how spending on devolved services compares in Scotland to other parts of the UK, analysis by bodies such as the Institute of Fiscal Studies<sup>1</sup> suggest that it is between 25% and 30% higher per person in Scotland. This is as a result of the Barnett formula and slower population growth in Scotland.

**Q: Why is non-North Sea public sector revenue per person lower in Scotland?**

Excluding North Sea revenue, revenue per person is lower in Scotland. While for many revenues, revenue per person will be similar in Scotland to the UK, there are some exceptions to this. Revenues where Scotland's share of UK revenue is relatively low are those associated with property or assets, such as capital gains tax (3.5%), and inheritance tax (5.4%), reflecting that in particular properties prices tend to be lower than the UK average.<sup>2</sup> Scotland's share of income tax (6.8%) is also relatively low. In part, this reflects the shifting of income tax onto higher earners, through the introduction of the additional rate of income tax and increases in the personal allowance. Scotland has relatively fewer additional rate tax payers, with only around 5% of the UK total.

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1 [How and why has the Scottish Government's funding changed in recent years? | Institute for Fiscal Studies \(ifs.org.uk\)](#)

2 [UK House Price Index - Office for National Statistics \(ons.gov.uk\)](#)

**Q: Is GERS a description of the whole Scottish economy?**

A: No. GERS reports only on public sector revenue and expenditure. Although these may be affected by economic performance, GERS does not directly report on Scotland's wider economy. If users are interested in the measurement of the economy as a whole, they should refer to other economic statistics products, such as the quarterly Gross Domestic product figures or Quarterly National Accounts Scotland (QNAS) ([Economy statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/economy-statistics)).

**Q: How much interest expenditure does Scotland have in GERS?**

A: GERS includes two categories of interest spending. The first is reserved UK debt interest, and Scotland is allocated a population share of this, amounting to £8.5 billion in 2024-25. The second is interest spending associated with public sector pension funds. These funds also generate interest income, and in 2024-25 Scotland has £2.2 billion of interest expenditure associated with public sector pensions and £1.9 billion of interest income.

**Q: How much spending occurs in Scotland?**

A: As set out in the Preface, GERS shows spending for Scotland, rather than spending in Scotland. This shows that around 9.1% of UK spending is undertaken for Scotland, slightly higher than a population share. While direct estimates of spend in Scotland are not available, this is consistent with broader indicators of public sector activity in Scotland, which show that the public sector plays a larger role in Scotland than the UK as a whole. For example, around 10% of UK public sector employees are based in Scotland. Data from HMRC's Real Time Information system suggests that 9.1% of paybill across public administration and defence, education, health and social care was spent in Scotland in 2024-25.

As GERS shows spending for Scotland, not all spending that occurs in Scotland is included in the GERS spending figures. For example, around £100 million of Scottish Government expenditure is not included GERS, as it is assumed to benefit residents outside of Scotland, such as spending on museums in Scotland which benefits visitors from the rest of the UK.

**Q: What are accounting adjustments and why do they feature in the GERS estimates?**

A: Accounting adjustments are used to present revenue and expenditure on a National Accounts basis, an international reporting standard used by governments. They normally reflect non-cash items, such as depreciation or pensions liabilities. In general, these adjustments do not affect the net fiscal balance or current budget balance, as they are added to both revenue and expenditure. In 2024-25, accounting adjustments added £9.6 billion to the estimate of Scottish public sector revenue and £12.1 billion to the estimate of Scottish public sector spending. For more information on accounting adjustments and where they appear in the revenue tables, see Table A.9.

**Q: Do you use company headquarters to assign corporation tax or taxes like VAT or insurance?**

A: No. Corporation tax on trading profits is estimated on a company-by-company basis, depending on the economic activity each company has in Scotland, not simply on the location of company headquarters. VAT, and other taxes such as those related to insurance activity, are related to expenditure, and are therefore estimated based on expenditure that occurs in Scotland, rather than the location of a company's head office.

**Q: How do taxes from the whisky industry feature in the GERS estimates?**

A: Like any industry, the whisky industry's activity in Scotland generates tax revenue through a range of sources, such as corporation tax on profits, income tax and national insurance contributions on staff earnings, and non-domestic rates payments on business premises. These are all captured in the estimates of Scottish public sector receipts reported in GERS.

In addition, whisky consumed in the UK is subject to VAT and alcohol duty. This is assigned to Scotland on the basis of how much is consumed in Scotland. Whisky which is exported does not generate UK VAT or alcohol duty. There is no export duty in the UK.

**Q: Why have the numbers been revised since last year?**

A: Revisions are a normal part of statistical publications. There are a number of reasons why the numbers have changed from the previous publication. In order to produce a timely initial estimate of Scotland's fiscal position, the latest GERS numbers are based on a number of provisional data sources, for example provisional Scottish Government accounts. These numbers will change as part of the move to final outturn data. In addition, methodological changes or changes to the scope of the public sector can result in revisions to previous years' data.

## Preface

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This report is the thirty-second in the series of official published estimates of expenditure and revenue balances of the public sector in Scotland.

GERS is classified as Accredited Official Statistics and is produced in accordance with the principles of the Code of Practice for Statistics. More information about Accredited Official Statistics, including the latest assessment report on GERS (number 274), is available on the UK Statistics Authority website.<sup>3</sup>

Feedback from users of the publication is welcome. Comments can be emailed to: [economic.statistics@gov.scot](mailto:economic.statistics@gov.scot)

### Recent Statistical Decisions and Changes

A number of statistical changes are relevant to this year's publication.

#### Crown Estate Revenues

The Crown Estates in both Scotland and the UK have undertaken auctions of option rights to develop offshore wind projects. In Scotland these are known as ScotWind and in the rest of the UK the Offshore Wind Leasing Round 4. These options last for up to 10 years. Due to the different timing of the auctions in Scotland and the rest of the UK, and to different contractual arrangements, the revenues will have a slightly different profile in Scotland and the UK. The UK Crown Estate recognised around £1.1 billion of revenue from option fees in its 2024-25 Annual Report. Crown Estate Scotland accounts show that ScotWind contributed £76 million to the Scottish Consolidated Fund in 2023-24 and is expected to have contributed a similar amount in 2024-25.

These numbers are not yet reflected in the UK Public Sector Finances. They will be reflected in the future editions of GERS as updates are made to the UK figures.

#### Methodological changes in this edition of GERS

There are no major methodological changes in this edition of GERS. However, the data source used for some apportionments, the Office for National Statistics (ONS) Country and Regional Public Sector Finances publication, was not published in 2025. Further details are provided in the revenue methodology document.

#### What Questions Does GERS Address?

GERS addresses three questions about Scotland's public sector accounts for a given year:

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<sup>3</sup> [Statistics on Government Expenditure and Revenue Scotland – Office for Statistics Regulation \(statisticsauthority.gov.uk\)](https://www.statisticsauthority.gov.uk)

1. What revenues were raised in Scotland?
2. How much was spent on public services for Scotland?
3. To what extent did revenues cover the costs of these public services?

## How does GERS relate to devolved public sector finances?

GERS does not directly relate to the finances of the Scottish Government or the wider devolved public sector. The fiscal balances in GERS compare total public sector spending to total public sector revenue. They do not correspond to a deficit of any particular part of the public sector. Separate reports are available on Scottish Government and Scottish Local Government finances.

In 2024-25, the devolved public sector borrowed £2.5 billion. This consisted of:

- £139 million of borrowing by the Scottish Government,<sup>4</sup> which was all capital borrowing with no resource borrowing.
- £2,359 million of Local Government borrowing,<sup>5</sup> which is used only to finance capital expenditure.

## Revenue

Public sector revenue is estimated where a financial burden is imposed on residents and enterprises *in* Scotland.

In general, the way in which revenue is collected means that separate figures for each country and region of the UK are not available for most revenues, although following increased devolution in recent years, more Scottish data have become available. As a result, Scottish public sector revenue is estimated by considering each revenue stream separately. Where Scottish data are unavailable, GERS estimates revenue using a set of apportionment methodologies, refined over a number of years following consultation with and feedback from users. The methodology note on the GERS website provides a detailed discussion of the methodologies and datasets used.<sup>6</sup>

## Expenditure

Public sector expenditure is estimated on the basis of spending incurred to provide services *for* residents of Scotland. That is, a particular public sector expenditure is apportioned to a region if the outcome of the expenditure is thought to provide a public service which benefits residents of that region.

This is a different measure from total public expenditure *in* Scotland. For most expenditure, spending *for* or *in* Scotland will be similar. For example, the vast majority of health expenditure by NHS Scotland occurs *in* Scotland and is *for* patients resident in Scotland. Therefore, the *in* and *for* approaches should yield

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4 [Scottish Budget - provisional outturn 2024-2025: briefing note - 24 June 2025 - gov.scot](#)

5 [Local Government 2024-25 Provisional Outturn and 2025-26 Budget Estimates - gov.scot](#)

6 [Economy statistics - gov.scot \(www.gov.scot\)](#)

virtually identical assessments of expenditure. However, for expenditure where the service provided is more collective in nature, such as defence, an assessment of 'who the service is for' depends upon the nature of the specific type of expenditure being assessed. Where there are differences between the *for* and *in* approaches, GERS estimates Scottish expenditure using a set of apportionment methodologies, refined over a number of years following consultation with and feedback from users.

The *for* approach considers the location of the recipients of services or transfers that public sector expenditure finances, irrespective of where the expenditure takes place. For example, with respect to defence expenditure, as the service provided is a national 'public good', the *for* methodology operates on the premise that the entire UK population benefits from the provision of a national defence service. Accordingly, under the *for* methodology, national defence expenditure is apportioned across the UK on a population basis.

## The Data Sources

The source of the revenue data in GERS is ONS's Public Sector Finances, which provides disaggregated figures relating to UK public sector revenue.<sup>7</sup>

The data sources used to estimate Scottish public sector expenditure in GERS are Scottish Government accounting data, and HM Treasury's Public Expenditure Statistical Analyses<sup>8</sup> and the supporting Country and Regional Analysis (CRA).<sup>9</sup>

GERS also uses the estimates of Scottish Gross Domestic Product (GDP) in current market prices published in the Quarterly National Accounts Scotland (QNAS).<sup>10</sup>

## Additional Information on the GERS Website

The GERS website contains a number of additional analyses of Scotland's public sector finances. In addition to containing copies of the GERS report from 1990-91 onwards, the website also contains the tables underpinning this edition of GERS in Excel format and statistics providing a consistent time series of Scotland's public sector finances from 1998-99 to 2024-25. The GERS website can be accessed via: [Economy statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/economy-statistics)

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7 The latest Public Sector Finances dataset is available from

[Public sector finances, UK Statistical bulletins - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/public-sector-finances)

As this dataset is updated monthly and subject to minor revision, figures in future data releases may differ from those used in this report.

8 [HMT Public Expenditure Statistical Analyses \(PESA\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/hmt-public-expenditure-statistical-analyses)

9 [Country and regional analysis - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/country-and-regional-analysis)

10 [Economy statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/economy-statistics)

## Comparisons to other countries and regions of the UK

GERS does not provide comparisons of Scottish revenue and expenditure with other parts of the UK, as data are not yet available for the latest years for each country and region of the UK. Users who are interested in these comparisons are advised to use the Country and Regional Public Sector Finances publication published by the ONS, available at the link below. A comparison between the ONS and GERS revenue figures for Scotland, for years up to 2022-23, is provided in Table 1.5. [Country and regional public sector finances, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/publications/country-and-regional-public-sector-finances-uk)

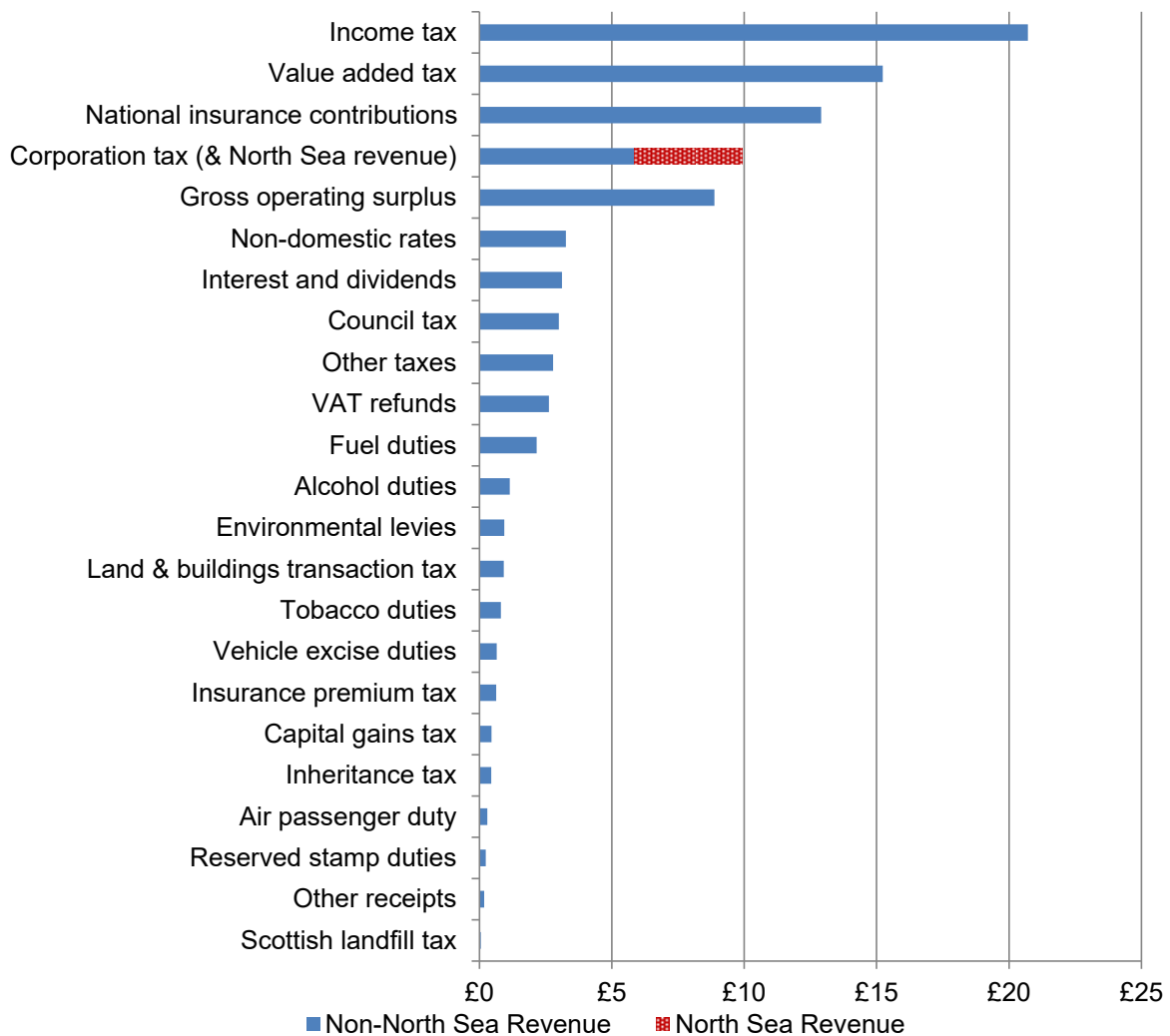
## International comparisons

The Scotland figures in the main tables in GERS are produced to be comparable to the UK figures presented in the ONS Public Sector Finances and the OBR Economic and Fiscal Outlook. These report for the public sector as a whole on a financial year basis. In contrast, organizations such as the OECD and the International Monetary Fund report countries' finances on a calendar year basis and for the government sector only. Figures for Scotland on this basis are available in Table A.4.

# Chapter 1: Public Sector Revenue

**Chart 1.1: The three largest taxes with the largest revenue are, income tax, and national insurance contributions. North Sea revenue forms an important part of corporation tax for Scotland**

Total Public Sector Revenue Scotland 2024-25  
(£ billion)



# 1

## Public Sector Revenue

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### Introduction

This chapter provides detailed estimates of Scottish public sector revenue.

The majority of public sector revenue payable by Scottish residents and enterprises is collected at the UK level. Generally it is not possible to identify separately the proportion of revenue receivable from Scotland. GERS therefore uses a number of different methodologies to apportion revenue to Scotland. These are discussed in the methodology paper on the GERS website.<sup>11</sup>

Following the implementation of the Scotland Act 2012 and Scotland Act 2016, an increasing amount of revenue is being devolved to the Scottish Parliament, and direct Scottish measures of these revenues are becoming available. To date, landfill tax, property transaction taxes, and non-savings non-dividend income tax have been devolved. Chapter 4 provides more information on current and future devolved taxes. Note that the income tax figures in this chapter cover all income tax, whilst those in Chapter 4 cover only non-savings and non-dividend income tax.

For taxes where there is no direct measure of Scottish revenue, GERS uses a set of data sources and methodologies developed over a number of years following consultation with, and feedback from users and experts. In some cases, a variety of methodologies could be applied, each leading to different estimates of public sector revenue in Scotland. Table A.5 in Annex A provides analysis of the confidence intervals around revenue estimates based on survey data.

GERS reports tax and non-tax revenue separately. Non-tax revenues are primarily non-cash items such as capital consumption, included for accounting purposes in gross operating surplus, and the operating surplus of public corporations such as Scottish Water. These are discussed in more detail below.

### Revenue 2024-25

Table 1.1 reports estimated public sector revenue in Scotland and the UK in 2024-25. The contribution of each element of revenue to the Scottish total, and the proportion of UK revenue raised in Scotland, are also included in the table. The three largest taxes, income tax, national insurance contributions, and value added tax account for around two thirds of total non-North Sea revenue.

Overall, Scotland raised £91.4 billion in 2024-25, or 8.0% of total UK revenue. This represents a fall from a share of 8.2% in 2023-24, reflecting the decline in North Sea revenue, which fell to £4.1 billion from £4.9 billion in 2023-24. Scotland has around 90% of total UK North Sea revenue. This is discussed further in Chapter 2.

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<sup>11</sup> [Economy statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/economy-statistics)

Excluding the North Sea revenue, Scotland's revenue increased to £87.3 billion, an increase of 2.5%, and weaker than UK growth of 3.6%. Weaker growth was seen in a number of areas, including interest income from student loans, Council Tax, and to a lesser degree National Insurance Contributions.

For student loans, this will partly reflect differences in devolved funding arrangements. In Scotland, the interest rate for all student loans is set at the lower of the Retail Price Index or the Bank of England base rate plus one percent. The interest rate charged on Scottish loans fell between 2023-24 and 2024-25 and is currently at 4.3%. In contrast, interest rates for student loans in England and Wales vary depending on the borrower's plan type, and can be up to 7.3%.<sup>12</sup>

For Council Tax, this reflects the decision to freeze Council Tax in Scotland in 2024-25, whilst in England average Council Tax rates increased by 5.1%.<sup>13</sup>

For National Insurance Contributions (NICs), the difference reflects the differential impact of the reduction in employee NICs in 2024-25. Employee NICs receipts make up a larger share of overall NICs receipts in Scotland than the UK, and so the UK Government's decision to reduce employee NICs has led to relatively larger fall in NICs in Scotland.

In order to report revenue on a National Accounts basis, an international reporting standard used by governments, a number of accounting adjustments are included in the total revenue estimate. These are primarily symmetric adjustments that also form part of expenditure, and therefore have little impact on the net fiscal balance.

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<sup>12</sup> [Repaying your student loan: How much you repay - GOV.UK](#)

Scotland: Plan 4 loans for the period 1 September 2024 to 31 August 2025 compared to 1 September 2023 to 31 August 2024. England and Wales: Plan 2 and Plan 3 loans for the period 1 September 2024 to 31 August 2025

<sup>13</sup> [Council Tax levels set by local authorities in England 2024 to 2025 \(revised\) - GOV.UK](#)

Table 1.1: Revenue: Scotland and UK 2024-25				
Source of Revenue	Scotland		UK	Scotland as % of UK
	£ million	% of total non-North Sea taxes	£ million	
Income tax (gross of tax credits)	20,714	27.6%	305,059	6.8%
National insurance contributions	12,904	17.2%	172,416	7.5%
Value added tax	15,234	20.3%	172,696	8.8%
Onshore Corporation tax	5,855	7.8%	95,726	6.1%
Fuel duties	2,159	2.9%	24,675	8.7%
Non-domestic rates	3,263	4.3%	31,854	10.2%
Council tax	2,994	4.0%	47,446	6.3%
VAT refunds	2,626	3.5%	29,344	8.9%
Capital gains tax	456	0.6%	13,063	3.5%
Inheritance tax	450	0.6%	8,286	5.4%
Reserved stamp duties	240	0.3%	20,602	1.2%
Scottish land & buildings transaction tax	923	1.2%	923	100%
Scottish landfill tax	53	0.1%	53	100%
Air passenger duty	294	0.4%	4,195	7.0%
Tobacco duties	808	1.1%	7,908	10.2%
Alcohol duties	1,143	1.5%	12,575	9.1%
Insurance premium tax	635	0.8%	8,967	7.1%
Vehicle excise duties	652	0.9%	8,378	7.8%
Environmental levies	937	1.2%	8,212	11.4%
Other taxes <sup>1</sup>	2,787	3.7%	35,607	7.8%
<b>Total Non-North Sea taxes</b>	<b>75,127</b>	<b>100%</b>	<b>1,007,985</b>	<b>7.5%</b>
North Sea (Population share)	364	-	4,560	8.0%
North Sea (Geographical share)	4,077	-	4,560	89.4%
Interest and dividends	3,115	-	42,798	7.3%
Gross operating surplus	8,874	-	79,241	11.2%
Other receipts	184	-	1,955	9.4%
<b>Total excluding North Sea</b>	<b>87,300</b>	<b>-</b>	<b>1,131,979</b>	<b>7.7%</b>
<b>Total including population share of North Sea</b>	<b>87,664</b>	<b>-</b>	<b>1,136,539</b>	<b>7.7%</b>
<b>Total including geographical share of North Sea</b>	<b>91,376</b>	<b>-</b>	<b>1,136,539</b>	<b>8.0%</b>
<i>of which: revenue accounting adjustments</i>	<i>9,627</i>	<i>-</i>	<i>99,652</i>	<i>9.7%</i>

<sup>1</sup> A description of the other taxes line is provided in the detailed methodology paper on the GERS website.

Unlike the expenditure accounting adjustments, which are shown in a separate expenditure line, the revenue accounting adjustments are included within different revenue lines, as is set out in Table A.9 in Annex A. In order to aid transparency, a revenue accounting adjustments line is shown at the bottom of Table 1.1 and 1.4. This is a sub-total of revenue, and is not additional to the revenue totals reported in these tables.

Scotland's share of UK total non-North Sea revenue in 2024-25 was 7.7% which is 0.3 percentage points lower than Scotland's share of the UK population. In general, Scotland's share of revenue has been declining over time in line with its declining population share.

Scotland's share of most large revenues is close to either its population or GDP share. However, there are some exceptions to this, discussed below.

Revenues where Scotland's share of UK revenue is relatively low are those associated with property or assets, such as capital gains tax (3.5%), and inheritance tax (5.4%). This reflects the fact that properties and assets in Scotland tend to have lower values than the UK average.<sup>14</sup> Scotland's share of income tax (6.8%) is also relatively low. In part, this reflects the increasingly progressive nature of income tax, following the introduction of the additional rate of income tax and increases in the personal allowance. Scotland has relatively fewer top rate tax payers, with only around 5% of the UK total.

Revenues where Scotland has a relatively large share include gross operating surplus (GOS), which includes the surpluses of public corporations. Scotland is estimated to generate approximately 11.2% of UK public sector GOS, higher than Scotland's population share. Scotland's GOS includes Scottish Water, which is a large contributor to UK public corporations' GOS. The equivalent water companies in England and Wales are outside the public sector and hence do not contribute to UK GOS.

Scotland tends to also have relatively high shares of duties associated with tobacco and alcohol. This reflects the greater incidence of smoking in Scotland,<sup>15</sup> and also the fact that Scotland has higher consumption of spirits than the rest of the UK.<sup>16</sup>

Table 1.2 below shows Scotland's share of the largest UK revenues.

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<sup>14</sup> [Total Wealth: Wealth in Great Britain - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

<sup>15</sup> [Adult smoking habits in the UK Statistical bulletins - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

<sup>16</sup> [Family food statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Source of Revenue	2022-23	2023-24	2024-25
Income Tax	6.7%	6.8%	6.8%
Corporation tax (excl North Sea)	6.1%	6.2%	6.1%
National insurance contributions	7.5%	7.5%	7.5%
Value added tax	8.8%	8.8%	8.8%
Council tax and non-domestic rates	7.8%	8.0%	7.9%
All other revenue	8.7%	8.7%	8.6%
<b>Total current non-North Sea revenue</b>	<b>7.7%</b>	<b>7.8%</b>	<b>7.7%</b>

### Estimated Revenue: Scotland and the UK, 2022-23 to 2024-25

Table 1.3 shows estimates of revenue per person for Scotland and the UK between 2022-23 and 2024-25. Revenue per person in Scotland is higher than in the UK by £91 in 2024-25, down from £333 higher in 2023-24. Excluding North Sea revenue, Scottish revenue is £578 lower.

Table 1.4 shows estimated revenue in Scotland and the UK between 2022-23 and 2024-25. Over this period, Non-North Sea revenue in Scotland is estimated to have grown by 10.1% in nominal terms, slightly slower than the UK as a whole (10.5%).

Source of Revenue	2022-23	2023-24	2024-25
Scotland - Excluding North Sea	14,530	15,475	15,736
Scotland - Including North Sea (population)	14,676	15,554	15,802
Scotland - Including North Sea (geographical)	15,975	16,360	16,471
UK - Excluding North Sea	15,111	15,948	16,314
UK - Including North Sea	15,257	16,027	16,380
Difference (Scotland minus UK) - Excluding North Sea	-581	-473	-578
Difference (Scotland minus UK) - Including North Sea (population)	-581	-473	-578
Difference (Scotland minus UK) - Including North Sea (geographical)	718	333	91

Table 1.4: Revenue: Scotland and UK 2022-23 to 2024-25 (£ million)

Source of Revenue	Scotland			UK		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Income tax	16,797	18,825	20,714	251,986	277,418	305,059
National insurance contributions	13,520	13,559	12,904	180,101	179,907	172,416
Value added tax	14,092	14,864	15,234	160,225	168,508	172,696
Onshore Corporation tax	4,560	5,691	5,855	75,256	91,948	95,726
Fuel duties	2,198	2,179	2,159	25,098	24,828	24,675
Non-domestic rates	2,792	3,033	3,263	28,978	29,637	31,854
Council tax	2,742	2,925	2,994	41,967	44,489	47,446
VAT refunds	2,291	2,504	2,626	25,097	27,955	29,344
Capital gains tax	591	506	456	16,929	14,494	13,063
Inheritance tax	386	409	450	7,121	7,535	8,286
UK stamp duties	210	179	240	19,132	16,792	20,602
Land & buildings transaction tax	838	777	923	838	777	923
Scottish landfill tax	110	69	53	110	69	53
Air passenger duty	252	291	294	3,268	3,884	4,195
Tobacco duties	961	915	808	9,375	8,969	7,908
Alcohol duties	1,126	1,137	1,143	12,384	12,515	12,575
Insurance premium tax	528	594	635	7,455	8,382	8,967
Vehicle excise duties	571	611	652	7,341	7,853	8,378
Environmental levies	817	922	937	7,200	8,080	8,212
Other taxes	2,973	2,829	2,787	37,642	35,437	35,607
<b>Total Non-North Sea taxes</b>	<b>68,355</b>	<b>72,816</b>	<b>75,127</b>	<b>917,503</b>	<b>969,476</b>	<b>1,007,985</b>
North Sea (Population share)	798	437	364	9,907	5,444	4,560
North Sea (Geographical share)	7,891	4,873	4,077	9,907	5,444	4,560
Interest and dividends	2,783	3,547	3,115	34,243	44,811	42,798
Gross operating surplus	7,984	8,559	8,874	70,388	75,810	79,241
Other receipts	178	224	184	1,911	2,394	1,955
<b>Total excluding North Sea</b>	<b>79,299</b>	<b>85,146</b>	<b>87,300</b>	<b>1,024,045</b>	<b>1,092,491</b>	<b>1,131,979</b>
<b>Total including population share of North Sea</b>	<b>80,097</b>	<b>85,584</b>	<b>87,664</b>	<b>1,033,952</b>	<b>1,097,935</b>	<b>1,136,539</b>
<b>Total including geographical share of North Sea</b>	<b>87,190</b>	<b>90,019</b>	<b>91,376</b>	<b>1,033,952</b>	<b>1,097,935</b>	<b>1,136,539</b>
<i>Of which, revenue accounting adjustment</i>	8,353	9,130	9,627	85,975	94,427	99,652

## Comparison between GERS and ONS estimates

Any analysis of public sector receipts in Scotland relies on estimation, and as such alternative estimates are possible. As discussed in the Preface, GERS estimates revenue using a set of apportionment methodologies, refined over a number of years following consultation with, and feedback from, users.

The Office for National Statistics (ONS) publishes public sector finances for the countries and regions of the UK. The latest estimates covering the period to 2022-23 were published on 7 June 2024.<sup>17</sup> The ONS has not published estimates in 2025.

Table 1.5 below compares the estimates in GERS with those published by ONS. There are some differences between the ONS and GERS numbers. For non-North Sea taxes, these primarily relate to VAT. The estimates of VAT in GERS are consistent with those published by HMRC for Scottish Assigned VAT, whilst the ONS use a methodology which produces results for all UK country and regions. The ONS, HMRC and the devolved administrations are working together to reconcile, and where possible align, methodologies for estimating tax receipts for the UK countries and regions.

The differences in other non-North Sea receipts are primarily due to using different data sources for interest and dividends, where GERS uses specific data for interest income from Scottish student loans.

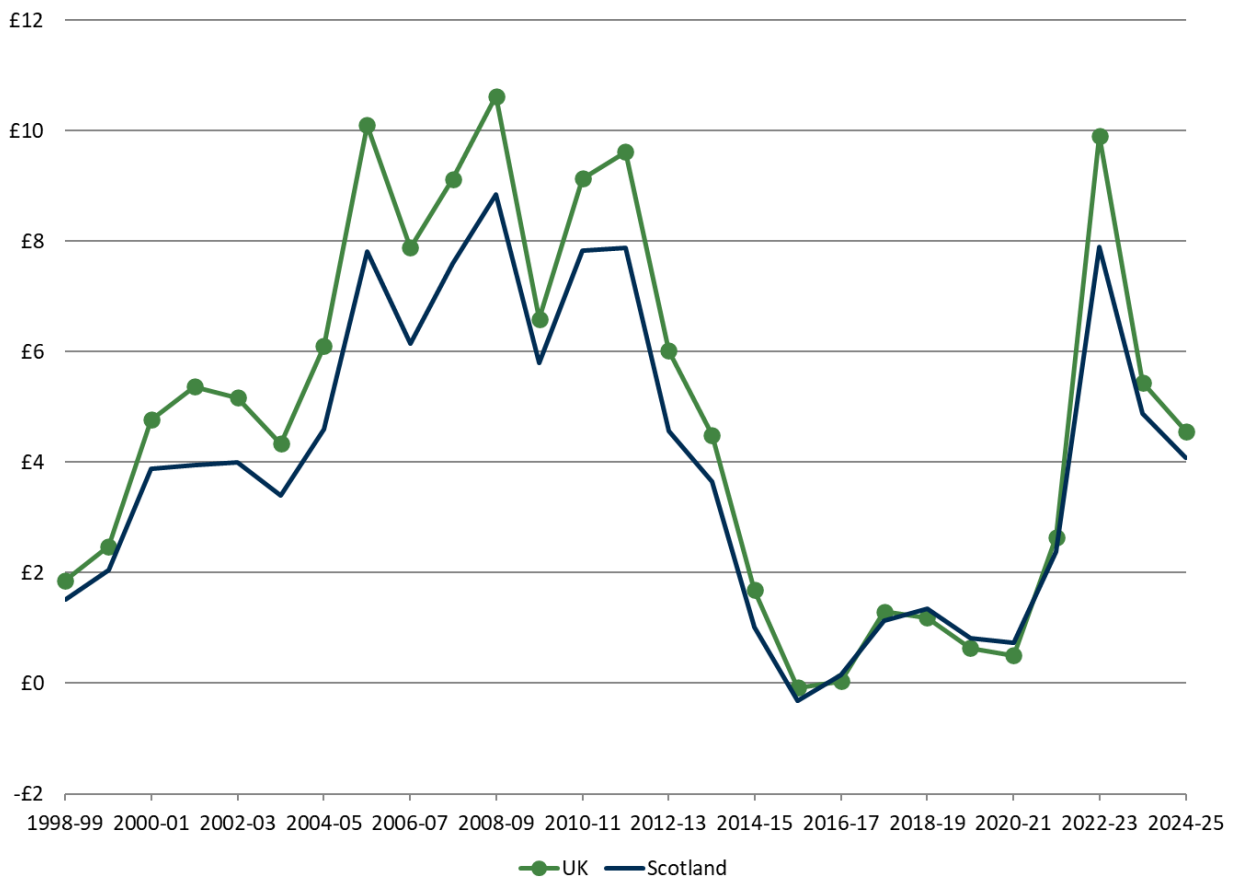
Table 1.5: Estimates of Scottish Revenues 2022-23 (£ million)			
Revenue Estimate	2022-23	2023-24	2024-25
Non-North Sea taxes - GERS	68,355	72,816	75,127
Non-North Sea taxes - ONS	67,153	n/a	n/a
<b>Non-North Sea taxes - Difference</b>	<b>1,202</b>	<b>n/a</b>	<b>n/a</b>
Other non-North Sea receipts - GERS	10,944	12,330	12,173
Other non-North Sea receipts - ONS	11,682	n/a	n/a
<b>Other non-North Sea receipts - Difference</b>	<b>-738</b>	<b>n/a</b>	<b>n/a</b>
Geographical share of North Sea revenues - GERS	7,891	4,873	4,077
Geographical share of North Sea revenues - ONS	7,944	n/a	n/a
<b>Geographical share of North Sea revenues - Difference</b>	<b>-53</b>	<b>n/a</b>	<b>n/a</b>

<sup>17</sup> [Country and regional public sector finances, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

# Chapter 2: North Sea Revenue

**Chart 2.1: North Sea Revenue in Scotland and UK peaked in 2008-09, before falling. Although close to the peak again 2022-23 North Sea revenue has fallen in 2023-24 and 2024-25**

North Sea revenue Scotland (geographic share) and UK (£ billion)



# 2 North Sea Revenue

## Introduction

In GERS, the term North Sea is used to refer to all offshore oil and gas activity. North Sea revenue in GERS comes from four sources: petroleum revenue tax, corporation tax, licence fees, and the energy profits levy.

Table 2.1 shows the revenue raised from each component of North Sea revenue since 2022-3, when UK North Sea revenue was £9.9 billion, a near record high. Revenue fell back in 2023-24 and 2024-25, when it was £4.6 billion. This reflects the path of oil and gas prices over recent years.

Source of Revenue	2022-23	2023-24	2024-25
Licence fees	51	51	48
North Sea corporation tax	5,834	2,685	2,077
Petroleum revenue tax	-234	-427	-350
Energy profits levy	4,256	3,135	2,785
<b>Total</b>	<b>9,907</b>	<b>5,444</b>	<b>4,560</b>

North Sea revenue is subject to annual fluctuations and is driven by a number of factors, including the oil price, the sterling dollar exchange rate, production, operating expenditure, capital investment, and the prevailing fiscal regime.

Oil prices broadly trended downwards across 2024-25 while gas prices rose over the year. The oil price fell from around \$90 per barrel in April 2024 to around \$65 per barrel in March 2025, whilst gas prices began the year at 69p per therm and ended at around 100p.<sup>18 19</sup>

Overall North Sea production of oil and gas fell by 8% in 2024-25 to 60 million tons of oil equivalent.<sup>20</sup> The decline was twice as fast for natural gas than for oil with gas production down 10% compared to 2023-24 and oil production down 5%.

In 2024 total expenditure on the UK Continental Shelf increased by 6.5% in real terms compared to 2023 to stand at £16.2 billion. The increase was driven by increased capital and decommissioning expenditure, which increased by 27% and 17% respectively in real terms. Operating costs and exploration and appraisal expenditure fell by 4% and 70% respectively, although the latter is a represents only

18 [Europe Brent Spot Price FOB \(Dollars per Barrel\) \(eia.gov\)](https://www.eia.gov)

19 [Wholesale gas prices - Reuters](https://www.reuters.com)

20 [Energy Trends: June 2025 - GOV.UK](https://www.gov.uk)

a small part of overall expenditure and as such had a more limited impact on the overall change.<sup>21</sup>

The UK fiscal regime in 2024-25 consisted of offshore ring fence corporation tax (RFCT) at 30%, petroleum revenue tax (PRT) at 0% and a supplementary charge (SC) of 10%, and the energy profits levy (EPL) at 38%.<sup>22</sup> The combined rate of tax on profits is 78%, although there exist a number of allowances, most notably for capital expenditure that mean companies face a different effective rate if they are making new investments in production and decarbonisation. The EPL is currently scheduled to end on 31 March 2030, after which a new permanent regime is planned to come into effect. However, under the Energy Security Investment Mechanism (ESIM), should both the six-month average oil and gas prices fall below preset thresholds, the EPL would immediately cease to apply ahead of the 2030 date.<sup>23</sup> The UK Government is currently consulting on a fiscal regime to follow on after EPL expires.<sup>24</sup>

As shown in Table 2.1, over half of oil and gas revenue in 2023-24 was raised via the EPL. The table also shows that PRT receipts are negative. This reflects the fact that, although companies no longer pay PRT, they can still claim refunds on PRT paid in previous years against current trading losses and decommissioning spending. As a result, PRT receipts will only be negative in the future under the current tax regime.<sup>25</sup>

### Scotland's Share of North Sea Revenue

In the ONS's Regional Accounts, the UK continental shelf is not allocated to specific geographic regions, but is considered a separate region of the UK (the extra-regio territory). As such, an assumption as to Scotland's share of the North Sea needs to be made in GERS.

Two estimates of Scotland's share of North Sea revenue are shown in GERS:

1. An illustrative geographical share
2. A population share

These are discussed below.

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21 [North Sea Transition Authority \(NSTA\): Production and expenditure projections - Data downloads and publications - Data centre \(nstauthority.co.uk\)](#) – based on March 2025 production and expenditure data and projections.

22 PRT is an allowable deduction in calculating profits subject to RFCT and SC. Equally, any refund of PRT is a taxable receipt for RFCT and SC purposes. RFCT and SC are charged on the same profit base, so neither is allowable as a deduction in calculating the profits chargeable to the other.

23 For 2024-25 these thresholds were \$74.21/bbl for oil and 57p/therm for gas. While the six-month average oil price did fall below the threshold during the financial year, the gas price remained above. As such, the EPL remained in effect.

24 [Oil and gas price mechanism consultation - GOV.UK](#)

25 [Statistics of government revenues from UK oil and gas production - GOV.UK \(www.gov.uk\)](#)

## An Illustrative Geographical Share

The most common approach to estimating North Sea revenue is to apportion a share of North Sea revenue to Scotland on the geographical location of oil and gas fields. In order to estimate this share, GERS uses the share reported in the ONS Country and Regional Public Sector Finances publication. The estimate is based on the median line principle as employed in 1999 to determine the boundary between Scotland and the rest of the UK for fishery demarcation purposes. Other alternatives are possible. Production, costs and revenue are allocated on a field-by-field basis to either the rest of the UK or Scotland using this boundary.

Table 2.2 shows Scotland's illustrative geographical share of UK North Sea revenue, broken down by licence fees, corporation tax, petroleum revenue tax, and the energy profits levy. Scotland's share of UK revenue rose in 2023-24, likely reflecting the increased profitability of oil fields relative to gas fields.

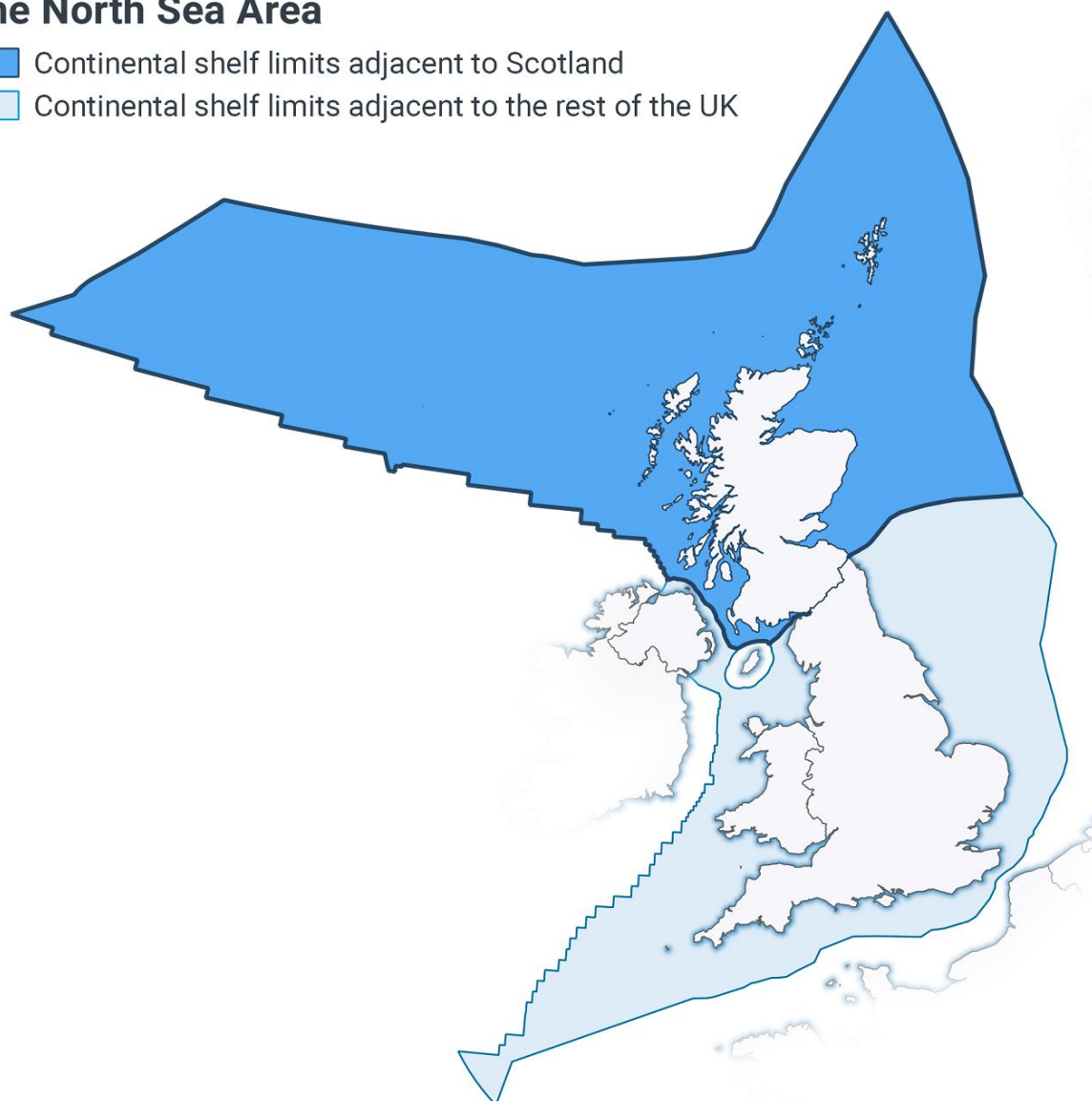
<b>Table 2.2: Geographical Share of North Sea Revenue 2022-23 to 2024-25</b>			
<b>Source of Revenue</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b>UK revenue (£million)</b>	<b>9,907</b>	<b>5,444</b>	<b>4,560</b>
Licence fees	51	51	48
North Sea corporation tax	5,834	2,685	2,077
Petroleum revenue tax	-234	-427	-350
Energy Profits Levy	4,256	3,135	2,785
<b>Scottish geographical revenue (£ million)</b>	<b>7,891</b>	<b>4,873</b>	<b>4,077</b>
Licence fees	41	45	43
North Sea corporation tax	4,626	2,391	1,845
Petroleum revenue tax	-184	-349	-287
Energy Profits Levy	3,408	2,786	2,476
<b>Scottish share of UK (%)</b>	<b>79.7%</b>	<b>89.5%</b>	<b>89.4%</b>
Licence fees	80.2%	89.1%	89.0%
North Sea corporation tax	79.3%	89.0%	88.8%
Petroleum revenue tax	78.8%	81.8%	82.1%
Energy Profits Levy	80.1%	88.9%	88.9%

Scotland's estimated geographical share of the North Sea sector, used in this report, is highlighted in the figure below.

Figure 1 UK Continental Shelf and Scottish Boundary

### The North Sea Area

- Continental shelf limits adjacent to Scotland
- Continental shelf limits adjacent to the rest of the UK



Source: Scottish Government

Scottish Government (2023). Contains data from the UKHO licensed under the Open Government Licence. Projection: WGS84 UTM 30N

### Population Share

An alternative approach to North Sea revenue is to view it as a non-identifiable UK revenue, in which case a population share may be apportioned to Scotland.

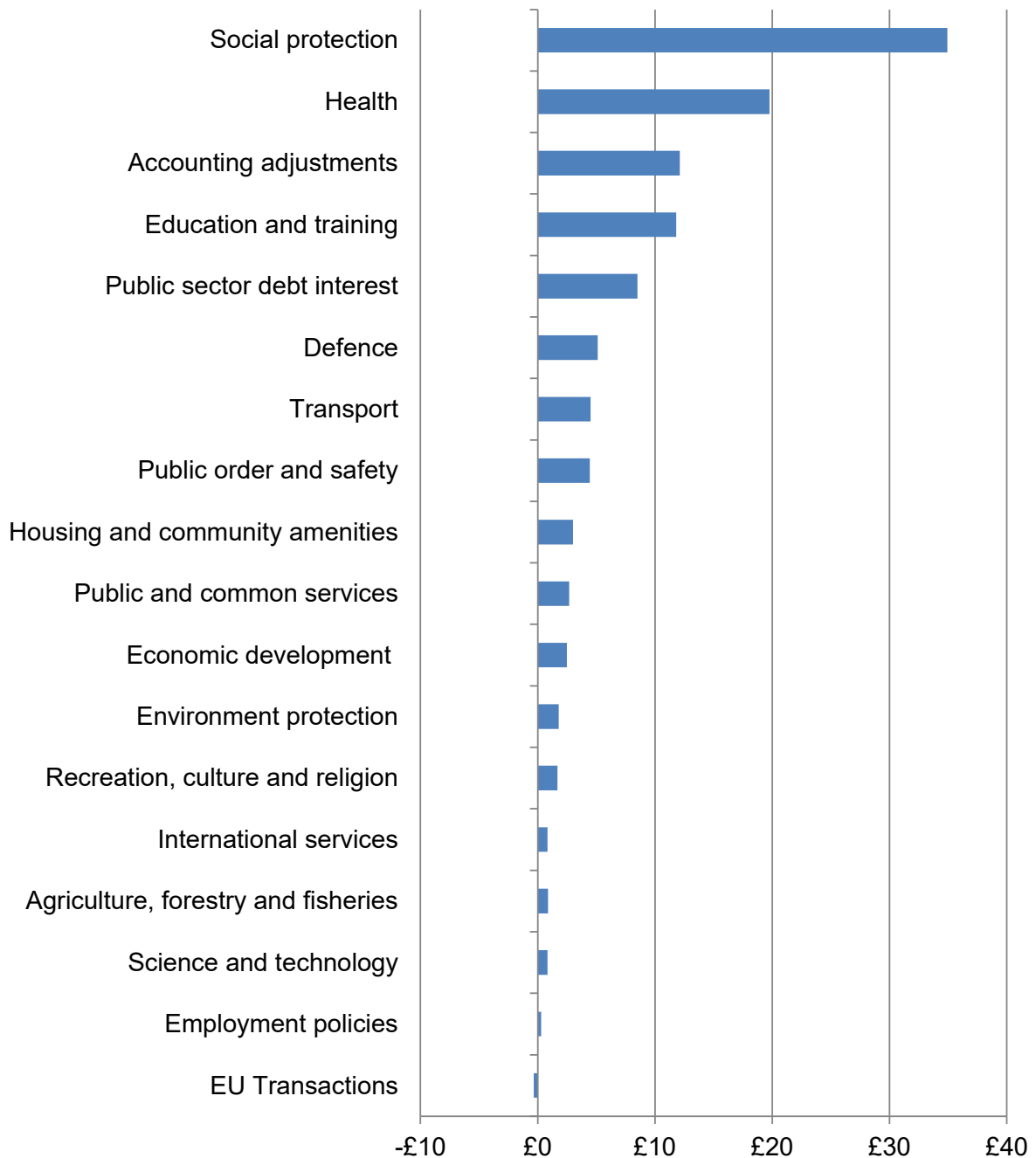
Table 2.3 shows a population share of North Sea revenue.

Table 2.3: Population Share of North Sea Revenue: Scotland 2022-23 to 2024-25			
Revenue	2022-23	2023-24	2024-25
Total North Sea revenue (£ million)	9,907	5,444	4,560
Scotland's population share (£ million)	798	437	364
<b>Scotland's share of North Sea revenue (%)</b>	<b>8.1%</b>	<b>8.0%</b>	<b>8.0%</b>

# Chapter 3: Public Sector Expenditure

**Chart 3.1 Social protection is the largest element of spend accounting for around 30 per cent of total spend**

**Total Public Sector Expenditure Scotland 2024-25**  
£ billion



# 3

## Public Sector Expenditure

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### Introduction

This chapter provides detailed estimates of public sector expenditure for Scotland. Expenditure is shown by type of spend, using a presentation based on the UN's Classification of the Functions of Government (COFOG). Further information is provided in the Glossary in Annex D. Current and capital expenditure are shown separately.

The primary data sources used to estimate Scottish public sector expenditure in GERS are Scottish Government spending reported on the UK Government's public spending system, OSCAR, and HM Treasury's Public Expenditure Statistical Analyses (PESA)<sup>26</sup> and the supporting Country and Regional Analysis (CRA).<sup>27</sup>

Spending by the Scottish Government is provided directly by the Scottish Government Directorate for Financial Management. Scottish Local Government spending in all years is taken from HM Treasury's PESA publication. Spending by other UK government departments spending is based on PESA for 2024-25 and on the CRA for earlier years. Further information on the methodology is set out in the expenditure methodology paper available at the link below.

[Economy statistics - gov.scot \(www.gov.scot\)](http://www.gov.scot)

GERS continues to show some ongoing transactions between Scotland and the EU, although these have greatly reduced in size since the UK left the EU. These can be reported in a number of different ways, and are discussed in more detail later in the chapter.

GERS expenditure figures are presented on a National Accounts basis, an international reporting standard used by governments to ensure international comparability. This requires a number of accounting adjustments to be included in total expenditure. These are primarily symmetric adjustments that also form part of revenue, and therefore have little impact on the net fiscal balance. Further information is set out in Annex A.

### Public Sector Expenditure

Total public sector expenditure for Scotland in 2024-25 is estimated to be £117.6 billion, with social protection the largest element of spend, accounting for slightly around 30% of total spend. Further information on social protection spending is provided in Table 3.5.

Spend has increased by 5.5% from 2023-24. Spend increased across most categories, with spending on social protection, the largest single category, grew by 7.9%, faster than the 5.3% growth in the UK. This will in part reflect spending

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<sup>26</sup> [HMT Public Expenditure Statistical Analyses \(PESA\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

<sup>27</sup> [Country and regional analysis - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

associated with devolved social security programmes, including those with no UK equivalent, such as the Scottish Child Payment, and those which have replaced previous UK benefits, such as Adult Disability Payment. The Scottish Fiscal Commission has highlighted that spending on devolved social security in Scotland is growing faster than its equivalent in the UK, reflecting a range of factors including the introduction of new benefits and greater take up of devolved benefits as they replace those previously available.

Although spending increased in most areas, there has been a fall in spending on Public and Common Services, which reflects a reduction in spending associated with the EU Withdrawal Agreement. Spending on reserved public sector debt interest has also continued to fall, as inflation has fallen back from the record highs recorded during 2022-23. Table 3.1 shows a breakdown of spending by category.

Expenditure	£ million	% of total expenditure
Public and common services	2,684	2%
International services	836	1%
Reserved public sector debt interest	8,511	7%
Local government pension fund interest expenditure	2,243	2%
Defence	5,118	4%
Public order and safety	4,442	4%
Enterprise and economic development	2,483	2%
Science and technology	833	1%
Employment policies	300	0%
Agriculture, forestry and fisheries	868	1%
Transport	4,510	4%
Environment protection	1,784	2%
Housing and community amenities	3,007	3%
Health	19,751	17%
Recreation, culture and religion	1,679	1%
Education and training	11,807	10%
Social protection	34,922	30%
EU transactions	-330	0%
Accounting adjustments	12,116	10%
<b>Total Expenditure</b>	<b>117,564</b>	<b>100%</b>

Table 3.2 shows the split of total expenditure between current and capital for Scotland.

Expenditure Type	2022-23	2023-24	2024-25
Current	89.0%	88.8%	87.3%
Capital	11.0%	11.2%	12.7%

Table 3.3 below shows estimates of Scottish and UK public sector expenditure as a share of GDP. This provides an illustration of the relative size of public spending between countries and over time. It is not an estimate of the contribution of public

### 3 Public Sector Expenditure

spending to the economy as much of this spending consists of transfers from government to individuals and businesses. Excluding North Sea GDP, public sector spending as a share of GDP has remained broadly unchanged at around 55% in 2024-25, although it remains around 5 percentage points higher than before the pandemic.

Expenditure	2022-23	2023-24	2024-25
Scotland - Excl. North Sea GDP	55.1%	54.8%	55.4%
Scotland - Incl. population share of North Sea GDP	54.3%	54.3%	55.0%
Scotland - Incl. geographical share of North Sea GDP	48.5%	50.6%	52.0%
UK - 100% of North Sea GDP	44.9%	44.7%	44.4%

Table 3.4 shows total public sector expenditure per person for Scotland and the UK. The relative gap between Scottish and UK spending per person increased in 2024-25, with spend per person 14.4% points higher. This reflects stronger public spending growth in Scotland.

As noted previously, water and sewerage services are provided by the public sector in Scotland, but by the private sector in England and Wales, leading to relatively higher spending in Scotland. This explains slightly less than one percentage point of the difference in spend.

Tables 3.6 and 3.7 show current, capital, and total expenditure for Scotland and the UK respectively.

Region	2022-23	2023-24	2024-25
Scotland	19,459	20,251	21,192
UK	17,132	17,940	18,523
Difference (Scotland minus UK)	2,327	2,311	2,669
Difference between Scottish and UK (%)	13.6%	12.9%	14.4%

## Social protection spending in Scotland

Social protection spending is the largest single spending line in GERS, and covers a range of different spend types.

The largest spending element within social protection is expenditure on the state pension by the Department for Work and Pensions (DWP). This is followed by DWP's spending on other social security such as universal credit disability and incapacity related benefits, and housing benefit. Tax credits and child benefit are part of HMRC spending. Scottish Government social security spend includes the Scottish Welfare Fund, Council Tax Reduction Scheme, and Scottish Government expenditure on Discretionary Housing Payments, all of which are administered by Local Authorities. From 2018-19, it also includes spending on newly devolved social security, as set out in Chapter 4.

Some UK social security expenditure, mostly associated with the state pension, is paid to non-UK residents. Scotland is allocated a population share of this expenditure in GERS.

Table 3.5: Social protection spending for Scotland (£ million)			
	2022-23	2023-24	2024-25
<b>Social security spending in Scotland</b>			
State pension	9,286	10,543	11,620
Housing benefit	1,242	1,237	1,202
Universal credit	3,187	3,903	5,245
Other DWP social security	2,642	2,774	2,419
HMRC child benefit and tax credits	1,458	1,423	1,082
Scottish Government social security	4,194	5,411	6,035
Social security spending in Scotland	<b>22,009</b>	<b>25,291</b>	<b>27,603</b>
Share of benefit spending outside UK	392	391	389
Share of corporate spend	120	128	132
<b>Other social protection</b>			
Net public sector pensions	160	113	-101
Social care for the elderly	3,228	3,479	3,768
Other	2,746	2,975	3,131
<b>Total social protection</b>	<b>28,656</b>	<b>32,377</b>	<b>34,922</b>

Other social protection spending consists primarily of Local Authority expenditure on social care to families and children.

A more detailed breakdown of social security spending is published by DWP, available at the link below.

[Benefit expenditure and caseload tables - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

### **Spending by different parts of the Public Sector**

Table 3.8 below provides a breakdown of devolved expenditure by the Scottish Government, Scottish local government and public corporations, and reserved expenditure by other UK government bodies.

Table 3.6: Total Expenditure: Scotland 2022-23 to 2024-25 (£ million)

Function	Current			Capital			Total		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Public and common services	2,828	3,021	2,335	633	365	349	3,461	3,385	2,684
International services	552	607	668	141	239	168	692	846	836
Public sector interest expenditure	11,202	10,933	10,754	0	0	0	11,202	10,933	10,754
Defence	2,696	2,976	3,189	1,774	1,588	1,929	4,471	4,565	5,118
Public order and safety	3,697	3,863	4,058	260	245	384	3,957	4,108	4,442
Enterprise and economic development	4,997	2,049	1,480	767	703	1,003	5,764	2,751	2,483
Science and technology	31	30	22	540	825	811	571	856	833
Employment policies	279	349	288	6	20	13	285	369	300
Agriculture, forestry and fisheries	700	685	703	150	150	165	850	835	868
Transport	2,260	2,359	2,390	2,416	1,890	2,120	4,676	4,249	4,510
Environment protection	961	1,042	1,016	491	476	767	1,452	1,518	1,784
Housing and community amenities	171	210	269	2,516	2,398	2,738	2,688	2,608	3,007
Health	16,001	17,256	18,805	883	876	946	16,884	18,133	19,751
Recreation, culture and religion	1,277	1,253	1,301	151	349	377	1,428	1,602	1,679
Education and training	9,773	10,222	10,311	1,065	1,147	1,496	10,838	11,370	11,807
Social protection	28,490	32,230	34,787	165	146	135	28,656	32,377	34,922
EU Transactions	-109	-20	-330	0	0	0	-109	-20	-330
Accounting adjustments	8,751	9,837	10,639	-316	1,106	1,477	8,435	10,943	12,116
<b>Total</b>	<b>94,558</b>	<b>98,903</b>	<b>102,684</b>	<b>11,642</b>	<b>12,523</b>	<b>14,880</b>	<b>106,200</b>	<b>111,426</b>	<b>117,564</b>

### 3 Public Sector Expenditure

Table 3.7: Total Expenditure: UK 2022-23 to 2024-25 (£ million)

Function	Current			Capital			Total		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Public and common services	24,344	22,786	18,775	2,898	3,267	3,566	27,242	26,053	22,341
International services	6,836	7,537	8,436	1,746	2,968	2,098	8,582	10,505	10,534
Public sector interest expenditure	130,203	126,555	124,715	0	0	0	130,203	126,555	124,715
Defence	33,518	37,029	39,663	22,020	19,748	23,984	55,538	56,777	63,647
Public order and safety	40,744	44,893	46,585	3,482	3,837	4,788	44,226	48,730	51,373
Enterprise and economic development	57,849	22,497	16,827	4,292	2,173	3,596	62,141	24,670	20,423
Science and technology	393	382	271	6,991	9,378	9,405	7,384	9,760	9,676
Employment policies	3,745	4,595	3,863	75	243	119	3,820	4,838	3,982
Agriculture, forestry and fisheries	5,023	5,772	4,931	1,016	1,137	1,383	6,039	6,909	6,314
Transport	16,666	18,163	17,959	28,565	30,180	28,775	45,231	48,344	46,733
Environment protection	9,176	10,033	9,918	5,179	5,920	7,223	14,355	15,953	17,142
Housing and community amenities	3,936	4,339	4,379	13,413	16,490	17,939	17,349	20,829	22,318
Health	201,339	209,838	228,066	11,336	12,133	13,769	212,675	221,971	241,836
Recreation, culture and religion	11,525	10,088	10,964	3,005	3,318	3,557	14,530	13,406	14,521
Education and training	97,189	102,156	109,124	10,138	12,046	9,553	107,327	114,202	118,677
Social protection	321,190	363,733	382,145	768	951	1,789	321,958	364,684	383,935
EU Transactions	-2,190	76	-1,433	0	0	0	-2,190	76	-1,433
Accounting adjustments	91,616	104,049	113,157	-7,050	10,687	15,325	84,567	114,737	128,483
<b>Total</b>	<b>1,053,102</b>	<b>1,094,521</b>	<b>1,138,345</b>	<b>107,875</b>	<b>134,477</b>	<b>146,871</b>	<b>1,160,977</b>	<b>1,228,998</b>	<b>1,285,216</b>

Table 3.8: Total Expenditure: Devolved and reserved, Scotland 2022-23 to 2024-25 (£ million)

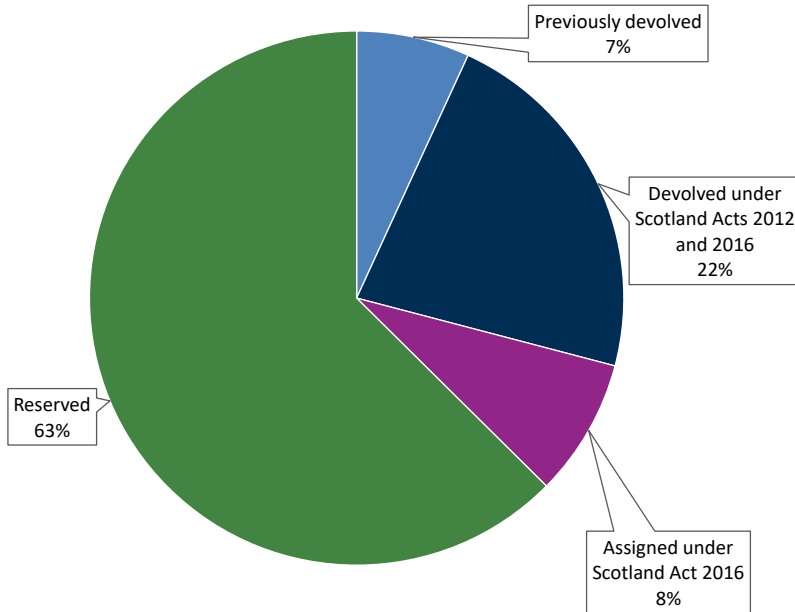
Function	Devolved			Reserved			Total		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
Public and common services	2,002	2,073	1,726	1,460	1,312	958	3,461	3,385	2,684
International services	1	1	0	691	845	836	692	846	836
Public sector interest expenditure	2,079	2,221	2,243	9,123	8,712	8,511	11,202	10,933	10,754
Defence	3	4	4	4,468	4,561	5,114	4,471	4,565	5,118
Public order and safety	3,490	3,531	3,848	466	578	595	3,957	4,108	4,442
Enterprise and economic development	1,179	1,211	1,319	4,585	1,540	1,165	5,764	2,751	2,483
Science and technology	3	3	2	569	853	831	571	856	833
Employment policies	0	0	0	285	369	300	285	369	300
Agriculture, forestry and fisheries	836	819	856	14	15	12	850	835	868
Transport	3,568	3,078	3,320	1,108	1,171	1,190	4,676	4,249	4,510
Environment protection	1,151	1,184	1,394	301	333	390	1,452	1,518	1,784
Housing and community amenities	2,683	2,589	2,977	5	19	30	2,688	2,608	3,007
Health	16,597	17,932	19,537	287	200	215	16,884	18,133	19,751
Recreation, culture and religion	918	1,149	1,142	510	453	537	1,428	1,602	1,679
Education and training	10,824	11,350	11,786	14	19	21	10,838	11,370	11,807
Social protection	10,360	11,571	12,615	18,296	20,806	22,308	28,656	32,377	34,922
EU Transactions	0	0	0	-109	-20	-330	-109	-20	-330
Accounting adjustments	8,028	8,781	9,299	406	2,162	2,817	8,435	10,943	12,116
<b>Total</b>	<b>63,722</b>	<b>67,498</b>	<b>72,066</b>	<b>42,479</b>	<b>43,928</b>	<b>45,499</b>	<b>106,200</b>	<b>111,426</b>	<b>117,564</b>



# Chapter 4: Devolved Revenue and Expenditure

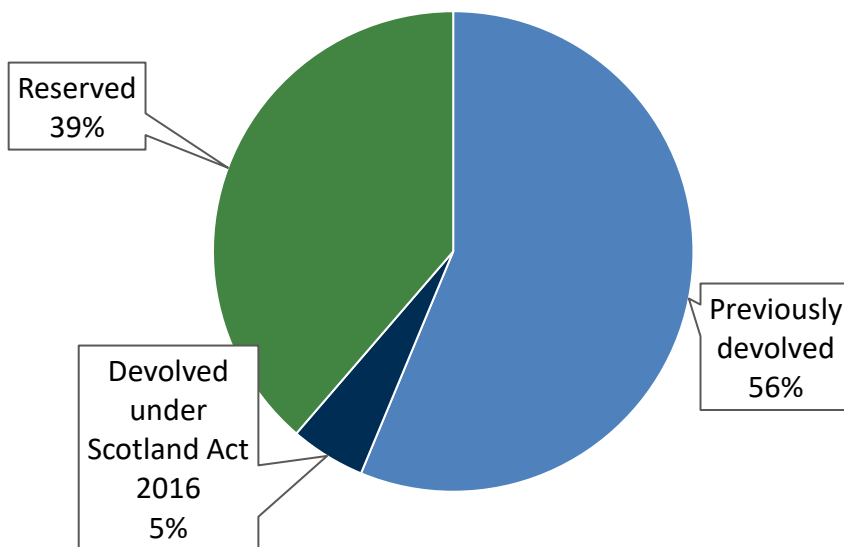
**Chart 4.1 Around 30 per cent of revenue raised in Scotland is devolved**

Devolved and Reserved Revenue in Scotland 2024-25  
Percentage of revenue raised



**Chart 4.2 Around 60 per cent of spending for Scotland is devolved**

Devolved and Reserved Expenditure in Scotland 2024-25  
Percentage of spending



# 4

## Devolved Revenue and Expenditure

### Introduction

This chapter provides information on the amount of public sector revenue and expenditure currently devolved to Scotland as well as that to be devolved under the Scotland Act 2016.

### Devolved Revenue

The table below sets out revenue raised in Scotland from taxes currently devolved to the Scottish Parliament. Total devolved tax revenue in 2024-25 is estimated at £26.2 billion.

Tax Type	2022-23	2023-24	2024-25
Council tax	2,742	2,925	2,994
Non-domestic rates	2,792	3,033	3,263
Land and buildings transaction tax (devolved from 2015-16)	838	777	923
Scottish landfill tax (devolved from 2015-16)	110	69	53
Non-savings and non-dividend income tax liabilities (devolved from 2016-17) <sup>1</sup>	15,169	17,093	18,992
<b>Total devolved taxes</b>	<b>21,651</b>	<b>23,897</b>	<b>26,225</b>

<sup>1</sup> This table shows Scottish Rate of Income Tax liabilities rather than receipts in a given year. They are therefore on a different basis to the estimates of total Scottish income tax receipts in Table 1.1. The figure for 2024-25 is the SFC forecast from May 2025.

Further devolution of taxes is due to continue, with Air Passenger Duty and Aggregates Levy due to be devolved following the Scotland Act 2016. As well as further tax devolution, the Scotland Act 2016 allows for the first 10p of the standard rate of VAT receipts and the first 2.5p of the reduced rate of VAT receipts in Scotland to be assigned to the Scottish Government, although policy decisions will remain reserved. The transition period for VAT assignment began on 1 April 2019.

As these taxes are not yet devolved there is no outturn data associated with them, and the table below shows the estimated historical revenues from these taxes.

Table 4.2: Revenue to be devolved under Scotland Act 2016 ( £ million)

Revenue	2022-23	2023-24	2024-25
Air passenger duty (date of devolution to be decided)	252	291	294
Aggregates levy (date of devolution to be decided)	59	60	60
VAT assignment (in transition from 2019-20)	7,046	7,432	7,617

Note: Assigned VAT receipts are 50% of total receipts in all years. Whilst this is appropriate when the standard rate of VAT is 20%, VAT on the hospitality and other industries was reduced to 5% in July 2020, and then increased to 12.5% in October 2021. This is not reflected in the estimates above.

### Devolved Social Security

The table below shows the expenditure in Scotland from social security benefits devolved to the Scottish Parliament prior to implementation of Scotland Act 2016.

Table 4.3: Social security devolved prior to Scotland Act 2016 (£ million)

Social Security	2022-23	2023-24	2024-25
Council tax reduction	365	386	390
Scottish welfare fund	56	50	47
Discretionary housing payments	80	81	89
<b>Total</b>	<b>501</b>	<b>517</b>	<b>526</b>

As social security benefits are devolved to the Scottish Government, they often initially continue to be administered by the Department for Work and Pensions under an Agency Agreement. The table below shows the latest available figures for social security spending which is due to be devolved to the Scottish Government under the Scotland Act 2016.

## 4 Devolved Revenue and Expenditure

Table 4.4: Devolved social security under Scotland Act 2016 ( £ million)			
Social Security	2022-23	2023-24	2024-25
Best Start Grant (previously Sure Start Maternity Grant)	20	20	22
Best Start Foods	13	14	14
Funeral Support Payment (previously Funeral Payment)	10	13	12
Scottish Child Payment	213	429	454
Carer's Allowance Supplement	44	48	54
Child Winter Heating Payment	6	8	10
Winter Heating Payment (previously Cold Weather Payments)	20	23	29
Child Disability Payment	215	425	514
Adult Disability Payment	2,027	2,632	3,131
Scottish Adult Disability Living Allowance	524	445	430
Job Start Payment	0	0	0
Young Carer's Grant	1	1	2
Industrial Injuries Disablement Benefit	78	81	82
Severe Disablement Allowance	6	6	5
Attendance Allowance - Department and Work and Pensions under an Agency Agreement	554	659	762
Carer's Allowance - Department and Work and Pensions under an Agency Agreement	314	358	391
Winter Fuel Payment - Yet to be devolved	173	176	26
<b>Total expenditure on social security to be devolved</b>	<b>4,217</b>	<b>5,339</b>	<b>5,938</b>

Further information on the planned devolution of taxes and social security to the Scottish Government is available in the fiscal framework agreement between the

Scottish and UK Governments.<sup>28</sup> Further information on the funding received by the Scottish Government is set out in the Fiscal Framework Outturn Report.<sup>29</sup>

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<sup>28</sup> [Fiscal framework: agreement between the Scottish and UK Governments - gov.scot \(www.gov.scot\)](https://www.gov.scot)

<sup>29</sup> [Fiscal framework outturn report: 2024 - gov.scot](https://www.gov.scot)

## Summary of current and proposed devolved powers

The table below shows estimates of devolved receipts and expenditure before and after the implementation of the Scotland Acts 2012 and 2016.

Statistic	Before Scotland Acts 2012 and 2016	After Scotland Acts 2012 and 2016
Non-saving non-dividend income tax liabilities	-	18,992
Council tax	2,994	2,994
Non-domestic rates	3,263	3,263
Land and buildings transaction tax	-	923
Scottish landfill tax (devolved from 2015-16)	-	53
Air passenger duty (date to be decided)	-	294
Aggregates levy (date to be decided)	-	60
<b>Total devolved taxes</b>	<b>6,257</b>	<b>26,579</b>
<b>Devolved taxes as % of non-North Sea Scottish revenue</b>	<b>7%</b>	<b>30%</b>
<b>as % of revenue incl geographical share of North Sea revenue</b>	<b>7%</b>	<b>29%</b>
Assigned VAT (in transition from 2019-20)	-	7,617
<b>Total devolved and assigned taxes</b>	<b>6,257</b>	<b>34,196</b>
<b>Devolved and assigned taxes as % of non-North Sea Scottish revenue</b>	<b>7%</b>	<b>39%</b>
<b>as % of taxes incl geographical share of North Sea revenue</b>	<b>7%</b>	<b>37%</b>
Devolved expenditure including housing benefit <sup>1</sup> (HB)	66,154	72,092
<b>Devolved taxes as % of estimated devolved expenditure</b>	<b>9%</b>	<b>37%</b>
<b>Devolved and Assigned taxes as % of estimated devolved expenditure</b>	<b>9%</b>	<b>47%</b>

<sup>1</sup> In GERS and the CRA, housing benefit is included in Scottish local government spending, as they make the payments to recipients, although it is set centrally and funded by the Department for Work and Pensions. Depending on definitions adopted, it could either be excluded or included in devolved expenditure.

# A Supplementary Tables

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This section presents supplementary tables on public sector revenue and expenditure in Scotland.

Table A.1 below shows the population figures used in calculating per head estimates in GERS.

Table A.1: Financial Year Population Estimates (thousands)			
Region	2022-23	2023-24	2024-25
Scotland	5,458	5,502	5,548
UK	67,768	68,505	69,387
<b>As % of UK total</b>	<b>8.1%</b>	<b>8.0%</b>	<b>8.0%</b>

Note: Based on mid-year estimates to 2023 and the 2022-based population projections. Financial year estimates are calculated as the weighted average of the relevant mid-year estimates. I.e., the 2021-22 population is estimated as three-quarters of the 2021 population plus one quarter of the 2022 population.

Table A.2 below shows the relationship between revenue, current expenditure, and the current budget balance, and then the transition from the current budget balance to the net fiscal balance.

<b>Table A.2: Current and Capital Budgets: Scotland (£ million)</b>			
<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Current Budget Revenue excl. North Sea	79,299	85,146	87,300
Current Budget Population share North Sea revenue	80,097	85,584	87,664
Current Budget Geographical share North Sea revenue	87,190	90,019	91,376
Current Budget current expenditure	94,558	98,903	102,684
Current Budget capital consumption	6,377	7,094	7,400
<b>Current Budget Balance Excluding North Sea revenue</b>	<b>-21,636</b>	<b>-20,851</b>	<b>-22,784</b>
<b>Current Budget Balance Population share North Sea revenue</b>	<b>-20,838</b>	<b>-20,414</b>	<b>-22,420</b>
<b>Current Budget Balance Geographical share North Sea revenue</b>	<b>-13,745</b>	<b>-15,978</b>	<b>-18,708</b>
Capital Budget Capital expenditure	11,642	12,523	14,880
Capital Budget Capital consumption	-6,377	-7,094	-7,400
<b>Net Investment</b>	<b>5,265</b>	<b>5,429</b>	<b>7,480</b>
<b>Net Fiscal Balance Excluding North Sea revenue</b>	<b>-26,901</b>	<b>-26,280</b>	<b>-30,265</b>
<b>Net Fiscal Balance Population share North Sea revenue</b>	<b>-26,103</b>	<b>-25,843</b>	<b>-29,900</b>
<b>Net Fiscal Balance Geographical share North Sea revenue</b>	<b>-19,010</b>	<b>-21,407</b>	<b>-26,188</b>

## GDP

Table A.3 below provides the financial year GDP estimates used in GERS.

<b>Table A.3: Scottish GDP including and excluding North Sea GDP (£ million)</b>			
<b>GDP</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scottish GDP Excl. North Sea	192,884	203,503	212,276
Scottish GDP Incl. Population share North Sea	195,744	205,299	213,813
Scottish GDP Incl. Geographical share North Sea	218,819	220,256	226,024
UK GDP	2,583,155	2,746,574	2,895,087

Source: Quarterly National Accounts Scotland, [Economy statistics - gov.scot \(www.gov.scot\)](https://www.gov.scot/economy-statistics); ONS Note: Scottish GDP including a geographical share of the

North Sea also includes a population share of UK overseas public administration and defence activity. Table 7 in Quarterly National Accounts Scotland Supplementary Tables provides a more detailed breakdown.

## General Government estimates

The headline GERS figures cover the whole of the public sector. As such, they include revenue and expenditure associated with public corporations such as Scottish Water and the Bank of England. They are on a financial year basis.

When conducting international comparisons, bodies such as the European Commission and the International Monetary Fund (IMF) present figures on a calendar year basis and covering only general government; i.e., excluding public corporations. In order to help comparisons with such figures, the table below presents the GERS net fiscal balance results on this basis. As revenue and expenditure are primarily estimated on a financial year and public sector basis, the calendar year estimates below are illustrative and have been derived by apportioning the main GERS estimates.

**Table A.4: Calendar year general government estimates: Scotland and UK - Net Fiscal Balance**

<b>Statistic</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Excluding North Sea revenue (£ million)	-27,110	-30,477	-32,669
Population share North Sea revenue (£ million)	-26,615	-30,265	-32,537
Geographical share North Sea revenue (£ million)	-22,237	-28,141	-31,175
<i>UK (£ million)</i>	-118,964	-163,717	-169,010
Excluding North Sea revenue - (% of GDP)	-14.3%	-15.2%	-15.6%
Population share North Sea revenue - (% of GDP)	-13.8%	-14.9%	-15.4%
Geographical share North Sea revenue - (% of GDP)	-10.5%	-12.9%	-13.8%
<i>UK - (% of GDP)</i>	-4.7%	-6.0%	-5.9%

## Confidence intervals

A number of the revenues in GERS are based on survey estimates. As such, they have an associated statistical uncertainty. The table below presents the 95% confidence intervals associated with these revenues. Other revenues are based on administrative data, or modelled data for which confidence intervals are not available. Estimates are not presented for these revenues. Expenditure is primarily based on administrative data, and therefore confidence intervals are not presented for expenditure.

Although tobacco duties and alcohol duties are both based on the Living Costs and Food Survey, the confidence interval for alcohol is larger. This is because the methodology for calculating alcohol duties uses more disaggregate survey data to reflect the different levels of duty, and revenue, received from different types of alcohol. This lower level survey data has a correspondingly larger uncertainty.

Note that the confidence intervals relate to the latest year of survey data. As GERS often uses data from previous years to estimate values for the latest year, there will

likely be larger uncertainty around the latest year estimates than suggested by the table below.

<b>Table A.5: Confidence intervals around survey based apportionments: Scotland (£ million)</b>					
<b>Statistic</b>	<b>Central estimate</b>	<b>95% lower bound</b>	<b>95% upper bound</b>	<b>Range</b>	<b>Range (%)</b>
National insurance contributions	12,904	12,685	13,124	+/-219	+/-1.7%
VAT <sup>1</sup>	15,234	14,503	15,965	+/-731	+/-4.8%
Tobacco duties	808	794	822	+/-14	+/-1.7%
Alcohol duties	1,143	1,052	1,235	+/-91	+/-8%
Betting and gaming duties	223	220	226	+/-3	+/-1.4%
Insurance premium tax	635	622	648	+/-13	+/-2%
<b>Total survey based apportionments</b>	<b>30,948</b>	<b>29,876</b>	<b>32,019</b>	<b>+/-1,072</b>	<b>+/-3.5%</b>

<sup>1</sup> The estimate of VAT uncertainty is a Scottish Government estimate, based on data published as part of the Scottish VAT Assignment experimental statistics publication<sup>30</sup>

## Amendments to the Country and Regional Analysis database

A number of significant improvements have been made to the HM Treasury Country and Regional Analysis (CRA) database in recent years to apportion expenditure more accurately to countries and regions of the UK. Since CRA 2017-18, the publication include a detailed line by line description of the methodology used to apportion spending. While many concerns in previous editions of the CRA have been addressed and are now reflected in both CRA 2023-24 and this GERS report, a small number of supplementary amendments to the CRA 2023-24 dataset are made in producing GERS. The aim of these refinements is to ensure that the public sector expenditure figure for Scotland captures as accurately as possible expenditure for the benefit of Scottish residents.

The amendments made to the CRA in producing this edition of GERS are shown in Table A.6. They are discussed in the detailed expenditure methodology paper available at:

[Economy statistics - gov.scot \(www.gov.scot\)](http://www.gov.scot)

As the CRA for 2024-25 is not yet published, there are no formal amendments to individual spending lines in 2024-25. The 2023-24 adjustments are in effect carried forward into 2024-25, adjusted for the spending of the responsible department. Further detail is provided in the expenditure methodology note.

30 [Scottish VAT Assignment – Experimental Statistics - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

**Table A.6: Amendments to Estimates of Total Public Sector Expenditure on Services from CRA 2024 (£ million)**

<b>Statistic</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
High Speed 2	-121	-145	-167
Nuclear-related expenditure	-35	-20	-11
Other minor revisions	1	1	0
<b>Total CRA amendments</b>	<b>-156</b>	<b>-163</b>	<b>-179</b>

Note: Amendments do not include EU Transactions

### Expenditure accounting adjustments

Spending in GERS is based on the HM Treasury Total Expenditure on Services (TES) concept, which accounts for around 90% of total spending. Accounting adjustments are used to move from TES to Total Managed Expenditure (TME), the primary measure of public spending used in the UK Public Sector Finances. As discussed in Chapter 1, for the majority of these adjustments, accompanying adjustments are included in revenue estimates, and therefore do not affect the net fiscal balance or current budget balance. This is shown in more detail in Table A.10.

The capital accounting adjustment for the UK in 2022-23 has a relatively large negative residual. This primarily relates to adjustments to spending data made by ONS to remove expenditure associated with leases under IFRS16, where different data sources are used in the Public Sector Finances.

Note that the capital consumption figures in Table A.8 do not match the capital consumption figures in Table A.2. This is because the overall capital consumption figures in Table A.2 include capital consumption of public corporations, which are not included in accounting adjustments. Scotland continues to be apportioned a population share of this residual. We will keep these adjustments under review for future publications.

<b>Table A.7: Expenditure Accounting Adjustment: UK (£ million)</b>			
<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
UK total managed expenditure (TME)	1,160,977	1,228,998	1,285,216
UK total expenditure on services (TES)	1,076,410	1,114,262	1,156,733
<b>UK accounting adjustment</b>	<b>84,567</b>	<b>114,737</b>	<b>128,483</b>
<b>of which current expenditure:</b>			
Central government capital consumption	36,000	39,395	42,340
Local government capital consumption	17,533	18,852	19,611
Current VAT refunds	22,109	24,548	25,768
Imputed subsidy from Local Authorities to the Housing Revenue Account <sup>1</sup>	4,401	5,613	6,112
Imputed flows for Renewable Obligation Certificates <sup>2</sup>	6,756	7,636	7,768
Local authority pensions	300	200	200
British Transport Police Service Agreements	145	145	145
Warm Home Discount	444	444	444
EU Customs Undervaluation	2,285	0	0
Current expenditure residual	1,643	7,216	10,769
<b>of which capital expenditure:</b>			
Capital VAT refunds	2,988	3,407	3,576
Housing associations	165	165	165
Student loans	-1,058	-1,058	-1,058
Capital expenditure residual	-9,144	8,174	12,642

<sup>1</sup> The Housing Revenue Account (HRA) is classified as a public corporation by the ONS, which means that they pay dividends on their profits to local authorities. To ensure that these dividends are non-negative, the ONS imputes a subsidy from local authorities to HRAs to cover any shortfall (offset in public corporation gross operating surplus, which scores on the revenue side of the account).

<sup>2</sup> Renewable Obligation Certificates are bought and sold by energy companies. The ONS has decided that these flows should be channelled through central government and so impute offsetting amounts of spending and income.

<b>Table A.8: Expenditure Accounting Adjustment: Scotland (£ million)</b>			
<b>Statistic</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Scottish total managed expenditure (TME)	106,200	111,426	117,564
Scottish total expenditure on services (TES)	97,766	100,484	105,449
<b>Scottish accounting adjustment</b>	<b>8,435</b>	<b>10,943</b>	<b>12,116</b>
<b>Percentage of UK accounting adjustment</b>	<b>10.0%</b>	<b>9.5%</b>	<b>9.4%</b>
<b>of which current expenditure:</b>			
Central government capital consumption	3,436	3,760	4,041
Local government capital consumption	1,801	1,937	2,015
Current VAT refunds	2,018	2,199	2,306
Imputed subsidy from Local Authorities to the Housing Revenue Account <sup>1</sup>	324	413	450
Imputed flows for Renewable Obligation Certificates <sup>2</sup>	802	906	922
Local authority pensions	28	19	19
British Transport Police Service Agreements	7	7	7
Warm Home Discount	16	16	16
EU Customs Undervaluation	187	0	0
Current expenditure residual	132	580	863
<b>of which capital expenditure:</b>			
Capital VAT refunds	273	305	320
Housing associations	0	0	0
Student loans	148	148	148
Capital expenditure residual	-737	652	1,009

<sup>1, 2</sup> See notes to Table A.7

The table below shows which parts of the Scottish expenditure accounting adjustments are included as revenues, and where they appear in the revenue tables.

Table A.9: Accounting Adjustments, Revenue and Expenditure: Scotland, 2024-25			
Statistic	Expenditure AA	Revenue AA	Revenue line
<b>Of which current expenditure:</b>			
Central government capital consumption	4,041	4,041	Gross operating surplus
Local government capital consumption	2,015	2,015	Gross operating surplus
Current VAT refunds	2,306	2,306	VAT refunds
Imputed subsidy from Local Authorities to the Housing Revenue Account	450	-	n/a
Imputed flows for Renewable Obligation Certificates	922	922	Environmental levies
Local authority pension	19	-	n/a
British Transport Police Service Agreements	7	7	Other taxes, royalties, and adjustments
Warm Home Discount	16	16	Environmental levies
Current expenditure residual	863	-	n/a
<b>Of which capital expenditure:</b>			
Capital VAT refunds	320	320	VAT refunds
Housing associations	0	-	n/a
Student loans	148	-	n/a
Capital expenditure residual	1,009	-	n/a
<b>Total accounting adjustments</b>	<b>12,116</b>	<b>9,627</b>	

### Reconciliation to published Scottish Government and Scottish Local Government budgets

There are a number of differences between the figures for spending by Scottish Government and Local Authorities presented in Table 3.8 and figures presented in Scottish Government budgets and Scottish Local Government Finance Statistics. The key differences relate to accounting treatments, particularly of pensions, VAT refunds, and depreciation.

GERS uses National Accounts principles, which show actual pensions expenditure, and which shows gross expenditure before VAT refunds. Depreciation in GERS is based on the concept of capital consumption, which uses estimates of the value of assets used to provide services in terms of current asset values.

In contrast, budget documents use financial accounting principles, which include a measure of future liabilities of pension funds, and which shows net expenditure after VAT refunds. Depreciation is based on historical asset prices.

A more detailed description of the differences is provided in Box 5.2 of GERS 2013-14.

[Chapter 5: Public Sector Expenditure - Government Expenditure & Revenue Scotland 2013-14 - gov.scot \(www.gov.scot\)](#)

Table A.10 below shows the reconciliation of published Scottish Government and Scottish Local Government Finance figures to the figures published in the CRA and GERS. This shows figures for 2023-24 rather than 2024-25, as this is the latest year for which published accounts are available for both the Scottish Government and Scottish Local Government. 2024-25 figures in GERS are based on provisional outturn estimates.

<b>Table A.10: Reconciliation to published budget documents (2023-24, £ billion)</b>	
<b>Scottish Government and public corporations</b>	
Published Scottish Government outturn <sup>1</sup>	57.6
<b>Adjustments to align budget to CRA measure of spending</b>	
Grants to other public sector bodies (e.g. local government)	-15.3
Pensions	-3.8
Depreciation	-1.4
Financial transactions associated with student loans, public corporations, and borrowing	-1.6
Adjustments to move from spend 'in' Scotland to spend 'for' Scotland <sup>2</sup>	-0.1
Other	0.8
<b>Final Scottish Government expenditure on services for Scotland</b>	<b>36.3</b>
<b>Scottish Local Government</b>	
Published Local Government gross current expenditure <sup>3</sup>	21.1
Income excluding grants from Central Government <sup>4</sup>	-6.6
Housing benefit	1.1
Published Local Government gross capital expenditure <sup>5</sup>	3.7
Income from sales of capital assets <sup>6</sup>	0.1
<b>Final Scottish Local Government expenditure on services for Scotland</b>	<b>19.5</b>
<b>Scottish Government, PC &amp; Local Government expenditure on services for Scotland</b>	<b>55.8</b>
<b>National Accounts adjustments<sup>7</sup></b>	
Capital consumption	5.7
VAT refunds	2.5
Local Government pension fund interest expenditure	2.2
Other accounting adjustments	1.3
<b>Final Scottish Government, PC, and Scottish Local Government TME (GERS Table 3.8)</b>	<b>67.5</b>

<sup>1</sup> Scottish Government 2023-24 Final Outturn Report

<sup>2</sup> These are adjustments made to Scottish Government spending in HM Treasury's CRA publication. They primarily relate to spending on museums and pensions, to reflect where spending undertaken by the Scottish Government benefits residents from the rest of the UK.

<sup>3</sup> Scottish Local Government Finance Statistics 2023-24, LA Level. Revenue Expenditure and Income by Service and Type. Total General Fund (excluding the Housing Revenue Account and trading with the public) employee costs, operating costs, and support services costs after statutory adjustments, less interauthority recharges (adjustments for LFR purposes).

<sup>4</sup> As Note 3. Total General Fund (excluding the Housing Revenue Account and trading with the public) income less government grants

<sup>5</sup> Scottish Local Government Finance Statistics 2023-24, Capital Expenditure (chart 3.1) and Financing (chart 3.5). All services total gross capital expenditure.

<sup>6</sup> As Note 5. Total capital fund and capital receipts.

<sup>7</sup> See Table A.8

# B

## Revisions

This section presents revisions from the previous GERS 2022-23 publication.

### Revisions to Non-North Sea Revenue Estimates from GERS 2023-24

Table B.1 summarises the revisions in this edition of GERS to total non-North Sea revenue. Revisions to Scottish estimates can stem from three sources: revisions to UK totals; revisions to apportionment data; and updated apportionment methodologies. Revisions to UK totals for previous years will be larger than usual due to the uncertainty around measuring the public finances during the coronavirus pandemic.

There are a number of revisions to UK revenue totals from GERS 2023-24, with overall UK non-North Sea revenue for 2023-24 revised by 0.3%. The main revisions relate to corporation tax.

Further detail on all these revisions is available from the UK Public Sector Finances.<sup>31</sup>

Table B.1: Revision to Total Non-North Sea Revenue

Statistic	2021-22	2022-23	2023-24
Scotland - GERS 2023-24 estimate	70,636	78,936	84,588
Scotland - GERS 2024-25 estimate	70,143	79,299	85,146
<b>Scotland - Revision (£m)</b>	<b>-493</b>	<b>363</b>	<b>558</b>
UK - GERS 2023-24 estimate	791,943	918,269	1,019,353
UK - GERS 2024-25 estimate	792,155	918,950	1,024,045
<b>UK - Revision (£m)</b>	<b>212</b>	<b>681</b>	<b>4,692</b>
Scotland/UK ratio - GERS 2023-24 estimate	<b>8.9%</b>	<b>8.6%</b>	<b>8.3%</b>
Scotland/UK ratio - GERS 2024-25 estimate	<b>8.9%</b>	<b>8.6%</b>	<b>8.3%</b>
<b>Scotland/UK ratio - Revision (% point)</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.0%</b>

Scottish revisions broadly reflect these UK revisions. The main differences relates to national insurance contributions, VAT, inheritance tax, and tobacco duties. In all cases these reflect provisional apportionments being replaced with the latest data. Further details are available in the methodology note. Overall, Scottish revenue has been revised up by 0.7%.

31 [Public sector finances, UK Statistical bulletins - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/publications/sector-finances)

Table B.2: Revision to Public Sector Revenue: Scotland and UK 2023-24				
Statistic	£ million		%	
	Scotland	UK	Scotland	UK
Income tax	134	1,413	0.7%	0.5%
National insurance contributions	167	980	1.2%	0.5%
Value added tax	70	-1,015	0.5%	-0.6%
Corporation tax (excluding North Sea)	-253	-4,220	-4.3%	-4.4%
Fuel duties	42	0	2.0%	0.0%
Non-domestic rates	-2	-611	-0.1%	-2.0%
Council tax	-8	-57	-0.3%	-0.1%
VAT refunds	-37	54	-1.4%	0.2%
Capital gains tax	-19	-532	-3.5%	-3.5%
Inheritance tax	82	0	25.0%	0.0%
Reserved stamp duties	0	3	0.1%	0.0%
Scottish Land & Buildings transaction tax	-26	-26	-3.3%	-3.3%
Scottish landfill tax	0	0	0.0%	0.0%
Air passenger duty	-34	0	-10.5%	0.0%
Tobacco duties	-112	0	-10.9%	0.0%
Alcohol duties	-27	-77	-2.4%	-0.6%
Insurance premium tax	0	3	0.0%	0.0%
Vehicle excise duties	0	0	-0.1%	0.0%
Environmental levies	0	0	0.0%	0.0%
Other taxes	-111	-247	-3.8%	-0.7%
<b>Total Non-North Sea taxes</b>	<b>-134</b>	<b>-4,332</b>	<b>-0.2%</b>	<b>-0.4%</b>
Interest and dividends	285	4,383	8.7%	10.8%
Gross operating surplus	359	2,207	4.4%	3.0%
Other receipts	1	503	0.5%	26.6%
<b>Total Non-North Sea revenue</b>	<b>558</b>	<b>2,761</b>	<b>0.7%</b>	<b>0.3%</b>

A time series of revisions is available in the accompanying spreadsheets online.

### Revisions to North Sea Revenue Estimates from GERS 2023-24

Table B.3 summarises the revisions to North Sea revenues in this edition of GERS by comparing the estimates contained in this report with last year's publication. Revenue has been revised up in 2023-24, reflecting upward revisions to both the UK total and the Scottish share, with Scotland's share of North Sea corporation tax revised up 89%.

**Table B.3: Revisions to North Sea Revenue: 2021-22 to 2023-24 (£ million)**

<b>Statistic</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Scotland geographical share - GERS 2023-24 estimates	2,414	7,942	3,958
Scotland geographical share - GERS 2024-25 estimates	2,387	7,891	4,873
<b>Revision – Scotland geographical share</b>	<b>-27</b>	<b>-51</b>	<b>915</b>
UK - GERS 2023-24 estimates	2,662	9,928	4,940
UK - GERS 2024-25 estimates	2,642	9,907	5,444
<b>Revision – UK</b>	<b>-20</b>	<b>-21</b>	<b>504</b>

### Revisions to Expenditure Estimates from GERS 2023-24

Table B.4 sets out the changes in estimates of public expenditure in Scotland and the UK between this report and GERS 2023-24. These reflect revisions to Scottish Government and Scottish local government spending data, revisions to UK spending totals, and revisions to the data sources used to apportion expenditure to Scotland. Revisions to public expenditure that can be traced to changes to the total expenditure on services (TES) measure are specified separately.

Overall, Scottish spend in 2023-24 has been revised up by £196 million, or 0.2%. This reflects upward revisions to spending on education and debt interest being offset by down revisions to health and social protection. The revisions to education spending are related to Scottish local government spend and reflect the move from provisional to final outturn, and debt interest reflect revisions UK Government debt interest spending.

The downward revisions health and social protection reflect internal estimates Other UK Government spending in these areas have being replaced by estimates from HM Treasury's CRA publication.

**Table B.4: Revisions to Total Expenditure: 2021-22 to 2023-24 (£ million)**

<b>Statistic</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Scotland - GERS 2023-24 estimates	96,911	104,907	111,230
Scotland - GERS 2024-25 estimates	96,548	106,200	111,426
<b>Revision - Scotland</b>	<b>-363</b>	<b>1,293</b>	<b>196</b>
UK - GERS 2023-24 estimates	1,047,237	1,157,333	1,216,773
UK - GERS 2024-25 estimates	1,043,722	1,160,977	1,228,998
<b>Revision – UK</b>	<b>-3,515</b>	<b>3,644</b>	<b>12,225</b>
Scotland /UK Ratio - GERS 2023-24 estimates	9.3%	9.1%	9.1%
Scotland/UK ratio - GERS 2024-25 estimates	9.3%	9.1%	9.1%
<b>Revision (% point) - Scotland/UK Ratio</b>	<b>0.0%</b>	<b>0.1%</b>	<b>-0.1%</b>

The table below shows the revisions to spend in 2023-24 by function, and by Scottish Government, Scottish local government, Scottish public corporations, and Other UK government bodies.

Table B.5: Revisions to Public Sector Expenditure: Scotland and UK 2023-24 (£ million)

Statistic	Scotland					UK
	SG	LG	PC	Other UKG Bodies	Total	
<b>General public services</b>						
Public and common services	-10	60	0	-7	43	-348
International services	0	0	0	-5	-5	112
Public sector interest expenditure	0	0	0	503	503	5,480
Defence	0	0	0	-77	-77	26
Public order and safety	12	0	0	29	41	984
<b>Economic affairs</b>						
Enterprise and economic development	7	23	0	200	230	181
Science and technology	0	0	0	114	114	150
Employment policies	0	0	0	3	3	0
Agriculture, forestry and fisheries	-1	-4	-2	3	-5	186
Transport	2	123	71	-67	128	2,195
Environment protection	1	-36	0	2	-32	620
Housing and community amenities	0	-78	-240	9	-308	938
Health	-112	0	0	-771	-883	1,000
Recreation, culture and religion	9	22	0	57	88	443
Education and training	-18	722	0	4	708	2,725
Social protection	21	-135	0	-463	-577	3,780
EU Transactions	0	0	0	-16	-16	352
Accounting adjustments	17	0	0	224	242	-6,599
<b>Total revision</b>	<b>-71</b>	<b>697</b>	<b>-171</b>	<b>-260</b>	<b>196</b>	<b>12,225</b>

Notes: SG: Scottish Government. LG: Local Government. PC: Public Corporations. UKG: UK Government.

## Revisions to Estimates of Capital Consumption

Table B.6 sets out the changes to estimates of capital consumption in Scotland and the UK between this report and the previous publication of GERS. Capital consumption, which represents the capital stock consumed to provide services within the year, is included alongside current expenditure when calculating the current budget balance. It does not affect the estimate of the net fiscal balance. Note that these figures do not match the figures for capital consumption shown in Table A.8, as the table below includes capital consumption associated with public corporations, which is not included in accounting adjustments.

**Table B.6: Revisions to Scotland capital consumption (£ million): 2021-22 to 2023-24**

<b>Statistic</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Estimates published in GERS 2023-24	5,527	6,177	6,815
Estimates published in GERS 2024-25	6,266	6,377	7,094
<b>Revision</b>	<b>740</b>	<b>200</b>	<b>279</b>

Unlike for public corporations' expenditure and operating surplus, detailed capital consumption data are not available on a public corporation basis from the ONS, as they are not separately identified within its perpetual inventory model.

### Revisions to Fiscal Aggregates

Table B.7 shows revisions to the current budget balance from the previous publication of GERS. The Scottish current budget deficit has increased in all years. This reflects the revisions to public sector interest expenditure discussed above.

**Table B.7: Revisions to the Current Budget Balance: 2021-22 to 2023-24 (£ million)**

	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Estimates published in GERS 2023-24</b>			
Excluding North Sea revenue	-20,778	-21,399	-21,151
Population share of North Sea revenue	-20,562	-20,600	-20,752
Geographical share of North Sea revenue	-18,364	-13,457	-17,193
<i>UK</i>	-71,932	-82,139	-51,235
<b>Estimates published in GERS 2024-25</b>			
Excluding North Sea revenue	-21,758	-21,636	-20,851
Population share of North Sea revenue	-21,545	-20,838	-20,414
Geographical share of North Sea revenue	-19,371	-13,745	-15,978
<i>UK</i>	-68,852	-79,454	-61,901
<b>Difference (£ million) (positive shows improvement)</b>			
Excluding North Sea revenue	-980	-237	300
Population share of North Sea revenue	-983	-238	338
Geographical share of North Sea revenue	-1,007	-288	1,215
<i>UK</i>	3,080	2,685	-10,666

Table B.8 shows revisions to the net fiscal balance from the previous publication of GERS. In general, these are similar to the revisions to the current budget balance for Scotland

<b>Table B.8: Revisions to the Net Fiscal Balance: 2021-22 to 2023-24 (£ million)</b>			
<b>Statistic</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Estimates published in GERS 2023-24</b>			
Excluding North Sea revenue	-26,275	-25,971	-26,642
Population share of North Sea revenue	-26,058	-25,172	-26,243
Geographical share of North Sea revenue	-23,861	-18,029	-22,684
UK	-126,306	-128,052	-122,103
<b>Estimates published in GERS 2024-25</b>			
Excluding North Sea revenue	-26,405	-26,901	-26,280
Population share of North Sea revenue	-26,191	-26,103	-25,843
Geographical share of North Sea revenue	-24,017	-19,010	-21,407
UK	-122,130	-127,025	-131,063
<b>Difference (positive shows improvement)</b>			
Excluding North Sea revenue	-130	-930	362
Population share of North Sea revenue	-133	-931	401
Geographical share of North Sea revenue	-157	-981	1,277
UK	4,176	1,027	-8,960

In addition to revisions to the fiscal aggregates in cash terms, there are also changes to the fiscal aggregates expressed as a share of GDP due to revisions to GDP estimates. These are shown in Tables B.9 and B.10 for the current budget balance and the net fiscal balance respectively. In general, estimates of the fiscal aggregate have improved as a share of GDP for Scotland when including the North Sea, but remained the same when the North Sea is excluded. These revisions reflect the upward revision to the nominal value of offshore GDP. This reflects routine annual update to bring the value of GVA in line with the latest UK regional accounts.

**Table B.9: Impact of Revisions to GDP on the Current Budget Balance: 2021-22 to 2023-24**

<b>Statistic</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Estimates published in GERS 2023-24</b>	<b>% GDP</b>		
Excluding North Sea revenue	-11.9%	-11.2%	-10.5%
Population share of North Sea revenue	-11.7%	-10.6%	-10.2%
Geographical share of North Sea revenue	-9.5%	-6.3%	-7.9%
<i>UK</i>	-3.1%	-3.2%	-1.9%
<b>GERS 2023-24 estimate with latest GDP</b>	<b>% GDP</b>		
Excluding North Sea revenue	-11.9%	-11.1%	-10.4%
Population share of North Sea revenue	-11.6%	-10.5%	-10.1%
Geographical share of North Sea revenue	-9.2%	-6.1%	-7.8%
<i>UK</i>	-3.1%	-3.2%	-1.9%
<b>Change (positive shows improvement)</b>	<b>% point difference</b>		
Excluding North Sea revenue	0.0%	0.1%	0.1%
Population share of North Sea revenue	0.1%	0.1%	0.1%
Geographical share of North Sea revenue	0.3%	0.1%	0.1%
<i>UK</i>	0.0%	0.0%	0.0%

**Table B.10: Impact of Revisions to GDP on the Net Fiscal Balance: 2021-22 to 2023-24**

<b>Statistic</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Estimates published in GERS 2023-24</b>	<b>% GDP</b>		
Excluding North Sea revenue	-15.1%	-13.6%	-13.2%
Population share of North Sea revenue	-14.8%	-13.0%	-13.0%
Geographical share of North Sea revenue	-12.3%	-8.4%	-10.4%
<i>UK</i>	-5.4%	-5.0%	-4.5%
<b>GERS 2023-24 estimate with latest GDP</b>	<b>% GDP</b>		
Excluding North Sea revenue	-15.0%	-13.5%	-13.1%
Population share of North Sea revenue	-14.7%	-12.9%	-12.8%
Geographical share of North Sea revenue	-12.0%	-8.2%	-10.3%
<i>UK</i>	-5.4%	-5.0%	-4.4%
<b>Change (positive shows improvement)</b>	<b>% point difference</b>		
Excluding North Sea revenue	0.1%	0.1%	0.1%
Population share of North Sea revenue	0.1%	0.1%	0.2%
Geographical share of North Sea revenue	0.3%	0.2%	0.1%
<i>UK</i>	0.0%	0.1%	0.0%

# C

## List of Abbreviations

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CRA	Country and Regional Analysis
COFOG	Classification of the Functions of Government
DWP	Department for Work and Pensions
EU	European Union
IFRS16	International Financial Reporting Standard 2016
GDP	Gross Domestic Product
GERS	Government Expenditure and Revenue Scotland
GOS	Gross Operating Surplus
HMRC	HM Revenue and Customs
LFR	Local Government Financial Return
NHS	National Health Service
OBR	Office for Budget Responsibility
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
PESA	Public Expenditure Statistical Analyses
PPP	Public Private Partnerships
SFC	Scottish Fiscal Commission
TES	Total Expenditure on Services
TME	Total Managed Expenditure
UK	United Kingdom
UN	United Nations
VAT	Value Added Tax

## D Glossary

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**Accounting Adjustment:** the adjustment required to reconcile Total Expenditure on Services provided in the CRA with Total Managed Expenditure. The largest element of the accounting adjustment is capital consumption.

**Accruals:** the accounting convention whereby an expenditure or revenue is recorded at the time when it has been incurred or earned rather than when the money is paid or received.

**Capital Consumption:** also called Consumption of Fixed Capital; the amount of fixed assets used up in an accounting period as a result of normal wear and tear, foreseeable obsolescence, and losses from accidental damage. It is a National Accounts concept similar to the concept of depreciation in financial accounts.

**Capital Expenditure:** includes capital formation, the net acquisition of land, expenditure on capital grants, and the value of assets acquired under finance leases. Under ESA10 it also includes most research and development expenditure.

**Central Government:** comprises parliaments; government departments (including Scottish Government) and the executive agencies or other bodies controlled by central government.

**Classification of the Functions of Government:** the functions in GERS are based on the UN's Classification of the Functions of Government (COFOG). The tables are consistent with UN COFOG level 1, with additional detail provided for general public services and economic affairs. Further detail is provided in Public Expenditure Statistical Analyses.

**Country and Regional Analysis (CRA):** the primary source of outturn data on public expenditure identifiable to Scotland, Wales, Northern Ireland and the English regions.

**Current Budget Balance:** the difference between revenue and current expenditure (including capital consumption).

**Current Expenditure:** the sum of the current expenditure of general government and interest and dividends payable by public corporations to the private sector and abroad. Public sector current expenditure is net of certain revenue items, such as some sales of goods and services by general government. As it is defined at the public sector level, any transactions and transfers between parts of the public sector are also excluded. It includes items such as public sector wages and salaries and transfer payments.

**EU Transactions:** EU transactions cover public sector transactions with the EU, excluding those associated with customs duties. It does not include any transactions between the EU and private bodies.

**Extra-regio:** the part of UK economic activity that is not allocated to a specific region. Extra-regio includes activity relating to offshore oil and gas extraction, UK embassies overseas and armed forces stationed abroad.

**General Government:** Central and local government consolidated as a single entity.

**Gross Domestic Product:** a measure of the value of goods and services produced in the economy.

**Gross Operating Surplus:** the surplus generated by operating activities after the labour factor input has been recompensed.

**Local Government:** all 32 Local Authorities in Scotland.

**National Accounts:** a statistical system that represents the economic activity and transactions between sectors in a national economy (see ESA10).

**Net Fiscal Balance:** the difference between estimated total public sector spending for Scottish residents and estimated total public sector revenue raised in Scotland.

**Net Investment:** public sector capital expenditure, net of capital consumption and asset sales.

**Outturn:** expenditure (revenue) actually incurred (received) to date

**Public Corporations:** publicly controlled market companies.

**Public Sector Finances:** the monthly statistics on the public sector produced by the Office for National Statistics.

**Revenue:** all revenue raised by the public sector from tax and non-tax revenues except the sale of assets or interest received.

**Total Expenditure on Services (TES):** an aggregate used in CRA to analyse capital and current spending of the public sector.

**Total Managed Expenditure (TME):** a definition of aggregate public spending derived from National Accounts. TME captures total expenditure in the UK public finances.

**Who Benefits Principle:** the approach used to estimate expenditure for Scotland. It identifies the expenditure in a given year that was incurred for the full range of public services that were consumed: that is, those services provided *for* the people of Scotland.

**Who Pays Principle:** the approach used to estimate public sector revenue in Scotland. It is based upon the residential location of where the revenue is raised.

## Tell us what you think

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We are always interested to hear from our users about how our statistics are used, and how they can be improved.

### Feedback and enquiries

If you have any feedback or enquiries on this publication please contact:

Gayle Mackie

Office of the Chief Economic Adviser

e-mail: [economic.statistics@gov.scot](mailto:economic.statistics@gov.scot)

For general enquiries about Scottish Government statistics please contact:

Office of the Chief Statistician

e-mail: [statistics.enquiries@gov.scot](mailto:statistics.enquiries@gov.scot)

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