



## News in Review

14 January 2026

*"This is a government that wants what's best for Scotland"*



**On 13 January, Scottish Finance Secretary Shona Robison delivered her draft Budget, outlining key tax and spending plans for the forthcoming financial year, running from 1 April 2026 to 31 March 2027.**

The Scottish government usually announces its Budget in December but due to the late timing of Rachel Reeves' Budget on 26 November, decided to delay the fiscal event to give Scottish ministers sufficient time to properly evaluate the UK government's fiscal decisions and their potential impact north of the border.

At Holyrood on Tuesday afternoon, Robison declared that her Budget is one "For Scottish families... a stronger NHS and... investment in Scotland's infrastructure," adding, "This is a government that wants what's best for Scotland."

One of the main taxation measures announced was the raising of two of the six Scottish Income Tax bands by 7.4% for the 2026/27 tax year. The Basic rate (20%) threshold, which currently starts at £15,398, will go up to £16,537. The Intermediate rate (21%) threshold, which currently starts at £27,492, will increase to £29,526. Robison said this change will mean over half (55%) of Scottish workers "are set to pay less Income Tax because they live in Scotland."

Another major tax announcement was the introduction of two new Council Tax bands by April 2028 for the most expensive properties in Scotland. Higher rates will be paid on properties worth over £1m based on an up-to-date valuation. A budget of £5m has been set aside for a targeted revaluation of the most valuable properties and reallocation into the two extra higher Council Tax bands – one for properties

valued between £1m-£2m, and one for homes valued over £2m. The money raised will go directly to the local councils where the homes are located.

### Other key measures included:

#### Healthcare

- **Record funding** – £22.5bn investment in health and social care, including in;
- **Walk-in GP clinics** – (£36m) to establish new high street clinics, supporting access to same-day appointments

#### Welfare and education

- **Scottish Child Payment** – will be boosted for families with a baby under the age of one to £40 a week from £27.15 per week, from 2027/28
- **College funding** – to be increased by 10%, providing an extra £70m
- **Breakfast clubs** – to be introduced in every single Scottish primary and special school by August 2027

#### Business

- **Support for high-growth firms** – to attract private investment and connect entrepreneurs
- **Small business bonus scheme** – which removes rates from 100,000 small businesses, will be continued for three years
- **Non-domestic rates relief** – of 15% in 2026/27, worth £138m over three years for retail, hospitality and leisure premises

#### Other

- **Capital investment programme** – for longer-term projects like roads and buildings worth £7.6bn to deliver "significant economic benefits across our economy"

- **Local government** – funding will increase by 2% in real terms
- **New homes** – record investment in new affordable homes
- **Public sector reform** – will provide £1.5bn in efficiencies to help protect frontline services
- **No changes to Land and Buildings Transaction Tax (LBTT)** were announced.

Robison said her Budget, "Will fund landmark policies to continue efforts to eradicate child poverty – investing in a brighter future for Scotland and the children growing up here."

Members of the Scottish Parliament (MSPs) will now move on to debate the proposed Budget and can table amendments, before a vote is taken to pass it into law.

The Budget will be followed by the Holyrood election on 7 May, when Scots will head to the polls. The main parties are ramping up their campaigns; the SNP are currently leading in the polls.

### House price data "subdued" end to the year

UK house prices fell again in December, according to latest Halifax data, with values down 0.6% following a 0.1% decline in November. The average property price now stands at £297,755, its lowest level since June, as annual growth slowed to 0.3% from 0.6% the previous month.

### Here to help

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

***The value of investments can go down as well as up and you may not get back the full amount you invested.***

***The past is not a guide to future performance and past performance may not necessarily be repeated.***

***All details are correct at time of writing (14 January 2026)***