

Ms Jenny Gilruth MSP
Deputy First Minister and Cabinet Secretary for
Finance and Local Government
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

Date 31 August 2026

Dear Cabinet Secretary,

Princes Street Fire

Thank you for your letter of 14 August 2026.

We welcome the allocation of £5m and the flexibility provided for the Council to develop a package of support. As outlined in your letter, we are aligned in our intention to ensure that the value and impact of funding is targeted where it is needed most.

As requested, I can confirm that the funding will be directed to support appropriate local interventions and as a contribution towards the longer term economic recovery of the area. The funding will be used to support interventions which are additional to other funding available to ensure additional benefits in the following areas:

- Building works – securing the site, undertaking partial demolition to make the site safe, on-going safety and security and retaining the heritage features of the building wherever possible
- Legal costs – to support cost recovery activities, including the likelihood of legal challenge
- Business Support Communications Campaign – signposting residents and visitors around the city centre and beyond
- Business Recovery Campaign – encouraging footfall to the affected areas both now and in the coming months and establishing a local events fund to enable local businesses, business and community groups to put on events to generate footfall for affected businesses, and targeting existing rewards and campaigns to incentivise residents and visitors to visit affected businesses
- Back to public transport campaign – promoting the benefits of public transport once the network is fully operational again

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- Princes Street dressing – focusing on the transition as development takes place, dressing vacant units and construction site hoardings
- Support for the Festivals – to provide financial assistance to festival organisers affected by the transport disruption and inconvenience caused by the fire, especially those where it can be evidenced they have incurred additional costs as a result of the fire
- Support for parking, parking income and traffic management – to meet the costs incurred for signage and TTROs as well as opportunities to support additional temporary parking spaces particularly in Leith
- Support for Edinburgh Trams – to support increased costs/lost income beyond those covered by the insurance in place for the company

Council officers will collate appropriate evidence to support the allocation of funding to ensure propriety, value for money and safeguarding against fraud or error, in line with the Council's existing governance arrangements.

We note that any funding not allocated by 31 January 2027 will be expected to be returned and that Scottish Government officials will confirm to the Council if this is required, following reconciliation of actual expenditure, by 31 March 2027. Council officers will continue to work with Scottish Government officials on a regular basis to provide updates on the programme of work being progressed and to provide the necessary information for reconciliation, where possible in advance of 31 January 2027 or as soon as possible thereafter.

Yours sincerely



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