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airson Ionmhas agus Riaghaltas Ionadail
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Your ref: Princes Street Fire
Our ref: A57085994

14 August 2026

Dear Jane

Princes Street Fire

Following the devastating fire in Princes Street and my subsequent visit to the site, I want to reiterate my thanks for the Council's close engagement with the Scottish Government on this matter. Emergency responders are to be commended for their professionalism, collaboration and prompt response to both the immediate emergency, and planning work for the future of the site and its surroundings.

However, following my announcement on 5 August 2026 confirming Scottish Government's financial support for recovery efforts arising from the Princes Street fire, I was disappointed to note your subsequent public comments regarding the Scottish Government's response.

This followed a positive and constructive meeting between us, during which you raised no concerns about the approach taken, and indeed welcomed the support offered by the Scottish Government.

It may be helpful to set out a brief timeline of engagement between the Council and the Government. By the time you wrote to the First Minister on 17th July, Government officials and council officers were already in active discussions on the potential support we could offer.

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Those talks began on the 15th July, two days before your letter. Indeed, by the time your letter arrived, Ministers were already considering initial advice from officials about the potential support package.

I would also note that the expressed preference of the City of Edinburgh Council in discussion with Scottish Government officials was that the meeting with myself should not take place until you had returned from a period of leave. For these reasons, your public comments are as confusing as they are disappointing. Our full focus must be on recovery and not on politics.

That focus on recovery is why the support package offered represents the full ask of Council officers and a significant degree of flexibility in recognition of the Council's leadership of the local recovery effort.

The Scottish Government is committed to offering support as Edinburgh moves from immediate reactive work, into considering longer term recovery. As agreed, the package of support will take the form of an uplift of £5 million to the City of Edinburgh Council's General Revenue Grant funding in 2026/27, supporting a number of areas with recovery from the fire, including incentivising travel around the city and responding to the concerns of businesses facing reduced footfall after the closure of Princes Street, in particular along the tram route to Leith and Newhaven.

The package for recovery has been influenced by a number of factors, primarily a desire to provide prompt financial assistance and a recognition that the Council and its officers are best placed to determine local needs and priorities, in consultation with their local partners and communities.

For this reason, we have agreed an appropriate degree of flexibility in the funding package to support those local judgements, while ensuring appropriate diligence to ensure value for money and safeguard against fraud or error.

This funding will be administered directly by the Council and careful work is ongoing by your officers to assess how best to allocate funds to achieve maximum benefit. I was pleased to hear that initial plans will include helping to secure the site and make the building safe to facilitate the safe reopening of Princes Street. I particularly welcome that your plans also include wider support for business recovery and festival operations, supported by the planned 'getting around town' communications campaign, local events fund and incentivised patronage across the city.

We are aligned in our intention to ensure that the value and impact of funding is targeted where it is needed most. To support those shared objectives, the following broad principles are proposed:

- The Scottish Government will increase City of Edinburgh Council's General Revenue Grant in financial year 2026/27 by five million pounds Sterling (£5 million).
- The funding should be directed to support appropriate local interventions and as a contribution towards the longer term economic recovery of the area.
- The funding should aim to support interventions which are in addition to alternative public or privately funded support (e.g. insurance), to ensure additional rather than displaced benefits.
- Within these broad parameters, City of Edinburgh Council will be responsible for the evidence base and ongoing assessment to determine appropriate allocation of funding,

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ensuring propriety and value for money and safeguarding against fraud or error. The Scottish Government will have no role in the assessment of how funding is allocated.

- A level of uncertainty is inherent in such a dynamic environment, so where the total quantum of funding is not allocated by 31 January 2027, then any unallocated portion of funds will be returned to Scottish Government. Following appropriate reconciliation of actual expenditure, Scottish Government officials will confirm to the Council if this option will be exercised before 31 March 2027.

I would be grateful if you would please confirm that you are content to proceed on this basis, to allow necessary steps to be taken to arrange transfer of funds. As discussed during our meeting, my officials will continue to work directly with Council officers to monitor progress and they will keep me updated.

I trust we can move forward in continued collaboration around the communication of the administration of this support, and to jointly working on the longer-term recovery of the site and wider area, in a manner that reflects our shared commitment to the residents, businesses and communities affected by this incident.

Yours sincerely,



JENNY GILRUTH

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