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Dear Kenneth

**BUDGET PROCESS 2016-17 – VARIATION IN THE AGREEMENT BETWEEN  
THE SCOTTISH GOVERNMENT AND THE FINANCE COMMITTEE**

As the Committee will be aware, the UK Government has confirmed that it will publish the conclusions of this year's Spending Review on 25 November 2015. I am now writing to discuss the implications of this announcement for this year's Scottish budget, with particular reference to the legislative process following introduction of the Draft Budget.

As a consequence of the strategic direction of the Chancellor's announcement and the likely impact on the Scottish budget, it will be necessary to carefully consider the impact of the UK Government's SR before producing a draft budget for Scotland. We will only receive confirmation of our budget totals and any associated technical conditions when the UK Spending Review is published on 25 November.

In light of the later than expected UK publication date I invite the Finance Committee to agree that the Scottish Government will publish the Draft Budget on 16 December 2015.

Falling only 21 calendar days after the Chancellor's announcement, a 16<sup>th</sup> December publication date will represent a significant challenge but I am keen to offer the Parliament the longest possible opportunity for scrutiny.

In addition, in order to further maximise the scrutiny period, I suggest we explore the scope for delaying the introduction of the Budget Bill from the 20 January deadline outlined in the Written Agreement to 28 January.

As an illustration, I have detailed the effect that this could have on the Parliamentary timetable in the attached table and would be grateful for the Committee's views on these proposals.

A handwritten signature in black ink, appearing to read 'John Swinney', written in a cursive style.

**JOHN SWINNEY**

## ILLUSTRATION OF IMPACT OF BUDGET PROCESS ON PARLIAMENTARY & SCOTTISH GOVERNMENT TIME

STAGE	USUAL PROCESS	PROPOSED PROCESS	QUANTITY OF TIME REDUCTION
UK SR Announcement	July	25 November	n/a
Draft Budget Publication	September	16 December	Aiming for 3 weeks after the UK announcement – 9 week reduction in timetable
Finance Committee Ministerial Evidence on Draft Budget	November	January	Still allows 6/7 weeks for scrutiny, although Christmas recess will take up 2 weeks of that period
Finance Committee Report & Debate	December	End January	Committee debate merged with Stage 1 of the Budget Bill
SG Response to Committee Report	Before Stage 1 of Bill	Before Stage 3 of the Bill	Normally have 1 month to produce the response, revised timetable allows 2 weeks.
<b>Parliamentary Process for Budget Bill</b>			
Budget Bill Publication	By 20 January	28 January	Delay introduction of the Bill by 2 weeks provides extra scrutiny time
Stage 1 Debate	January	3 February	n/a
Stage 2 Finance Committee Session	January	09 February	n/a
Stage 3 Debate	February	24 February	n/a
Royal Assent	March	March	Could consider expedited Royal Assent if required.

In summary, although the proposed process would require the Parliamentary scrutiny period to be reduced by around a month, the Scottish Government is proposing to reduce the time available for its activities (by almost 2 months) to maximise the amount of available Parliamentary scrutiny time.

