# Parliamentary Bureau – Committee overseas travel

### Finance and Public Administration Committee

#### Introduction

- 1. The Parliamentary Bureau is invited to consider a request by the Finance and Public Administration Committee for up to 6 members and up to 3 staff to visit Lithuania between Monday 22 and Thursday 25 September 2025. The Members participating in the visit would therefore not be available to participate in parliamentary business in person that week.
- 2. Approval has been sought separately from the Conveners Group, which considered and approved the request on 18 June 2025
- 3. The procedure for committee travel outwith the United Kingdom is set out in Rule 12.10 of the Parliament's Standing Orders.

#### Members involved

- 4. It is currently expected that the following members will be involved in the visit:
  - Kenneth Gibson, Convener, (Scottish National Party)
  - Michael Marra, Deputy Convener, (Scottish Labour)
  - Liz Smith (Scottish Conservative and Unionist Party)
  - Ross Greer (Scottish Green Party)
  - Michelle Thomson (Scottish National Party)
- 5. Craig Hoy is still to confirm if he can attend. The other Committee Member, John Mason, has confirmed he will not attend.

# Proposed visit

## Purpose

- 6. The purpose of the visit is to inform the Committee's pre-budget scrutiny and subsequent consideration of the Scottish Budget 2026-27, as well as its legacy report. The Committee has agreed to focus its pre-budget 2026-27 scrutiny on Responding to Long-Term Fiscal Pressures, drawing on the Scottish Fiscal Commission's report¹ which found that "the Scottish Government will face significant challenges funding devolved public services in the future, particularly over the next twenty-five years [...] because the population in Scotland will age earlier than in the rest of the UK".
- 7. As part of this pre-budget work, the Committee has agreed to consider what steps the Scottish Government is taking in response to fiscal pressures arising from these population trends, and to assess the Scottish Government's approach to increase productivity and economy activity, and to support growth sectors. It will also examine the Scottish Government's progress with its public service reform programme, including digitalisation, and the detail of its key financial planning documents, such as its 2025 Medium-Term Financial Strategy, to

<sup>&</sup>lt;sup>1</sup> Fiscal Sustainability Report – April 2025

- establish whether improvements to medium-and longer-term financial planning have been made.
- 8. The Committee is also currently gathering evidence to inform a legacy report for its successor. This will include recommending areas of continuous improvement in relation to its remit, relating to scrutiny of financial issues (including encouraging more medium and longer-term financial planning), public service reform such as digitalisation and AI, the National Performance Framework, and public administration.
- 9. The Committee has selected Lithuania for a potential fact-finding visit as it is an exemplar in a range of areas relevant to its pre-budget, budget and legacy work, including (but not limited to)—
  - Lithuania is experiencing similar demographic challenges to Scotland, however, according to Migration in Lithuania (2022), "positive net migration, which started in 2019, continued in 2022, with 72,000 more inhabitants coming to the country than leaving". Since 2020, Lithuania has seen an increase in migrants from Ukraine, Belarus, and Central Asia. The Government of the Republic of Lithuania has developed a series of policies aimed at attracting people to live and work in the country and to encourage inward investment and sectoral growth.
  - According to <u>Emerging Europe (2025)</u>, Lithuania has striven to diversify away from traditional sectors which have significant competition from other parts of Eastern Europe and Asia, towards electronics, machinery and advanced manufacturing. Automation and technological investments are increasing, fuelling productivity growth. <u>The Baltic Times</u> highlight a report by Invest Lithuania, which highlights that the number of FinTech companies in Lithuania has tripled over the past five years, and the sector now employs over 3,500 people.
  - Innovation Agency Lithuania, in its Operational Strategy 2023-25 highlights other "breakout areas" including hubs for biotech, manufacturing, ICT, Space, and GovTech for public innovation. According to the EU "Lithuania is widely recognised as a highly digital country, with a robust ICT infrastructure, a tech-focused population, and a government that prioritises digital innovation and the adoption of new technologies". This, the EU notes, is evidenced by the State Digitisation Development Programme 2021-2030 which aims to enhance digital opportunities for public sector, businesses and academia, promoting the development and use of innovative digitalisation.
  - The OECD in 2023 also highlighted that over the last two decades, Lithuania has invested heavily in modernising its public administration and that "substantial improvements have been made to public governance in the past 25 years.
  - The Parliament of Lithuania has a <u>Committee for the Future</u> which reviews and proposes legislation and resolutions related to future-focused

<sup>&</sup>lt;sup>2</sup> Country profile paper, April 2023

strategies and national reforms. The Committee makes recommendations on issues such as science, demographics and the environment after consulting various experts, and Ministries are required to report on their actions in response. This is relevant in relation to the Committee's ongoing concerns regarding the Scottish Government's lack of strategic financial planning.

- More broadly, Lithuania in 2024 topped the World Happiness Report<sup>7</sup> rankings for children and young people under 30, who rated themselves 7.76 out of 10 on the happiness scale, ahead of the UK and the US, at 32nd and 62nd respectively.<sup>8</sup> Reporting on the findings, the Guardian newspaper highlights that university is free for most students, Lithuania's tech sector counts the 'unicorns' Vinted and Nord Security among its exports, and last year, average gross earnings in the country increased by 12.6%.
- 10. A programme of meetings would take place over 2.5 days with a range of Government Ministries, Parliamentary Committees and external bodies to explore these and other issues. The **Annexe** provides a list of meetings that would be pursued should approval be granted.
- 11. The visit would enable the Committee to make informed and practical recommendations to maximise opportunities for the Scottish Government to respond more effectively to the significant fiscal pressures Scotland faces, including population trends, growing the economy, productivity and economic activity, and to further develop its public service reform priorities like digitalisation.
- 12. A visit in September 2025 would allow quicker progress to be made, with recommendations being included in the Committee's pre-budget report in October 2025, and an opportunity for the Scottish Government to take these on board when developing its Scottish Budget 2026-27, forthcoming Spending Review and its policies focused on the longer term. It would also allow broader learning to be factored into Committee's legacy report to be published before the end of the parliamentary session.

#### Consideration of online options

13. A detailed programme of meetings would be arranged over 2.5 days to enable Committee Members to hear first hand from a range of people and organisations about how Lithuania is responding to the above fiscal challenges (see Annexe attached). This type of dedicated programme, and outcomes that will arise, would not be able to be achieved without an in person visit.

# Number of people taking part

14. Up to six out of seven Committee members are expected to attend the visit (along with a maximum of two clerks and one SPICe researcher), given its importance in informing the Committee's pre-budget and legacy work, with each Member bringing different perspectives to the visit. Having this number of Members attending would also maximise the Committee's ability to reach consensual, informed and impactful recommendations.

# Anticipated costs

#### Travel

Flights Edinburgh to Vilnius and return (£380 x 9) £3420

Taxis/buses/mileage for travel to and from airport £ 150

Total £3570

15. Consideration has been given to other travel options, however, more environmental modes would take around 2 days each way, as well as the 2.5 days of the visit, which has potential implications for parliamentary business, MSP constituency work and for costs.

#### Accommodation

Hotel accommodation, breakfast, lunch and dinner for 9 people for 3 nights

 $(£170 \times 9 \times 3)$ 

Total £4590

16. The £170 pp included in the bid is much lower than the SPCB total overnight allowance of £250 to reflect the Committee's approach to ensuring value for money.

## Significant additional expenditure

17. The bid includes 10% contingency for unforeseen events of £816.

#### Total cost

18. Total anticipated costs are set out below. Some costs cannot be fully anticipated at this stage and final costs may therefore vary from the estimates given here.

Travel for up to six MSPs, and a maximum of two clerks and one SPICe researcher £3570

Accomodation for three nights, breakfast, lunches and dinners £4590

10% contingency £ 816

Total £8976

#### Decision

19. The Bureau is invited to approve the Finance and Public Administration Committee's request.

Finance and Public Administration Committee clerking team June 2025

### **Annexe**

# Programme of meetings on the visit

A programme of meetings with the following Committees, Ministries and external bodies would be pursued over the course of 2.5 days should approval for the visit be granted.

#### Parliament of the Republic of Lithuania (Seimas)—

- <u>Committee on Budget and Finance</u>: reviews budget proposals and National Audit Office reports.
- <u>Committee on Economics</u>: examines the long-term strategy of developing Lithuania's economy, economic competitiveness, investment policy, digitisation and innovation.
- <u>Committee for the Future</u>: reviews and proposes legislation and resolutions related to future-focused strategies and national reforms.

#### Government of the Republic of Lithuania

- Ministry of Finance: formulates fiscal policy and is responsible for Guidelines for the Development of the Lithuanian Fintech Sector 2023-2028.
- Ministry of Economy and Innovation: responsible for business environment, investment, innovation, digital policy, industry, Work in Lithuania, Invest in Lithuania, the State Digitisation Development Programme 2021-2030, and funding and focus on AI. The National Productivity Board also sits within this Ministry.
- <u>State Progress Council</u>: responsible for Lithuania 2050 (similar to Scotland's National Performance Framework) and is chaired by the Prime Minister.

### **External bodies**

- <u>National Audit Office of Lithuania</u>: equivalent of Audit Scotland. Lithuania's independent fiscal institution, the Budget Policy Monitoring Department, also sits within this office.
- <u>Fintech Hub LT:</u> represents Lithuania as the global Fintech centre and the <u>GovTech Lab Lithuania</u> which helps the public sector identify challenges and find innovative technological ideas to solve them.
- <u>Innovation Agency Lithuania</u>: a non-profit agency under the Ministry of Economy and Innovation, which aims to create a globally strong Lithuanian innovation ecosystem.
- Invest Lithuania: attracts foreign direct investments.
- <u>Create Lithuania</u>: supports professionals with international experience to advise public sector bodies in Lithuania.
- <u>Statistics Lithuania:</u> a Government agency similar to the Office for National Statistics in the UK which produces employment, labour market participation, and productivity data.