

Rùnaire a' Chaibineit airson Ionmhas agus na h-
Eaconamaidh
Cabinet Secretary for Finance and Economy
Ceit Fhoirbheis BPA
Kate Forbes MSP



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Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
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Dear Kenneth,

I would like to thank the Finance and Public Administration Committee for their detailed response to the Resource Spending Review Framework consultation. I would also like to extend my thanks to all of those who provided evidence to the Committee to support the development of their report.

As the Committee will be aware, the content of their report will be considered as part of our analysis of responses to the consultation. This analysis will in turn be used to inform the outcome of the Resource Spending Review, which I plan to publish on 31 May. The main Resource Spending Review document will aim to set out how the overall response, including from the Committee, have informed our decisions

It is worth underlining, as the Committee's report notes, that the context for the Resource Spending Review has shifted since the publication of the Framework on 9 December 2021. In addition to setting a pathway to recovery from the pandemic, while the impacts of the UK's exit from the EU continue to unfold, we now face an unprecedented cost of living crisis, exacerbated by the illegal war in Ukraine. The combined circumstances create difficulties for our citizens and additional pressure for government policy and spending.

I had hoped that the UK Government's Spring Statement would provide some support for our citizens in the face of this crisis, however, this was not the case. The Chancellor did not go far enough to support those hardest hit by the crisis. Although in Scotland we have used our powers to increase the level of numerous benefits to support those in need, we do not have sufficient financial levers to go as far as we would like.

As a result of UK Government decisions, the Scottish Government's funding position continues to grow more challenging. Given cuts to Covid funding and the increases in inflation, our Barnett funding falls in real terms by 10% in 2022-23, 8% in 2023-24 and 6% in 4% in 2024-25 compared to a 2021-22 baseline.

This context means that the prioritisation work of the Resource Spending Review is more important than ever to ensure that we deliver the best services to our citizens. However, it also intensifies the challenge that we face in developing our multi-year spending plans.

Thanks once again for the Committee's response to our consultation. I look forward to further engaging with the Committee on publication of the Resource Spending Review.

Yours sincerely,

KATE FORBES