

Finance and Public Administration Committee

Shona Robison MSP
Cabinet Secretary for Finance and Local Government
Scottish Government

14 May 2025

Dear Shona

Publication of the Medium-Term Financial Strategy

Thank you for your letter of 6 May 2025 in which you propose to defer publication of the Scottish Government's Medium-Term Financial Strategy (MTFS) and Fiscal Sustainability Delivery Plan (FSDP) from the agreed publication date of 29 May to the week commencing 23 June 2025. The Committee considered this letter at our meeting on 13 May. I note that since our meeting took place you have written again to confirm that publication is scheduled for 25 June 2025.

As you know, the <u>Budget Process Session 6 Agreement between the Scottish Government and the Finance and Public Administration Committee</u> states that the MTFS "will be published each year following the UK Spring Statement and normally at least 4 weeks prior to summer recess". The Agreement goes on to specify that the Scottish Government should consult the Committee if it cannot meet this deadline. We are not convinced that this is genuine consultation as expected under the Written Agreement. Indeed, the Scottish Government's answer to written question S6W-37003 states that "the MTFS *will be* published week commencing 23 June 2025". This indicates a lack of respect to the Committee and a disregard for the integrity of the Parliament's budget process, which is deeply disappointing.

The Committee also has significant concerns that the new timetable you set out would see the MTFS being published during the last week before the Scottish Parliament goes into summer recess, meaning the earliest opportunity for Committee scrutiny of the MTFS would be when Parliament resumes in early September, over two months later. It would also mean that subject committees' consideration of their pre-budget scrutiny approaches that take place in May/June could not, as intended, be informed by the Scottish Government's medium-term outlook.

This is particularly disappointing given the Committee sought assurances in our <u>Scottish Budget 2025-26 Report</u> published on 29 January 2025 that the MTFS would be published no later than May 2025 to support pre-budget scrutiny. We further set out "our firm view that the MTFS need not wait until the outcomes of the Scottish spending review and, indeed, with no MTFS since May 2023, details of the Scottish Government's medium-term approach are now urgent".

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Email <u>FPA.committee@parliament.scot</u>. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

The Scottish Government's response of 13 February 2025 indicated that it planned to publish the MTFS in late May, in advance of the UK Spending Review and that it would "update Parliament on the updated funding position once the conclusions of the UK Spending Review are known". Your subsequent letter to the Committee dated 24 February then confirmed 29 May as the exact publication date for both the MTFS and the FSDP.

As you know, our Scottish Budget 2025-26 Report highlighted "one area where the Committee has repeatedly expressed concerns is the extended delays in publishing key strategic financial documents", adding "we consider this to be indicative of a wider problem where vital medium- and longer-term financial planning within the Scottish Government is lacking". It is deeply regrettable that despite the Committee repeatedly reporting our concerns and growing frustration since early into this Parliamentary session that this wider problem continues.

The Chancellor of the Exchequer confirmed on 21 January 2025 that the outcomes of the UK Spending Review would be announced on 11 June. It is therefore unclear exactly what has changed since then to lead to this delay in publication of the MTFS and FSDP, particularly so late in the day when busy Parliamentary Committees and the Scottish Fiscal Commission (SFC) were planning their work around the previously confirmed date. The Committee therefore seeks clarification of the reasons for the delay and a detailed explanation of the factors you took into account in coming to this decision, particularly given the assurances provided to us and our previously raised concerns regarding repeated delays in publishing key strategic financial documents.

The Committee will always seek to protect time for Parliamentary scrutiny of these important documents. We therefore seek clarification of the steps that the Scottish Government will take in future to avoid such a situation occurring again. We further request confirmation of whether the Government's Public Service Reform Strategy will also be subject to delay.

We understand that the SFC has since updated its plans for publishing its economic and fiscal forecasts and fiscal update and we look forward to taking evidence from the SFC as planned in June, and again in September. The Committee also accepts your offer to make yourself available for a formal session at the earliest opportunity following Parliament's return in September. We therefore invite you to give evidence on the MTFS, FSDP and SFC forecasts and fiscal update at our first meeting on 2 September. We would then, as usual, wish to hear from you again towards the end of October, following our pre-budget 2026-27 evidence-taking.

We look forward to receiving the further information requested as early as possible.

Yours sincerely,

Kenneth Gibson MSP Convener