

Deputy First Minister and Cabinet Secretary for
Finance
Leas Phrìomh Mhinistear agus Rùnaire a' Chaibineit
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John Mason MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
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25 May 2023

Dear John,

Many thanks for your letter dated 20 April 2023 responding to the former Deputy First Minister's correspondence on public service reform, fiscal transparency and the ongoing work on the aggregates levy. Apologies for responding slightly after your requested date but I felt it would be more helpful for this letter to come to you alongside the MTFs which has been published today.

With reference to Fiscal Transparency work, my officials presented a demonstration of the prototype fiscal portal with stakeholders, including SPICe, parliamentary clerks, Audit Scotland and the Fraser of Allander Institute on 10 May. I hope this session was useful and would welcome any feedback you may have. My officials will continue to engage with parliament and other key stakeholders as this work progresses.

With regards to your question about frequency and scope of reporting on public service reform, the publication of the Medium Term Financial Strategy (MTFS) today, on which I have separately written to you, provides a progress update against the main Resource Spending Review (RSR) workstreams, considering activity both within Scottish Government and across public bodies. You will also understand the significantly changed economic environment since the publication of the RSR in May last year. As a result, a review of the RSR commitments has been undertaken to prioritise actions which remain both relevant and likely to have a meaningful positive impact on financial sustainability, with the result summarised in the MTFs. Alongside this review, we are in the process of resetting our internal reporting and governance and taking steps to improve the information we make available to support financial planning in the medium term.

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I am keen that our updates offer the most comprehensive overview possible of progress but am aware that members of the Committee will wish to offer insights on this long-term work, and I recognise the importance of the ‘in real time’ scrutiny and improvement that the Committee can provide. I therefore propose that officials liaise with Committee clerks to agree how regular reporting can align to our annual fiscal cycle, with the first update being provided to the Committee no later than alongside the 2024-25 Budget, and before the end of this calendar year. Thereafter, reports would align with the Medium Term Financial Strategy and the Budget.

I also note your request for further information on our decision to defer introduction of the Scottish Aggregates Levy Bill, as announced in late March.

As Committee members will be aware, a public consultation and accompanying stakeholder engagement to inform development of the Bill ran from 26 September to 5 December 2022. The valuable views and evidence received highlighted a number of important technical and other issues which the Scottish Government wishes to explore in more detail prior to finalising decisions on the Bill. To assist with this process an advisory group has been established, with members drawn from a range of backgrounds including industry representative bodies (with interests in both primary (i.e. fresh or new) and recycled materials), public sector bodies, tax stakeholders and environmental organisations. It is chaired by a senior official from the Scottish Government’s Directorate for Tax and Revenues and has now met on four occasions.

The decision to delay Bill introduction followed careful consideration by Scottish Ministers and is intended to ensure that there is sufficient time for this further work to conclude. In keeping with the Scottish Approach to Taxation it will also help to ensure that when the Bill is introduced to Parliament, both it and the accompanying documents are based on the best possible evidence and analysis. The further work is now well underway, with key policy questions being informed by meetings of the advisory group, to develop the Bill in readiness for introduction when appropriate.

Thank you for your good wishes regarding my appointment, and I’ll look forward to speaking with you and your Committee colleagues as part of your ongoing inquiry into the Scottish Government’s approach to public service reform.

SHONA ROBISON

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