

F/T: 0300 244 4000
E: scottish.ministers@gov.scot

Kenneth Gibson MSP
Convener
Finance and Public Administration Committee
The Scottish Parliament
Edinburgh
EH99 1SP

By email: FPA.committee@parliament.scot
24 September 2024

Dear Kenneth,

2025-26 SCOTTISH BUDGET

Thank you for your letter of 3 September where you indicated that you are content with the proposed 4 December 2024 date for the 2025-26 Scottish Budget, subject to the introduction of the Budget Bill being at least two weeks thereafter. You also asked for further information on the Medium Term Financial Strategy (MTFS) and the Infrastructure Investment Pipeline (IIP) refresh. This letter responds on these points.

Budget Date

I can confirm that I will proceed on the basis of delivering the 2025-26 Scottish Budget in Parliament on 4 December 2024, with introduction of the Budget Bill two weeks later, on 18 December. As the Budget Bill requires to obtain Royal Assent by 31 March 2025, the proposed timetable associated with a Bill introduction date of 18 December will be contingent on agreement from the Law Officers and the Secretary of State for Scotland to expedite their post-Stage 3 consideration of the Bill. I will take forward this request with the Law Officers and the Secretary of State for Scotland, and will keep you updated on progress.

MTFS

On the Medium-Term Financial Strategy (MTFS), I would like to thank the Committee for sharing their views on medium-term information which would be useful to provide alongside the 2025-26 Scottish Budget. I have asked my officials to consider your asks and provide me with further advice. I will provide the Committee with a further update on this in due course.

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IIP Pipeline reset

As you are aware, the Scottish Government had committed to publish its reset Infrastructure pipeline alongside Budget 2025-26. The announcement by the Chancellor of the Exchequer of a one-year budget in October 2024 means however that, while we will have some certainty on the 2025-26 capital grant by the time of our Budget announcement, we will not have confirmation of the 2026-27 capital grant until after the UK Government's multi-year comprehensive spending review, which is not due to conclude until Spring 2025. As such anything said later this year about projects or programmes that continued into 2026-27 could be subject to change once the UK Spending Review is published.

There has been considerable uncertainty in recent years, both for bodies looking to deliver infrastructure projects and for the construction sector looking to bid for public sector contracts. My intention in publishing a reset pipeline is to provide clarity on what will be delivered in the remaining years of this Infrastructure Investment Plan. I believe it is important that the information provided will be stable and based on the best available information on future budgets. I therefore plan to delay publication of our IIP pipeline reset until after the UK Spending Review.

Beyond the reset Infrastructure pipeline, our next Infrastructure Investment Plan will take effect from 2027-28. It will be the result of wide stakeholder engagement and analysis and it remains my intention to continue with the planned timescale for the production of the next IIP.

I have copied this letter to Professor Graeme Roy, Chair of the Scottish Fiscal Commission for information.

I have also copied this letter to the Public Audit Committee and Audit Scotland given their interest in the Investment and Infrastructure Pipeline Reset.

Kind regards,

SHONA ROBISON

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St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

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