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Kenneth Gibson MSP
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The Scottish Parliament
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Dear Kenny,

Firstly, I would like to thank you for your time on 13 June to discuss the 2024 Medium-Term Financial Strategy (MTFS). It was helpful to hear the Committee's views on the options I have been considering in relation to its publication and what material can most effectively support the Committee's pre-budget scrutiny this year.

At our meeting, we discussed the uncertainty of when a UK fiscal event will follow the general election. We noted the risk in publishing an MTFS with new economic and fiscal forecasts post-summer recess prior to the UK fiscal event, and the usefulness of medium-term projections which will become quickly out of date. Significant time will have passed since the OBR's last forecast in March and estimates of the net tax and social security positions in a post-summer recess forecast could be misleading. Given these issues, I shared with you the option of publishing a fiscal update alongside the Programme for Government (PfG), with a statement to Parliament at the same time, and we discussed broadly what this update may cover. I noted that the Committee is generally content with this approach and noted that you are seeking clarity on the Scottish Government's approach to public sector reform and priorities for infrastructure investment.

I am writing today to confirm the delay to the MTFS and my intention to publish a fiscal update in September, followed by a statement to Parliament. This update will not require forecasts to be commissioned from the Scottish Fiscal Commission (SFC) I am currently considering the detail and scope of that update and will take full account of the Committee's views as that work develops. I am also committed to updating the Committee as soon as practicable after Summer Recess on progress on the Public Service Reform programme.

I am currently considering the options for publishing information on the medium term fiscal outlook alongside the Scottish Budget. Given the potential timing of a UK fiscal event and the need to consider tax policy decisions as part of a full forecasting and budget process, I have decided to publish a final tax strategy alongside Budget 2025-26. I also intend to publish the refreshed infrastructure investment plan pipeline alongside the Scottish Budget, once there is clarity on the capital funding outlook.

I trust that the Committee will support this plan to enable the necessary work to commence.

I note that the discussion on the 2025-26 Scottish Budget date is ongoing given the uncertainty on the timing of the UK Budget but note our shared interest in the Scottish Government's budget being timed to ensure both robust decision making and robust scrutiny in the budget process.

Finally, I would like to reiterate my commitment to a debate on long-term fiscal sustainability. I will consider the timing of this debate and discuss with the Minister for Parliamentary Business to ensure time is allocated for this following summer recess.

I have copied this letter to the SFC for information.

SHONA ROBISON