



E: permanentsecretary@gov.scot

Kenneth Gibson
Convener
Finance and Public Administration Committee
FPA.committee@parliament.scot

3) July 2024

Dear Convener,

Thank you for your letter of 26 June 2024 in which you requested a response on how the Scottish Government assesses, manages and mitigates the risks that could additionally arise as a result of your Committee (and Parliament) potentially being unable to scrutinise the full estimated costs and savings of co-designed Bills during their passage through Parliament.

The Scottish Government endeavours to set out its best estimates of the costs and savings of all policy elements of a Bill in Financial Memoranda. These best estimates always involve a degree of uncertainty, and the Scottish Government therefore has to consider the risks and uncertainties that could arise in implementation of the policy of all of its Bills and where appropriate reflect uncertainty within associated estimates. In mitigating these risks in preparing the Financial Memorandum we seek to ensure that estimates and underlying analysis are as robust as possible, subject to ongoing review and, if necessary, revision. Where there is uncertainty as to the detail of the implementation we will seek to provide the committee with cost ranges or comparators for their consideration. Post Bill, there is also ongoing scrutiny and refinement of implementation costs as part of the Scottish Government's budget processes and internal governance.

You will have seen from the Minister for Parliamentary Business' letter of 26 July 2024, the Government's planned way forward of ensuring these estimates are as robust as possible.

To ensure the commitments made in that letter are acted upon, the Government will:

- write at Ministerial and official level to lead Ministers and Bill Teams to draw to their attention the requests made by your Committee, emphasising the need for these to be implemented;
- update the Bill Handbook and associated guidance to reflect the points raised by Committee and Ministers' commitment to address them in future Bills;

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- use our existing assurance processes (formal official level and Ministerial-level gateway reviews, and Cabinet clearance of the policy content of Bills) to seek assurance that the Committee's concerns have been, or will be, addressed;
- add material relevant to the issues raised by Committee to internal checklists of items which lead Ministers are asked to address ahead of a Bill's introduction to Parliament;
- give extra emphasis to the points raised by Committee in engagement between Finance officials and Bill Teams, and in the advice which Finance officials give to the Cabinet Secretary for Finance and Local Government when Bill Teams seek clearance of their Financial Memorandum;
- update the SPFM to take account of, and give prominence to, the Committee's request that new financial information should be conveyed to the committee as soon as reasonably possible after it becomes known;
- engage regularly with Committee clerks so that we can jointly consider with them whether the Committee has any further or ongoing specific or general concerns which need further action.

The Scottish Government recognises the additional uncertainty which arises when implementation of specific elements of Bill is necessarily reliant on co-production of detailed process and procedure with stakeholders. Where the committee has identified examples of this uncertainty and wishes to be provided with regular updates on costs estimates the Scottish Government has been happy to give such an undertaking. The Scottish Government would be happy to give such undertakings in any similar cases in future and considers this, together with the other measures outlined above, to be a pragmatic approach to mitigate the risks and uncertainties which may arise during the Committee's scrutiny of co-designed Bills.

I hope the above information is helpful to the Committee.

Best wishes,

JP Marks
Permanent Secretary to the Scottish Government

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