



The Scottish Parliament  
Pàrlamaid na h-Alba

## Finance and Public Administration Committee

To: Scottish Parliamentary Committees

26 February 2025

Dear Convener

### Inquiry into the Scottish budget process

The Finance and Public Administration (FPA) Committee recently launched a short, focussed inquiry into how the Scottish budget process has worked in practice during this parliamentary session, to identify any improvements that can be put in place in time for Session 7.

In line with the [Budget Process Review Group's](#) 2017 recommendations, the budget process has four core objectives focused on achieving greater influence, transparency and responsiveness, as well as better outcomes. The Committee's inquiry seeks to establish the extent to which these four objectives are being met, how key documents, such as the Medium-Term Financial Strategy, are being used, and where any improvements to these documents can be made to support effective scrutiny.

As part of our inquiry, we're also keen to know whether the information, guidance and support provided to Scottish Parliamentary committees to assist them in their budget scrutiny remains adequate and fit-for-purpose. This includes the Finance and Public Administration Committee's [annual Guidance for Committees on the budget process](#).

Further information on the Committee's inquiry can be found on the [Committee's web pages](#). The remit and call for views questions are also provided in the Annexe to this letter. As you will see, our intention is not to revisit the core objectives or the full-year process as a whole. However, any broader issues that are identified through this inquiry will inform any future wider joint review of the process by a successor committee and the Scottish Government.

The Committee would welcome views from committees on how the budget process has worked this session, including in relation to the support and guidance they have received to support their budget scrutiny, by **26 March 2025**. The FPA Committee's clerks would of course be happy to discuss the inquiry further with the clerks to your Committee if it would be helpful.

---

Contact: Finance and Public Administration Committee, The Scottish Parliament, Edinburgh, EH99 1SP. Email [fpa.committee@parliament.scot](mailto:fpa.committee@parliament.scot). We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

Finally, the FPA Committee would be very grateful if your Committee Clerks could share details of this inquiry, including a link to the call for views, to your stakeholders to enable as wide a range of responses as possible.

Yours sincerely

A handwritten signature in blue ink that reads "Kenneth J Gibson". The signature is written in a cursive style with a large initial 'K'.

**Kenneth Gibson MSP**  
**Convener**

### Inquiry into the budget process in practice

#### Remit of the inquiry

The remit of the inquiry is—

- To establish the extent to which the four core objectives\* for the budget process as set out below are being met:
  - greater influence on formulation of the Scottish Government’s budget proposals,
  - improved transparency and increased public understanding and awareness of the budget,
  - responded effectively to new fiscal and wider policy challenges, and
  - led to better outputs and outcomes as measured against benchmarks and stated objectives.
- To identify any barriers to meeting the core objectives for the budget process and how these might be overcome.
- To establish how key documents aimed at supporting the full-year budget process are currently being used and where improvements might be made to support effective scrutiny.
- To determine whether the information, guidance and support provided to committees to assist them in their budget scrutiny remains adequate and fit-for-purpose.
- To identify any improvements that can be made to the budget process that can be put in place for Session 7 and to inform the scope of any future wider review carried out jointly by the Scottish Parliament and Scottish Government.

*\*The four core objectives and full-year approach for the budget process were recommended by the [Budget Process Review Group in its 2017 final report](#).*

**The call for views closes on 26 March 2025.** Oral evidence sessions are expected to take place over four to five weeks in March/April and the Committee intends to publish its report in June 2025.

#### Call for views

##### Part 1: Four objectives to the budget process

1. To what extent have the following four objectives for the Scottish budget process been met this parliamentary session – please address each in turn:

- greater influence on formulation of the Scottish Government’s budget proposals
- improved transparency and increased public understanding and awareness of the budget
- effective responses to new fiscal and wider policy challenges

- better outputs and outcomes as measured against benchmarks and stated objectives?

2. Please set out any barriers to meeting the four core objectives of the budget process and suggestions as to how these might be overcome.

### **Part 2: Medium-Term Financial Strategy (MTFS)**

The MTFS aims to focus on the longer-term sustainability of Scotland's public finances and support a strategic approach to financial planning.

The MTFS is expected to be published annually after the UK Spring Statement and at least four weeks before summer recess.

3. To what extent does the MTFS support a more strategic approach to the Scottish Government's financial planning?

4. How is the MTFS currently used by parliamentary committees and how might it be further developed to support effective scrutiny and a strategic approach to financial planning?

### **Part 3: Fiscal Sustainability Delivery Plan**

The Scottish Government said it will publish a Fiscal Sustainability Delivery Plan alongside the MTFS 2025 for the first time.

The Government say this will support fiscal transparency and "stable ground" for longer-term financial planning.

5. What key areas should the Fiscal Sustainability Delivery Plan include to ensure it supports fiscal transparency and "stable ground" for longer-term financial planning?

6. How should parliamentary scrutiny of this Plan, a new aspect of the budget process, operate?

### **Part 4: Approach to spending reviews**

The Scottish Government is expected to carry out a spending review linked to the equivalent UK spending review.

In advance, it is required to publish a framework document setting out the economic and political context, the criteria which will govern the assessment of budgets and the process and timetable for the spending review.

7. Learning from the practice of this parliamentary session, how should the Scottish Government approach future spending reviews?

### **Part 5: Effectiveness**

Weaknesses previously identified in the budget process include that it did “not take sufficient account of the interaction of the UK budget timetable with the Scottish budget timetable, and that parliamentary influence on the formulation of the budget has been limited”.

**8.** To what extent has the full year budget process addressed this weakness? Please set out the reasons for your response and any suggestions on how any remaining weaknesses could be better addressed.

**9.** How effective is current public engagement in the budget process and are there any ways in which this can be improved?

**10.** What adjustments do you consider are required to enhance the overall effectiveness of the budget process?

**11.** Are any changes needed to the information, guidance and support provided to parliamentary committees to better support effective budget scrutiny?