

Cabinet Secretary for Finance and Local Government  
Leas Phrìomh Mhinistear agus Rùnaire a' Chaibineit  
airson Ionmhas

Shona Robison MSP  
Seòna Robastan BPA



F/T: 0300 244 4000  
E: [scottish.ministers@gov.scot](mailto: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](mailto:FPA.committee@parliament.scot)  
23 August 2024

Dear Kenneth

I am writing to set out an update on key issues ahead of our meeting on 29 August.

The Scottish Government, along with government and public sector bodies across the UK, faces a very challenging environment as we manage our finances through the current financial year and set our budget for 2025-26.

I am working with my Cabinet colleagues to agree the necessary actions to reduce expenditure and ensure our finances are on a sustainable footing. Further to this, additional measures are now necessary following the UK Treasury's recent audit of public spending and lack of clarity over whether their decision to deliver Pay Review Body recommendations will be fully funded.

Over the last few weeks, the Scottish Government has set out that we had no choice but to replicate the UK Government's decision to restrict eligibility for the Winter Fuel Payment to older people.

The Scottish Government has also introduced a set of spending controls with the intention of further reducing spend in 2024-25. In addition, I am working closely with my counterparts in Wales and Northern Ireland, along with the UK Chancellor of the Exchequer and the UK Chief Secretary to the Treasury, to ensure that all avenues are explored to navigate the financial challenges we face in the months and years ahead.

Subject to the agreement of the Parliamentary Bureau, I will be looking to bring forward a full update to Parliament in early September. During this statement, I will set out in detail the scale of the fiscal pressures that we are facing, in 2024-25 and beyond, and the action the Scottish Government is taking to address this challenge.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

St Andrew's House, Regent Road, Edinburgh EH1 3DG  
[www.gov.scot](http://www.gov.scot)

**INVESTORS IN PEOPLE**™  
We invest in people Silver



## **Fiscal Update**

I welcomed the Committee's engagement on publishing a Medium Term Financial Strategy in 2024, given the timing of the UK General Election and uncertainty over the timing of the Autumn Statement. My update in September will provide further information to Parliament on the medium term position to support pre-Budget scrutiny.

Given the announcement of a UK Government multi-year Spending Review, due to conclude in the Spring, it is my intention not to publish an MTFS alongside the 2025-26 Budget. Publishing an MTFS shortly before the UK Government Spending Review would risk the information provided becoming quickly out of date in the Spring. It is instead my intention to return to the usual schedule for the MTFS and publish a full MTFS in good time ahead of Budget 2026-27; recognising the precise timing will depend on the timing of the UK's multi-year Spending Review which we expect to hear more about in the UK Autumn Statement on 30 October. In the meantime, I am keen to explore what medium-term information could be included in the Scottish Budget documentation, alongside the Tax Strategy. I would welcome the Committee's views on where there are particular gaps that can reasonably be addressed prior to the UK's multi-year CSR and 2025 MTFS.

## **Budget Date**

The early confirmation of the UK Autumn Statement supports early planning of the 2025-26 Scottish Budget, and I am mindful of the interests of the Committee in securing an early Budget, along with the time necessary for Ministers and officials to work with the Scottish Fiscal Commission and to finalise policy, tax and spending plans. It would be very helpful if we could reach an early consensus on the Budget date to support our planning and to allow early notification to the Scottish Fiscal Commission.

## **Tax Strategy**

The Tax Strategy will publish as a final document alongside the 2025-26 Scottish Budget later this year. My officials are in discussion with the Committee Clerks to confirm the best way to ensure the Committee has adequate time to feed in further views on this important piece of work. I believe there will be an opportunity to discuss this with you on 29 August.

I hope this information is helpful and I look forward to meeting with you and Committee members on 29 August for further discussion.

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

Kind regards,

**SHONA ROBISON**

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)

St Andrew's House, Regent Road, Edinburgh EH1 3DG  
[www.gov.scot](http://www.gov.scot)

**INVESTORS IN PEOPLE**™  
We invest in people Silver

