



The Scottish Parliament  
Pàrlamaid na h-Alba

**Finance Committee**

Room T3.60  
The Scottish Parliament  
EDINBURGH  
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29 January 2013

*Dear Convener,*

Following a review of the budget process ([Finance Committee, 5th Report, 2009, Report on the Review of the Budget Process](#)) in Session 3 the previous Finance Committee agreed to introduce a strategic phase to the process which replaces the previous Stage 1 which had not been carried out since 2004. The aim of the Budget Strategy Phase (BSP) is to allow the Parliament to scrutinise the progress which the Scottish Government (SG) is making in delivering its own targets through its spending priorities and to take a strategic overview of the public finances around the mid-point of the current Parliament.

At its meeting on 16 January the Committee considered its approach to the BSP and agreed in the first instance to write to each of the subject committees, the Welfare Reform Committee, the Equal Opportunities Committee and the European and External Relations Committee inviting them to identify any specific areas on which they would welcome an update from the SG regarding its progress in delivering its priorities as set out in the 2011 Spending Review.

The Committee would then consider the responses before writing to the SG requesting an evaluation of performance in specific areas with the aim of producing a more focused process. The SG would publish a performance evaluation document

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alongside Spending Review 2013 and the committees would then have the opportunity to scrutinise this document as part of the budget process in the Autumn. This suggested approach was of course, dependent on the agreement of the SG.

I wrote to the Cabinet Secretary for Finance, Employment and Sustainable Growth on 17 January setting out the Committee's suggested approach to the BSP. He responded on 28 January confirming that he was content with our proposals. Both letters are attached overleaf for information.

I would therefore be grateful if you would provide me with details of the specific areas on which you would welcome an update from the SG regarding its progress in delivering its priorities as set out in the 2011 Spending Review. Each portfolio chapter within the [Spending Review document](#) sets out the SG's priorities in that area.

As detailed above, the Finance Committee will then consider responses before requesting an evaluation of performance in these specific areas. The Committee has also already stated in its [report on the Draft Budget 2013-14](#) that the SG needs to provide some linkage between spending and outcomes when evaluating its performance. The SG will then be invited to publish a performance evaluation document alongside Spending Review 2013.

The proposed timetable is as follows:

**Jan-April:** Committee consults with subject committees on performance information;

**May:** Committee writes to SG requesting specific performance information;

**September:** SG publishes performance evaluation document alongside Spending Review 2013.

**Sep-Nov** Committees scrutinise performance as part of budget process.

The Committee would welcome a response by **Friday 26 April 2013**.

Yours sincerely

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

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**Finance Committee**

John Swinney MSP  
Cabinet Secretary for Finance,  
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17 January 2013

Dear John,

As you will be aware the Written Agreement between the Finance Committee and the Scottish Government includes provision for a Budget Strategy Phase (BSP) in the spring prior to the next UK Spending Review which the Chancellor has announced will be in 2013. The Committee considered its approach to the BSP at our meeting on 16 January and agreed in the first instance to write to each of the subject committees, the Welfare Reform Committee, the Equal Opportunities Committee and the European and External Relations Committee inviting them to identify any specific areas where they would welcome an update from the Scottish Government on its progress in delivering its priorities as set out in the 2011 Spending Review.

The Committee will then have an opportunity to consider the responses before writing to the government requesting an evaluation of performance in specific areas with the aim of producing a more focused process. The Committee proposes that the government would then publish a performance evaluation document alongside Spending Review 2013 and that the committee's will have the opportunity to scrutinise this document as part of the budget process in the Autumn. The proposed timetable is as follows:

**Jan-April:** Committee consults with subject committees on performance information;

**May:** Committee writes to SG requesting specific performance information;

**September:** SG publishes performance evaluation document alongside Spending Review 2013.

**Sep-Nov** Committee's scrutinise performance as part of budget process.

The Committee would be grateful if you would consider this proposed approach to the BSP.

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

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Convenor,  
Finance Committee  
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28 January 2013

Dear Kenneth,


### **BUDGET STRATEGY PHASE**

Thank you for your letter of 17 January about the Budget Strategy Phase (BSP).

You propose that the committee scrutiny element of the BSP should be moved to the Autumn, to coincide with the regular budget process. I agree this would be a pragmatic approach, as relatively little time has elapsed since Spending Review 2011 was published and given the detailed scrutiny that has already been undertaken in relation to the Draft Budgets 2012-13 and 2013-14 over the past year.

We also need to plan ahead at a time when there is still some uncertainty about the precise timing and nature of the UK Government's budget process this year, although the Chancellor has indicated that he will publish spending totals for 2015-16 only. This suggests a more limited approach than has been the case in previous UK Spending Reviews.

I am also content to agree that the Scottish Government will provide supporting information in the Autumn to assist in the scrutiny process. In considering the form that information should best take, I will take into account the central role that *Scotland Performs* plays in providing up to date information on performance.

*Yours truly,*  


**JOHN SWINNEY**