



The Scottish Parliament
Pàrlamaid na h-Alba

Finance and Constitution Committee

Rt Hon Ken Macintosh MSP
Presiding Officer (by e-mail)

The Scottish Parliament
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23 February 2021

Dear Presiding Officer,

I am writing to you regarding both the report of our legacy expert panel and legacy issues in our report on Budget 2021-22.

Legacy Expert Panel

The Committee established a legacy expert panel to examine future scrutiny challenges within the context of devolution becoming increasingly complex. The panel reported on 12 February and we considered it at our meeting on 17 February.

We welcome the report as a comprehensive and insightful examination of the future scrutiny challenges as a consequence of the step-change in devolution arising from both Brexit and the 2012 and 2016 Scotland Acts.

We agreed to support its findings and commend the relevant recommendations to our successor Committee.

We also commend the relevant recommendations in the report for consideration by the Parliament and the Scottish Government.

Post-Brexit Scrutiny Role

In particular, we support the Panel's recommendation that Parliament in consultation with the Scottish Government should clearly define its scrutiny role in response to Brexit including consideration of –

- an overall approach to the scrutiny of the policy development process in areas previously within EU competence which is proportionate and deliverable;

- the extent to which the Scottish Government can provide the Parliament and its committees with regular updates on developments in EU law within their respective remits;
- the appropriate and proportionate level of scrutiny of the operation of the future relationship with the EU, the keeping pace power, common frameworks and the market access principles and how these interact;
- meaningful scrutiny of inter-governmental working.

Review of Committee Structure

We agree with the Panel's recommendation that the current committee structure should be reviewed to address the step-change in devolution which has occurred over the past decade and that this should include a short and tightly focused independent review.

As set out in the Panel's report they recommend that the review should be established forthwith and report to the Parliament as soon as practically possible. It is considered that the focus of the review should be on committee remits in the next Parliament and should include consideration of the issues raised in this report and the legacy reports of other committees. We believe the review findings should help to inform the agreement of the committee structure and committee remits for Session 6.

Budget 2021/22 Report

In our report on the Scottish Government's Budget 2021/22 we recognise that the fiscal and economic challenges arising from COVID-19 are enormous. But crisis can also trigger new ways of thinking.

As we begin to shift focus from crisis management to recovery it is essential that the differential impact of the pandemic especially on low-income families is addressed. At the same time this forces us to re-examine the persistent structural inequalities in our society and which have been exacerbated by the current crisis.

This should include how the structure of devolved taxes could be reformed to support a fair and equal economic recovery.

We have also therefore recommended that a more fundamental examination of what the Scottish tax system is designed to achieve must be undertaken. In particular, the role of tax policy in achieving a just, sustainable and strong economy as we recover from COVID should be considered.

The Committee's view is that this requires a national conversation jointly led by the Government and Parliament and which includes a wide range of voices across Scotland. If the work were to be completed by September 2022 this would allow the Parliament and our successor Committee to consider its findings as part of its pre-budget scrutiny prior to the publication of Budget 2023-24.

It would also allow the Government to consider the findings in preparing its 2023-24 Budget.

Brexit

The Committee also considered your letter dated 8 February regarding the resource implications of post-Brexit scrutiny as part of our report on Budget 2021/22.

In our view there is a risk that the level of additional scrutiny required by the complex constitutional consequences of Brexit is determined by the level of available resources.

In contrast, consideration of increased resources should flow from an initial consideration of the level of additional scrutiny as we recommend above.

I would be happy to meet with you to discuss if that would be helpful.

I am copying this letter to the Cabinet Secretary for the Constitution, Europe and External Affairs, the Cabinet Secretary for Finance and the Chair of the Conveners' Group.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Bruce Crawford".

Bruce Crawford MSP
Convener