

Finance and Public Administration Committee

Medium Term Financial Strategy Review

Submission from the Education, Children and Young People Committee

Dear Kenneth,

Pre-Budget Scrutiny 2022-23

Thank you for your recent correspondence regarding the review that the Finance and Public Administration Committee is undertaking of the content of the Scottish Government's Medium-Term Financial Strategy. The Committee is supportive of the move back to multi-year funding allocations and recognises that such allocations allow for improved planning of service by public sector partners. In this regard, the Committee recognises that the Scottish Government has announced multi-year funding allocations, over four years, for the Scottish Attainment Challenge. The Scottish Government has also committed to explore providing multi-year funding assumptions for Colleges and Universities. The Scottish Government's Capital Spending Review, published in February 2021, also set out capital allocations over five years in relation to the education and skills portfolio.

The Committee considers that a Medium-Term Financial Strategy, as recommended by the tri-partite Budget Process Review Group and subsequently endorsed by the Scottish Government and Scottish Parliament, provides a central component of the revised budget process. Central to the rationale for the MTFS was that it would enable a more strategic approach to financial planning across the Scottish public sector. The MTFS should include the Scottish Government setting out its expectations and broad financial plans / projections for at least five years ahead.

The Committee understands that the Resource Spending Review Framework published alongside Budget 2022-23 is intended to initiate a dialogue regarding Scotland's public finances. The Committee welcomes the emphasis on an outcomes-focus, evidence-informed and consultative approach to setting multi-year financial plans.

The Committee is aware of the Scottish Government's intention to develop multi-year spending plans and undertake consultation ahead of the publication of the next MTFS in May 2022. The Committee considers that the Framework document appears to set three high level principles that may inform budget allocations as the beginning of a consultative process to inform the content of the next MTFS. Accordingly, we do not consider that we can make an

assessment of the adequacy of the MTFS until that document is published in May 2022.

Yours sincerely

Stephen Kerr MSP
Convener