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Kenneth Gibson MSP  
Convener  
Finance and Public Administration Committee  
The Scottish Parliament

*Sent via email*

10 June 2022

Dear Convener,

I am writing following the Commission's recent appearance at the Finance and Public Administration Committee when I promised to write to clarify how our presentation of assumed future Barnett consequentials differed from that in the Scottish Government's Medium Term Financial Strategy (MTFS).

Figure 2.1 in our report contains the same assumed Barnett consequentials shown in Table 4 of the Government's MTFS up to 2024-25. For the second half of the Resource Spending Review (RSR) period the Government does not separate out an assumed baseline and consequentials. Instead, it refers to both of them together as 'Assumed Block Grant outside SR period'.

In contrast, we show a breakdown for these later years based on the information about assumed Block Grant funding and consequentials that we were given by the Government.

This is a presentational difference only – adding the baseline and assumed Barnett consequentials lines in Figure 2.1 in our report for the last two years of the RSR matches the 'Assumed Block Grant outside SR period' line in Table 4 of the MTFS, as do the total available resource funding amounts for both years.

The final year of our forecast 2027-28 is after the Government's RSR period so we have projected the baseline using a similar method to the Government for 2025-26 and 2026-27 and used a flat projection for the Barnett consequentials.

I hope this explanation clarifies the presentational differences between the two publications.

Yours sincerely

A handwritten signature in black ink that reads "John Ireland".

John Ireland, SFC Chief Executive