

FIN(4) FF07
Ymateb gan Llywodraeth yr Alban
Response from Scottish Government

Information provided by the Scottish Government in relation to the Future Funding inquiry

1. The Scottish Parliament Finance Committee's Report "Further Fiscal Devolution" – available at [Appendix A](#)
2. Scottish Government written evidence to the report – available at [Appendix B](#)
3. The Scottish Parliament's Devolution (Further Powers) Committee Interim Report – available at [Appendix C](#)
4. Ongoing finance committee inquiry into the Scotland's fiscal framework:
[http://www.scottish.parliament.uk/S4_FinanceCommittee/Meeting%20Papers/Public_papers\(5\).pdf](http://www.scottish.parliament.uk/S4_FinanceCommittee/Meeting%20Papers/Public_papers(5).pdf)
5. House of Lords: Select Committee on the Barnett Formula
<http://www.publications.parliament.uk/pa/ld200809/ldselect/ldbarnett/139/139.pdf>

Our constraint as officials in the Scottish Government is that we do not have deep knowledge and understanding of the current financial settlement for Wales, its potential weaknesses, and how it might develop in future. In addition, because our Ministers do not have a position on these and other related issues listed by the Committee, we cannot offer to explain the Scottish Government's policy on them.

What we can do is to explain the Scottish Government's policy on funding for Scotland, bearing in mind that this is an issue of current interest in the context of the report of the Smith Commission and the Scotland Bill which was given its Second Reading in the House of Commons on 8 June. It is also an issue that – as the papers sent on by Dave Ferguson demonstrate – has

generated a lot of Scottish Parliamentary scrutiny and also commentary from others. If the Committee would find it helpful in advance of the hearing, we can provide links to further papers prepared by academics based in Scotland on relevant issues such as Barnett and convergence. In any comments on these papers, Sean and I can seek = to state and explain the Scottish Government's position on the issues.

Also relevant to the Committee's considerations is the statement in the Smith Commission's report (see paragraph 95(1)) that "the block grant from the UK Government to Scotland will continue to be determined via the operation of the Barnett Formula." Our Ministers have welcomed this.

In addition to the papers provided by Dave, Committee members might also find it helpful to be aware of the Scottish Government's submission to the Smith Commission from October last year:

<http://www.gov.scot/Publications/2014/10/2806/6>

I would draw your attention in particular to chapter 4 – SCOTLAND'S ECONOMY AND PUBLIC FINANCES – which includes commentary on how the Scottish Government envisages the Barnett formula would operate during the transition to full domestic economic and fiscal autonomy.