FOI Request and accompanying response:

1. **When the Scottish Government first received Audit Scotland's report on fiscal sustainability and reform that was published on 21 November 2024. Please provide the exact date and time.**

Scottish Government officials received the final Audit Scotland report on Monday 18 November 2024 at 14.46.

2. **The first draft of Ivan McKee's comments on the report and all subsequent drafts until the final version was approved and sent. Please provide the full correspondence starting from the date on which the first draft was written, include all comments and feedback from those involved in the drafting process up until the comments were signed off and sent to publications who requested a response on the report.**

_____

Document 1:

From [redacted] to [redacted]
Cc [redacted]

Tue 19/11/2024 18:03
POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland
Evening [redacted], copied colleagues

[redacted] we spoke and I would be very grateful of policy assistance agreeing a proactive Ministerial statement. As per advice officials set out in their submission, the cleared comms will be played out to PA Scotland on Thursday morning. Please note, in terms of the highlight indicated in the first paragraph, if this fig is unavailable or unworkable, suggest we could potentially replace with wording such as 'has brought significant savings' instead. Grateful for returns ideally by 1200 Weds as this needs to be cleared by Ministers tomorrow afternoon at the latest .

Finance Minister responds to Audit Scotland report

Commenting on Audit Scotland's report on the Scottish Government's approach to fiscal sustainability and reform, Public Finance Minister Ivan McKee said:

"We will carefully consider this report's recommendations as part of our ongoing work with public bodies on workforce and efficiencies. We are delivering a 10-year programme of reforms to ensure public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand. This builds on successes in areas such as police and fire reform, which have saved XXX since the establishment of two national services in 2013.

"Since this government took office, we have consistently managed our fixed budget responsibly and we will continue to work to ensure the sustainability of Scotland's finances as we prioritise our spending towards eradicating child poverty, growing the economy, tackling the climate emergency and improving Scotland's public services.

“While this report covers a period in time from March to June this year, there has been significant work on reform since, including an audit of spending by public bodies that will provide a crucial as we map efforts to ensure investment on behalf of the people of Scotland is used efficiently and sustainably.

“As Audit Scotland recognises, UK Government choices on spending significantly affect how we plan. While the Autumn Budget goes some way to increasing our funding position, it does not give us certainty. Operating within a largely fixed budget, we will continue to follow the 2023 Medium Term Financial Strategy, which set out a laser-like focus on spending and through decisions we have made on matters such as Income Tax policy, which will raise an additional £1.5 billion in 2024-25, compared to if we had matched UK Government policy.”

Background

Public bodies' corporate function data, data as at financial year 2022/23 - gov.scot (www.gov.scot)

Financial strategy published - gov.scot (www.gov.scot)

[redacted] (NB Please also adjust / widen the cc for best interests)

[redacted]
Communications for the Cabinet Secretary for Finance and Local Government (including corporate queries)
[redacted]
[redacted]

Document 2:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 08:20
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Hi [redacted],
Thanks for this, adding [redacted] to the chain.

[redacted].

Document 3:

From [redacted] to [redacted] and [redacted]
Cc [redacted]

Wed 20/11/2024 08:28
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks [redacted], have tweaked the line on public bodies data as don't think we can call it an audit.

Have also copied in [redacted] as Mr McKee seemed very keen when we published the data that we highlight the savings programmes that DG Corporate are leading on and he may want to refer to them again.

[redacted]

[redacted]
[redacted]
Directorate for Public Service Reform
[redacted]

Document 4:

From [redacted] to [redacted] and [redacted]
Cc [redacted]

Wed 20/11/2024 09:28
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks both – much appreciated.

Welcoming other views asap if possible please; The AS news release has issued under embargo – so suggest the sooner we can play our line out the better.

Thanks again to all for help with this. (Adding [redacted] for comms awareness)

[redacted]
Communications for the Cabinet Secretary for Finance and Local Government (including corporate queries)
[redacted]
[redacted]

Document 5:

From [redacted] to [redacted], [redacted], [redacted]
Cc [redacted]

Wed 20/11/2024 09:31
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

[redacted],

I'm uncomfortable saying just "fixed Budget"; we can and have increased the size of the pot through tax increases. "Largely fixed budget" – which you have further down -

is probably fine. (The pedant in me thinks something is either fixed or it is not – but we've used "largely fixed" before.)

Otherwise happy.

Thanks,
[redacted]

[redacted] DG Exchequer: Exchequer Strategy
[redacted]

Document 6:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 09:50
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

I think we often say "limited" budget if that works?

[redacted]
Finance & Local Government | Scottish Government
[redacted]

Document 7:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 09:51
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Hi [redacted],
Thank very much for the lines. Suggested some amendments in red below, [redacted] has cleared those lines.
Thanks,
[redacted]

Document 8:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 10:03
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Hi [redacted],
Thanks for below. We've had a chat and content to run with 'largely fixed'.
Thanks,
[redacted]

Document 9:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 10:16
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks [redacted], [redacted], all

We've discussed here and we're probably over length slightly; with thanks to [redacted], the statement has been reworked slightly – while hopefully capturing all the key points made.

If this is ok – I'll copy forward to SPADS now.

Finance Minister responds to Audit Scotland report

Commenting on Audit Scotland's report on the Scottish Government's approach to fiscal sustainability and reform, Public Finance Minister Ivan McKee said:

"We will carefully consider this report's recommendations as part of our ongoing work with public bodies on workforce and efficiencies. We are delivering a 10-year programme of reforms to ensure public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand.

"This government has delivered a balanced budget every single year while taking forward a range of actions to improve the overall sustainability of the public finances. As Audit Scotland recognises, UK Government choices on spending significantly affect how we plan and while the Autumn Budget goes some way to increasing our funding position, it does not give us certainty about future funding.

"We remain committed to doing all we can to ensure the public finances remain on a sustainable trajectory and through decisions we have made on matters such as Income Tax policy we expect to raise an additional £1.5 billion in 2024-25, compared to if we had matched UK Government policy.

"While this report covers a period in time from March to June this year, there has been significant work on reform since, including capturing data on spending by public bodies that will provide crucial information as we map efforts to ensure investment on behalf of the people of Scotland is used efficiently and sustainably. We will

continue to focus spending on achieving priorities and embedding our public service reform programme."

Background

Public bodies' corporate function data, data as at financial year 2022/23 - gov.scot (www.gov.scot)

Financial strategy published - gov.scot (www.gov.scot)

[redacted]
Communications for the Cabinet Secretary for Finance and Local Government (including corporate queries)
[redacted]
[redacted]

Document 10:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 10:25
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Hi [redacted],
Thanks for below. Looks fine from our side, [redacted] – could you just confirm you're content?
[redacted] [redacted] – are you content from PSR-side?

Thanks,
[redacted]

Document 11:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 10:28
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

I'm content – thanks all.

[redacted] DG Exchequer: Exchequer Strategy
[redacted]

Document 12:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 10:37
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks [redacted] **–** [redacted] **are you also happy for this to go forward please ?**

[redacted]
Communications for the Cabinet Secretary for Finance and Local Government (including corporate queries)
[redacted]
[redacted]

Document 13:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 10:52
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Hi [redacted]

Please excuse the delay – is it ok to tweak to tweak the first sentence please?

“We will carefully consider this report’s recommendations as part of our ongoing work with public bodies on workforce and efficiencies. We are delivering a 10-year programme of reforms to ensure public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand.

“We will carefully consider this report’s recommendations as part of our ongoing work to deliver our 10-year programme of Public Service Reform. This programme will ensure that public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand. Improving public services is a priority of this Government and we will work in partnership to deliver reform, including our work with public bodies to drive efficiency and prioritise front line service delivery”.

Also would it be helpful to provide the latest update to Parliament on PSR as background material? If so, here it is: Letter from the Minister for Public Finance to the Convener of 23 September 2024 (parliament.scot)

Thanks,
[redacted]

Document 14:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 10:55
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks, I agree with [redacted] also would probably lead with this line first

“This government has delivered a balanced budget every single year while taking forward a range of actions to improve the overall sustainability of the public finances. As Audit Scotland recognises, UK Government choices on spending significantly affect how we plan and while the Autumn Budget goes some way to increasing our funding position, it does not give us certainty about future funding.

This is a report on fiscal sustinabilty primarily, with reform as part of that.

[redacted]

Document 15:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 11:13
RE: POLICY VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks both, very grateful – will copy this forward to SPADS.

[redacted]

[redacted]

Finance Minister responds to Audit Scotland report

Commenting on Audit Scotland’s report on the Scottish Government’s approach to fiscal sustainability and reform, Public Finance Minister Ivan McKee said:

“This government has delivered a balanced budget every single year while taking forward a range of actions to improve the overall sustainability of the public finances. As Audit Scotland recognises, UK Government choices on spending significantly affect how we plan and while the Autumn Budget goes some way to increasing our funding position, it does not give us certainty about future funding.

“We will carefully consider this report’s recommendations as part of our ongoing work to deliver our 10-year programme of Public Service Reform. This programme will ensure that public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand. Improving public services is a priority of this Government and we will work in partnership to deliver reform,

including our work with public bodies to drive efficiency and prioritise front line service delivery.

“We remain committed to doing all we can to ensure the public finances remain on a sustainable trajectory and through decisions we have made on matters such as Income Tax policy we expect to raise an additional £1.5 billion in 2024-25, compared to if we had matched UK Government policy.

“While this report covers a period in time from March to June this year, there has been significant work on reform since, including capturing data on spending by public bodies that will provide crucial information as we map efforts to ensure investment on behalf of the people of Scotland is used efficiently and sustainably. We will continue to focus spending on achieving priorities and embedding our public service reform programme.”

Background

Public bodies' corporate function data, data as at financial year 2022/23 - gov.scot (www.gov.scot)

Financial strategy published - gov.scot (www.gov.scot)

[redacted]
Communications for the Cabinet Secretary for Finance and Local Government (including corporate queries)
[redacted]
[redacted]

Document 16:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 11:34
SPAD VIEW PLEASE: Draft proactive comms / Audit Scotland

[redacted], cc [redacted] and [redacted]

We would be very grateful of SPAD consideration of a proactive statement – which will be given to PA on clearance – to meet an embargoed Audit Scotland news release (copied below for awareness). Comms have been agreed with copied officials. If content, we will progress for clearance via news review.

[redacted]

Finance Minister responds to Audit Scotland report

Commenting on Audit Scotland's report on the Scottish Government's approach to fiscal sustainability and reform, Public Finance Minister Ivan McKee said:

"This government has delivered a balanced budget every single year while taking forward a range of actions to improve the overall sustainability of the public finances. As Audit Scotland recognises, UK Government choices on spending significantly affect how we plan and while the Autumn Budget goes some way to increasing our funding position, it does not give us certainty about future funding.

"We will carefully consider this report's recommendations as part of our ongoing work to deliver our 10-year programme of Public Service Reform. This programme will ensure that public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand. Improving public services is a priority of this Government and we will work in partnership to deliver reform, including our work with public bodies to drive efficiency and prioritise front line service delivery.

"We remain committed to doing all we can to ensure the public finances remain on a sustainable trajectory and through decisions we have made on matters such as Income Tax policy we expect to raise an additional £1.5 billion in 2024-25, compared to if we had matched UK Government policy.

"While this report covers a period in time from March to June this year, there has been significant work on reform since, including capturing data on spending by public bodies that will provide crucial information as we map efforts to ensure investment on behalf of the people of Scotland is used efficiently and sustainably. We will continue to focus spending on achieving priorities and embedding our public service reform programme."

Background

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Financial strategy published - gov.scot (www.gov.scot)

Letter from the Minister for Public Finance to the Convener of 23 September 2024 (parliament.scot)

[redacted]

[redacted]

Document 17:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 12:22
RE: SPAD VIEW PLEASE: Draft proactive comms / Audit Scotland

Line is fine to go up for clearnance.

Document 18:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 13:40
RE: SPAD VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks [redacted]

Very grateful for your view; the comms have now been through news review – flagging edits here – introducing timescale to the first line (since 2007); the first sentence of the second par has been inverted and removing 'compared to if we had matched UK Gov policy' from the third par.

If no other views, I will put to the Minister's PO to clear at 14:00.

Finance Minister responds to Audit Scotland report

Commenting on Audit Scotland's report on the Scottish Government's approach to fiscal sustainability and reform, Public Finance Minister Ivan McKee said:

"This government has delivered a balanced budget ~~every single year~~ since 2007 while taking forward a range of actions to improve the overall sustainability of the public finances. As Audit Scotland recognises, UK Government choices on spending significantly affect how we plan and while the Autumn Budget goes some way to increasing our funding position, it does not give us certainty about future funding.

"As part of our ongoing work to deliver our 10-year programme of Public Service Reform we will carefully consider this report's recommendations. ~~We will carefully consider this report's recommendations as part of our ongoing work to deliver our 10-year programme of Public Service Reform~~. This programme will ensure that public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand. Improving public services is a priority of this Government and we will work in partnership to deliver reform, including our work with public bodies to drive efficiency and prioritise front line service delivery.

"We remain committed to doing all we can to ensure the public finances remain on a sustainable trajectory and through decisions we have made on matters such as Income Tax policy we expect to raise an additional £1.5 billion in 2024-25~~, compared to if we had matched UK Government policy~~.

“While this report covers a period in time from March to June this year, there has been significant work on reform since, including capturing data on spending by public bodies that will provide crucial information as we map efforts to ensure investment on behalf of the people of Scotland is used efficiently and sustainably. We will continue to focus spending on achieving priorities and embedding our public service reform programme.”

Background

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Financial strategy published - gov.scot (www.gov.scot)

Letter from the Minister for Public Finance to the Convener of 23 September 2024 (parliament.scot)

[redacted]

Document 19:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 13:55
RE: SPAD VIEW PLEASE: Draft proactive comms / Audit Scotland

Hi [redacted]

Just spoken with tax colleagues and for accuracy the line on tax needs to keep the deleted part and have ‘since devolution’ in, so line becomes:
‘We remain committed to doing all we can to ensure the public finances remain on a sustainable trajectory, and through decisions we have made on Income Tax policy since devolution, we expect to raise an additional £1.5 billion in 2024-25, compared to if we had matched UK Government policy'.

Thanks,
[redacted]

Document 20:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 13:59
RE: SPAD VIEW PLEASE: Draft proactive comms / Audit Scotland

Compared to UK tax policy should stay but since devolution should go as it is superfluous – we had no hand in income tax policy prior to devolution.

[redacted]

Document 21:

From [redacted] to [redacted]
Cc [redacted]

Wed 20/11/2024 13:59
RE: SPAD VIEW PLEASE: Draft proactive comms / Audit Scotland

Thanks [redacted] – very grateful for checking – will take this line forward.

[redacted]
Communications for the Cabinet Secretary for Finance and Local Government (including corporate queries)
[redacted]
[redacted]

Document 22:
From [redacted] to Minister for Public Finance <MinisterPF@gov.scot>; First Minister <FirstMinister@gov.scot>; Deputy First Minister and Cabinet Secretary for Economy & Gaelic <DFMCSEG@gov.scot>; Cabinet Secretary for Finance & Local Government <CabSecFLG@gov.scot>
Cc [redacted]

Wed 20/11/2024 14:05
MINISTERIAL CLEARANCE PLEASE: Draft proactive comms / Audit Scotland

Minister of Public Finance, Private Office
FM PO
DFM PO
Cabinet Secretary for Finance and Local Government, Private Office

For Mr McKee's consideration and clearance please

Private office, we would be very grateful of Mr McKee's consideration of a proactive statement – which will be given to PA under embargo on clearance – to meet an embargoed Audit Scotland news release (copied below for the Minister's completeness). The comms has been agreed with copied officials and SPADS and have been through the comms news review.

[redacted]

Finance Minister responds to Audit Scotland report

Commenting on Audit Scotland's report on the Scottish Government's approach to fiscal sustainability and reform, Public Finance Minister Ivan McKee said:

"This government has delivered a balanced budget since 2007 while taking forward a range of actions to improve the overall sustainability of the public finances. As Audit Scotland recognises, UK Government choices on spending significantly affect how we plan and while the Autumn Budget goes some way to increasing our funding position, it does not give us certainty about future funding.

"As part of our ongoing work to deliver our 10-year programme of Public Service Reform we will carefully consider this report's recommendations. This programme will ensure that public services are high-quality, effective and fiscally sustainable, prioritising prevention and reducing future demand. Improving public services is a priority of this Government and we will work in partnership to deliver reform, including our work with public bodies to drive efficiency and prioritise front line service delivery.

"We remain committed to doing all we can to ensure the public finances remain on a sustainable trajectory, and through decisions we have made on Income Tax policy, we expect to raise an additional £1.5 billion in 2024-25, compared to if we had matched UK Government policy.

"While this report covers a period in time from March to June this year, there has been significant work on reform since, including capturing data on spending by public bodies that will provide crucial information as we map efforts to ensure investment on behalf of the people of Scotland is used efficiently and sustainably. We will continue to focus spending on achieving priorities and embedding our public service reform programme."

Background

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Financial strategy published - gov.scot (www.gov.scot)

Letter from the Minister for Public Finance to the Convener of 23 September 2024 (parliament.scot)

[redacted]

[redacted]

[redacted]

[redacted]
Communications for the Cabinet Secretary for Finance and Local Government (including corporate queries)
[redacted]
[redacted]

Document 23:

From [redacted] **On Behalf Of** Minister for Public Finance to [redacted]Minister for Public Finance <MinisterPF@gov.scot>; First Minister <FirstMinister@gov.scot>; Deputy First Minister and Cabinet Secretary for Economy & Gaelic <DFMCSEG@gov.scot>; Cabinet Secretary for Finance & Local Government <CabSecFLG@gov.scot>
Cc [redacted]

Wed 20/11/2024 15:54
RE: MINISTERIAL CLEARANCE PLEASE: Draft proactive comms / Audit Scotland

Hi [redacted]

The Minister would like to change the following line:

“As part of our ongoing work to deliver our 10-year programme of Public Service Reform we will carefully consider this report’s recommendations.

To this:

“We welcome this report’s recommendations, many of which are aligned with our programme of Public Service Reform.

Aside from this change, he is content.

[redacted]

Many thanks,

[redacted]

[redacted] | Minister for Public Finance - Ivan McKee | Scottish Government | St Andrew's House | Regent Road | Edinburgh | EH1 3DG

Document 24:

From [redacted] to Minister for Public Finance <MinisterPF@gov.scot>; First Minister <FirstMinister@gov.scot>; Deputy First Minister and Cabinet Secretary for Economy & Gaelic <DFMCSEG@gov.scot>; Cabinet Secretary for Finance & Local Government <CabSecFLG@gov.scot>
Cc [redacted]

Wed 20/11/2024 16:00
RE: MINISTERIAL CLEARANCE PLEASE: Draft proactive comms / Audit Scotland

Many thanks [redacted]

[redacted]

We will issue the comms as indicated now.

[redacted]

Many thanks again,

[redacted]