



The Scottish Parliament  
Pàrlamaid na h-Alba

**Finance Committee**

Greg Hands MP,  
Chief Secretary,  
HM Treasury,  
By Email

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11 August 2015

Dear Chief Secretary,

Thank you for your letter dated 20 July 2015. The Committee is disappointed that you have declined our invitation to give evidence on 2 September in relation to our report on Scotland's fiscal framework. Whilst we appreciate that neither the UK nor Scottish governments will provide a running commentary on the fiscal framework discussions, this was not the purpose of the invitation. Instead, the evidence session was intended to afford you the opportunity to respond to the report's findings insofar as they apply to the UK Government.

As noted in my letter of 29 June, the Committee intends to continue to monitor progress towards agreeing the fiscal framework and would welcome regular updates from both the UK and Scottish governments on developments in this regard. Our report concluded—

“From a parliamentary perspective there needs to be a culture of openness and transparency in communicating inter-governmental discussions and decision-making in relation to the development, implementation and operation of the fiscal framework. It is essential, therefore, that the framework is developed openly and transparently and is subject to meaningful consultation with both the UK and Scottish parliaments. The significance of this document to the new devolution arrangements means that it is simply not appropriate for it to be agreed solely between the two governments.”

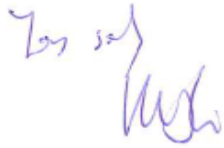
Our report also emphasised the need for “an open and transparent dialogue with the respective parliaments as negotiations progress” and stated that it is “essential that sufficient time is allowed for parliamentary scrutiny of a draft fiscal framework prior to its agreement by the two governments.”

We are therefore concerned that your letter states that you would be prepared to discuss the fiscal framework with the Committee “once it has been agreed” and that

“it would not be appropriate to appear in front of the Committee before an agreement on the fiscal framework is reached.”

In this light, I hope you will reconsider your response and I look forward to hearing from you.

Yours sincerely

A handwritten signature in purple ink, appearing to read "Ken Gibson", written in a cursive style.

**Kenneth Gibson MSP**  
**Convener**