

Deputy First Minister
and Cabinet Secretary for Finance, Constitution and Economy
John Swinney MSP

T: 0300 244 4000
E: dfm@gov.scot



Kenneth Gibson MSP
Convener
Finance Committee
Scottish Parliament
Edinburgh
EH99 1SP



8 December 2015

Kenneth,

The Chief Secretary to the Treasury and I met for the fifth time on 7 December to continue our negotiations to agree Scotland's fiscal framework. As with previous meetings we discussed a number of issues and these included the Funding Model and Block Grant Adjustment in relation to Scotland Act 2012 devolved taxes.

A joint communique was issued by both the Scottish Government and HM Treasury following the meeting and a copy is attached to this letter.

The Chief Secretary and I hope to meet again in due course to continue our negotiations with the intention of reaching an agreement in time for the fiscal framework to be considered by both Parliaments alongside the Scotland Bill and its related Legislative Consent Memorandum and Motion.

I am also copying this letter to Bruce Crawford MSP, Convener of the Devolution (Further Powers) Committee.

Yours,
JS

JOHN SWINNEY



JOINT EXCHEQUER COMMITTEE – 7 DECEMBER 2015

The Joint Exchequer Committee met in London today, chaired by the Chief Secretary to the Treasury, Rt Hon Greg Hands MP. The Scottish Government was represented by John Swinney MSP, Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy. Both Ministers reaffirmed their commitment to reach an agreement.

This was the fifth meeting of the JEC since the publication of the Smith Commission report. Ministers continued detailed discussions on the substantive elements of the fiscal framework that will underpin the financial provisions of the Scotland Bill. Ministers noted the progress made since they last met and the interest taken by both the UK and Scottish Parliaments.

In particular, the Ministers discussed options for adjusting the Scottish Government's block grant funding as a result of new powers over tax and spending.

The Ministers also agreed an adjustment to the Scottish Government's block grant in 2016/17 to take into account the devolution in the Scotland Act 2012 of responsibilities for taxation of land and buildings transactions and disposals to landfill.

Ministers will meet again shortly to continue discussions, with the aim to reach final agreement in the New Year.

**UK and Scottish Governments
December 2015**