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20 August 2001

[REDACTED]

Thank you for your letter of 12 July. I have noted the comments made by your constituent, [REDACTED] in his letter to you of 21 June.

I do not have any further comments to add to Dr John Reid's letter.

As stated in Dr Reid's response, the Scottish Executive must meet the cost for the Scottish Parliament building from within the resources it has been allocated under the Barnett arrangements. I cannot be clearer when I say that no extra provision will be provided by the Exchequer for that purpose.

The Government continues to believe the Barnett formula is the best means of distributing public spending across the UK in a fair and stable way. The Barnett Formula gives the same overall increases per head of population in all four parts of the UK for devolved programmes. The Government has no plans to change the Barnett formula.

The Barnett formula does not determine expenditure in England or English regions. Decisions on spending for England are generally taken within the biennial Spending Reviews, and allocations of resources within England are then a matter for the relevant Government department.

[Handwritten signature]

HELEN LIDDELL