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Finance and Public Administration Committee

Subordinate Legislation: The Budget (Scotland) Act 2022 Amendment (No. 2) Regulations 2023



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Finance and Public Administration Committee

To consider and report on the following (and any additional matter added under Rule 6.1.5A)—

(a) any report or other document containing proposals for, or budgets of, public revenue or expenditure or proposals for the making of a Scottish rate resolution, taking into account any report or recommendations concerning such documents made by any other committee with power to consider such documents or any part of them;

(b) any report made by a committee setting out proposals concerning public revenue or expenditure;

(c) Budget Bills; and

(d) any other matter relating to or affecting the revenue or expenditure of the Scottish Administration or other monies payable into or expenditure payable out of the Scottish Consolidated Fund.

(e) matters relating to public service reform and the National Performance Framework within the responsibilities of the Deputy First Minister and public administration.

2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.

3. In these Rules, “public expenditure” means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.

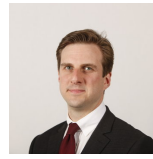


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Introduction

1. At its meeting on 7 March 2023, the Finance and Public Administration Committee took evidence from the Minister for Public Finance, Planning and Community Wealth, Tom Arthur MSP, in relation to—

[The Budget \(Scotland\) Act 2022 Amendment \(No. 2\) Regulations 2023](#)

2. The Official Report of the evidence session is available on the Committee's website
1 .

The Budget (Scotland) Act 2022 Amendment (No. 2) Regulations 2023

3. The Regulations² were laid before Parliament on 2 February 2023 and amend the Budget (Scotland) Act 2022, which authorised the Scottish Government's spending plans for the current financial year.
4. The Regulations are subject to affirmative procedure, which requires Parliament to approve them within a 40-day period. The Delegated Powers and Law Reform (DPLR) Committee, which considers the technical aspects of the instrument, considered the Regulations on 21 February 2023³ and had no issues to report⁴.
5. During its scrutiny of the Regulations, the Committee also considered the content of the 'Spring Budget Revision 2022 to 2023: supporting document'⁵, which explains the changes proposed in the instrument.
6. The Scottish Government also produced a detailed guide to the Spring Budget Revision and the Scottish Parliament Information Centre's Financial Scrutiny Unit produced a briefing to support the Committee's scrutiny of the Regulations. These documents were published as part of the meeting papers for 7 March 2023¹.
7. The changes proposed in the Spring Budget Revision (SBR) result in an increase in the approved budget of £713.4 million from £56,985 million to £57,698.4 million.
8. The SBR supporting document states that the main changes to the Scottish Government's spending plans are as follows:
 - funding changes to reflect deployment of available resources to portfolios (total net increase to the budget of £502.3 million);
 - technical adjustments (net increase to the budget of £130.6 million);
 - Whitehall Transfers and HM Treasury allocations to the Scottish Government (£80.6 million); and
 - the transfer of resources between Scottish Government portfolios.
9. On 8 March 2022, the Committee took evidence on the Regulations from:
 - Tom Arthur, Minister for Public Finance, Planning and Community Wealth;
 - Craig Maidment, Finance Manager, Scottish Government;
 - Niall Caldwell, Corporate Treasurer, Scottish Government.
10. During evidence, the Committee asked a number of questions of the Minister, the responses to which can be found in the Official Report¹.
11. The Committee was particularly interested in the reasoning behind the changes and transfers identified in the budget revision. We previously recommended, in our

report on the 2021 Autumn Budget Revision⁶, that

” “it would be helpful for more detailed breakdowns of additional funding to be included in future supporting documents along with a brief narrative setting out the reasons for the changes.”

12. In response to questions from the Committee, the Minister stated that the in-year complexity evidenced by budget revisions is primarily due to a lack of fiscal flexibilities under the fiscal framework:

” “our primary means of ensuring that we can meet additional demand when it arises—for example, in relation to public sector pay requirements—is to look at reprioritisations, manage demand-led expenditure and identify savings in the context of what is more or less a fixed budget.”

13. In light of the Committee’s comments, the Minister indicated his willingness to have an on-going dialogue with the Committee on how to improve the presentation of future guides to the budget revisions.

14. The Committee welcomes the opportunity to continue its ongoing dialogue with the Scottish Government with a view to ensuring additional clarity on why changes included in future budget revisions are being made.

15. The Minister also undertook to provide further detail in writing in response to questions about:

- The breakdown of budgets for the Scottish teachers’ and NHS Pension Schemes;
- National Care Service expenditure to date;
- Total spending on completion of vessels 801 and 802 (for current budget year and to date across all budget years);
- Information relating to the design and uptake of insulation and retrofitting programmes;
- Capital budget transfers from Major Public Transport Projects to Rail Infrastructure;
- Write-offs related to the European Social Fund; and
- Additional allocations to the National Records of Scotland to fund work on the census.

16. The Minister's response will be published on the Committee's website once received.

17. Following the discussion, the Minister for Public Finance, Planning and Community Wealth moved motion S6M-07762⁷ in his name—

That the Finance and Public Administration Committee recommends that the

Budget (Scotland) Act 2022 Amendment (No. 2) Regulations 2023 [draft] be approved.

18. Motion S6M-07762 was agreed to without division.

19. The Finance and Public Administration Committee therefore recommends that the Budget (Scotland) Act 2022 Amendment (No. 2) Regulations 2023 [draft] be approved.

- [1] Scottish Parliament. (2023). Finance and Public Administration Committee 7th meeting, 2023. Retrieved from <https://www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-finance-and-public-administration-committee/meetings/2023/fpas6237>
- [2] The Budget (Scotland) Act 2022 Amendment (No. 2) Regulations 2023. (2023). Retrieved from <https://www.legislation.gov.uk/sdsi/2023/9780111056479/regulation/2>
- [3] Scottish Parliament. (2023). Delegated Powers and Law Reform Committee 6th Meeting, 2023. Retrieved from <https://www.parliament.scot/chamber-and-committees/committees/current-and-previous-committees/session-6-delegated-powers-and-law-reform-committee/meetings/2023/dplrs6236>
- [4] Scottish Parliament. (2023). Subordinate Legislation Considered by the Delegated Powers and Law Reform Committee on 21 February 2023. Retrieved from <https://digitalpublications.parliament.scot/Committees/Report/DPLR/2023/2/21/8dd01c37-c4a0-4dae-84e7-f9697a11d416#Introduction>
- [5] Scottish Government. (2023). Spring Budget Revision 2022 to 2023: supporting document. Retrieved from <https://www.gov.scot/publications/spring-budget-revision-2022-23-supporting-document/>
- [6] Scottish Parliament. (2023). Subordinate Legislation: The Budget (Scotland) Act 2021 Amendment Regulations 2021. Retrieved from <https://digitalpublications.parliament.scot/Committees/Report/FPA/2021/11/18/36b90048-09f3-44b7-bd5c-0305493b2312#Introduction>
- [7] Scottish Parliament. (2023). Motion S6M-07762. Retrieved from <https://www.parliament.scot/chamber-and-committees/votes-and-motions/S6M-07762>

