Budget (Scotland) Bill

Passage of the Bill

The Scottish Budget process is designed to allow the Parliament's subject committee the opportunity to comment on the Executive's spending plans at several points during the year prior to the annual budget being agreed. The process is divided into three distinct stages. Stage one (between March and June) allows subject committees the chance to look strategically at a high level overview of the Executive's spending plans. Stage two of the process (September to December) allows committees to comment on firmer Executive spending plans and at this stage the Finance Committee can propose an alternative budget. Stage 3 (January to February) provides Parliamentary authority for spending in Scotland for the following financial year via passage of the Budget Bill. Given the pre-legislative scrutiny, the time allocated to the passage of the Budget (Scotland) Bill is truncated. The Bill was introduced on 20 January 2004, with the Stage 1 debate on 29 January 2004. The Finance Committee considered it at Stage 2 on 10 February 2004 and the Bill was passed without division by the Parliament on 12 February 2004.

Purpose and objectives of the Bill

The passage of the Bill is the final stage in the annual budget process and gives parliamentary authority for spending in Scotland for financial year 2004/5. The budget process is intended to allow the Parliament's subject committees the opportunity to comment on the Executive's spending plans at several points during the year prior to the annual budget being agreed. The expectation is that the subject committees should have an active role in scrutinising and making recommendations on spending priorities. Because of the Scottish General Election in May 2003, Stage 1 of the budget process was foregone and consideration of the budget began at Stage 2.

Provisions of the Bill

The Bill will authorise over £21.7 billion of cash expenditure by the Scottish Executive and its associated bodies, other organisations whose core funding is centrally provided (e.g. local authorities and health boards), the Forestry Commissioners, the Scottish Parliament Corporate Body and Audit Scotland.
Parliamentary consideration

At the Stage 2 discussion in the Finance Committee the need for consistent multi-year data was emphasised so that valid long term comparisons could be made.