The Finance Committee welcomes this opportunity to respond to the Standards, Procedures and Public Appointments (SPPA) Committee inquiry into the procedures for considering legislation. The Finance Committee has been lead committee in scrutinising four Scottish Government Bills this session. We also routinely consider the Financial Memoranda (FM) which accompany each Bill and report to the lead committee. The Committee wishes to highlight two main points: the timings for Stage 1 and the timings for supplementary FM.

**Stage 1 Timings**

The Committee is concerned about the time available for Stage 1 inquiries, especially when dealing with substantial and complex Bills. The Committee’s experience is that the Government will have a target date for both introduction and completion with an expectation that the legislative timetable can be accommodated between these dates. In practice, this means working backwards from the proposed date for Stage 3 so that sufficient time is allocated for Stage 2 amendments and the minimum sitting days between each Stage. There is also a need to factor in recess dates and other non-sitting days.

The starting point is, therefore, to ensure that sufficient time is available to consider amendments and to meet the requirements of the Standing Orders in relation to the minimum periods between stages. Once this has been established then the timings for Stage 1 can be agreed. This means that the timetable for Stage 1 can be squeezed, especially if the Government’s target date for the introduction of a Bill slips. This can lead to a shortened consultation period for the receipt of written evidence and/or beginning oral evidence before the deadline for written submissions has passed.

This was a particular issue in relation to the Revenue Scotland and Tax Powers Bill which was not introduced until 12 December 2013. The Government initially aimed to have Stage 3 completed by the end of June. This would have meant the period for both written and oral evidence at Stage 1 being limited to around 3 months including the Christmas and February recess periods. In contrast, the Government extended its normal consultation period on proposals for the Bill to 4 months. The Government subsequently agreed that Stage 3 could take place during the 3 week period when the Parliament is meeting in August. Had the Stage 3 completion date been prior to Summer recess then the time available for Stage 1 would have been very limited.

The Committee recommends that the SPPA Committee considers whether sufficient time is being made available for Stage 1 inquiries including ensuring reasonable deadlines for the receipt of written evidence.
The Committee also recommends that any consideration of the minimum periods between each Stage needs to include the impact on the time available for Stage 1.

**FM Scrutiny**

The Committee is also concerned about the time available for Stage 1 inquiries in relation to its role in submitting views on FMs to lead committees. Given that the time available for the completion of Stage 1 is often quite tight, this can limit the time available for the Finance Committee to take evidence on the FM and then report to the lead committee prior to it taking evidence from the Member in charge of a Bill. In particular, it can often lead to tight deadlines for written submissions and a limited opportunity to hear oral evidence.

The Committee recommends that when the timings for Stage 1 are being agreed between the Government and the lead committee that the Finance Committee is consulted to ensure that sufficient time is available for the scrutiny of FMs.

**Revised and Supplementary FMs**

Rule 9.7.8B requires a revised or supplementary FM to be lodged if “a Bill is amended at Stage 2 so as to substantially alter any of the costs set out in the” original FM. The deadline for lodging the revised or supplementary FM is the end of the second week before the week on which Stage 3 is due to start. This means that it is unlikely that the Finance Committee would have the opportunity to take evidence on a revised or supplementary FM in the week before Stage 3. There is also no requirement within the Standing Orders for a supplementary or revised FM to be referred to the Finance Committee or any other Committee.

The Committee recently considered a supplementary FM in relation to the Children and Young People (Scotland) Bill. The only time available to do so was on the morning of the Stage 3 debate. The Committee took evidence from the Bill Team and had some concerns with the content of the FM which we set out in a letter to the Minister for Children and Young People. The letter was referred to a number of times during Stage 3 proceedings. If the Stage 3 debate had taken place on the Tuesday then the Finance Committee would not have had an opportunity to consider the supplementary FM.

At the same time it is also worth noting that it is unusual for the Committee to consider revised or supplementary FMs.

The Committee recommends that the Standing Orders are amended so that revised or supplementary FMs are referred to the Finance Committee and that the Finance Committee may consider and report on any such FM before consideration of a Bill at Stage 3.

**Conclusion**

The Committee recognises that there can be a number of competing pressures regarding the timetabling of legislative scrutiny. The Committee’s main concern is to
ensure that sufficient time is allocated between the introduction of a Bill and the completion of Stage 3 to ensure effective scrutiny. Any changes to the Standing Orders need to be cognisant of the impact on the legislative process as a whole.

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