Standards, Procedures and Public Appointments Committee

3rd Report, 2014 (Session 4)

Standing Order Rule Changes - Budget Process

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Standards, Procedures and Public Appointments Committee

Remit and membership

Remit:

1. The remit of the Standards, Procedures and Public Appointments Committee is to consider and report on—

(a) the practice and procedures of the Parliament in relation to its business;

(b) whether a member's conduct is in accordance with these Rules and any Code of Conduct for members, matters relating to members' interests, and any other matters relating to the conduct of members in carrying out their Parliamentary duties;

(c) the adoption, amendment and application of any Code of Conduct for members; and

(d) matters relating to public appointments in Scotland.

2. Where the Committee considers it appropriate, it may by motion recommend that a member's rights and privileges be withdrawn to such extent and for such period as are specified in the motion.

*(Standing Orders of the Scottish Parliament, Rule 6.4)*

Membership:

George Adam
Cameron Buchanan
Cara Hilton
Richard Lyle
Margaret McDougall
Fiona McLeod
Stewart Stevenson (Convener)
Committee Clerking Team:

Clerk to the Committee
Alison Walker
Gillian Baxendine

Senior Assistant Clerk
Roz Thomson
Alastair Macfie

Support Manager
Sam Currie
Standards, Procedures and Public Appointments Committee

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The Committee reports to the Parliament as follows—

Introduction

1. The Scotland Act 2012 contained various financial provisions which are required to be reflected in the Scottish Parliament budget process. These provisions include two new devolved taxes (the Scottish Landfill Tax and the Land and Buildings Transactions Tax), new borrowing powers, and the new Scottish Rate of Income Tax.

2. The Convener of the Finance Committee wrote to the Standards, Procedures and Public Appointments Committee in December 2013 to ask it to consider how the financial provisions in the Scotland Act 2012 should be translated into Standing Orders.

Background

3. The budget scrutiny process in the Parliament is governed both by the relevant rules in Standing Orders and by a written agreement between the Finance Committee and the Scottish Government.

4. In light of the new Scotland Act 2012 financial provisions which come into effect in April 2015, the Finance Committee has agreed a revised written agreement with the Scottish Government. The revised written agreement does not include any reference to the Scottish Rate of Income Tax which is not due to come into effect until April 2016. The Finance Committee will consider whether there is a need for any further revisions to the written agreement in autumn 2014.

5. The revised written agreement provides for the budget process to take broadly the same form as in previous years, with subject committees and the Finance Committee scrutinising a draft budget in the autumn, followed by scrutiny of a Budget Bill in the new year. The written agreement now incorporates references to the new devolved taxes and borrowing powers.
Standing Orders changes

6. The Standards, Procedures and Public Appointments Committee has given consideration to any changes required to Standing Orders in light of the Scotland Act 2012 financial powers which come into effect in April 2015 and the revised written agreement.

7. At present, Standing Orders only include the high level rules governing the budget process, for example the requirement to publish a draft budget by 20 September each year. The specific details of the process are covered in the written agreement. This approach has the advantage of flexibility as the process can be adjusted in the written agreement without needing to amend Standing Orders. The Committee recommends that this approach is continued.

8. Proposed draft Standing Order changes can be found at the annexe to this report. The Finance Committee is content with the proposed changes.

9. The proposed revisions are relatively limited, reflecting the fact that no significant changes are proposed to the broad structure of the budget process.

10. The revisions would add references to public revenue alongside public expenditure at appropriate points in the rules, to reflect the new requirement to consider the receipts from the devolved taxes. Given that the Scottish Rate of Income Tax (SRIT) will not come into force until 2016-17, there are no references to SRIT in the draft revisions. The Committee notes, however, that there may be a requirement to make further amendments to Standing Orders in about a year, in preparation for SRIT coming into force.

Recommendation

11. The Committee recommends to the Parliament the Standing Order rule changes in annexe A of this report.
ANNEXE A: STANDING ORDER RULE CHANGES

CHAPTER 5

THE PARLIAMENTARY BUREAU AND MANAGEMENT OF BUSINESS

Rule 5.8 Financial business
In Rule 5.8.2, after “expenditure” insert “and revenue-raising”.
In Rule 5.8.3, after “public” insert “revenue and”.

CHAPTER 6

COMMITTEES

Rule 6.6 Finance Committee
In Rule 6.6.1(a) and (b), after “public” insert “revenue or”.
In Rule 6.6.1(d), before “expenditure” where first occurring insert “revenue or” and after “other” insert “monies payable into or”.

CHAPTER 14

LAYING AND PUBLICATION OF DOCUMENTS

Rule 14.2 Laying of financial reports and documents
In Rules 14.2.1 and 14.2.2, before “expenditure” insert “revenue and”.

ANNEXE B: EXTRACT FROM MINUTES

3rd Meeting 2014 (Session 4), Thursday 27 February 2014

Scotland Act 2012 - finance changes: The Committee considered a note by the Clerk.

4th Meeting 2014 (Session 4), Thursday 13 March 2014

Decision on taking business in private: The Committee agreed that its consideration of the next steps on its inquiry into procedures for considering legislation, its work programme and provision of services to Cross-Party Groups and a draft report on Scotland Act 2012 finance changes should be taken in private at future meetings.

6th Meeting 2014 (Session 4), Thursday 24 April 2014

Scotland Act - finance changes (in private): The Committee agreed a draft report and draft Standing Order rule changes.
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