Dear Bruce

I am writing on behalf of the Social Security Committee with our response to the Finance and Constitution Committee regarding the Scottish Government’s Draft Budget 2017-18.

The Committee took evidence from the Minister for Social Security on the elements of the Draft Budget relevant to the Committee’s remit which included the newly devolved social security powers and existing powers, and also child poverty.

The Committee did not wish to make points on specific subject areas within the Draft Budget, but did wish to comment and express concerns on a more overarching basis.

In particular the Committee found it difficult to scrutinise the Scottish Government’s long term plans for social security programmes by considering a Draft Budget for one year (2017-18) in isolation. The Committee strongly recommends that the Scottish Government in future years provides information based on a longer term cycle which covers the whole of this parliamentary session, whilst also recognising that it is more usual to scrutinise a draft budget that sits within a three year cycle. The Committee found it very difficult to assess this Draft Budget on the criteria that the Finance and Constitution Committee has suggested (such as prioritisation of monies) based on a one year budget (although the suggested approach from your Committee is helpful). The Committee therefore intends to assess the various components of the budget throughout its work as a whole, rather than restrict it to specific Draft Budget scrutiny (for example, scrutiny of the Financial Memoranda for the forthcoming legislation on social security and child poverty).

The Committee also noted that social security programme costs for 2017-18 are no longer included as a separate budget line, but are “planned to be funded from the centrally-held budget relating to Scotland Act 2016 non-tax implementation.” This is part of the Finance and Constitution portfolio, and £80 million has been allocated to this central fund for implementing the new powers (which the Committee understands from the Minister includes the Crown Estate, and employability programmes as well as social security programmes).
Although the Committee found it helpful to receive information in oral evidence from the Minister as to the main areas where the £80 million would be allocated, the Committee had concerns in relation to understanding how this figure was calculated, and so whether it would be sufficient. Whilst the Committee understands that the budget planning for a new social security system is extremely complex and is very aware of the many and varied demands and pressures on that budget, it was also concerned that there was not sufficient clarity in how the £80 million was described across the Draft Budget documents, including the Level 4 figures, and in particular on what proportion of the £80 million would be allocated to social security programmes.

The Committee wished to highlight that the Minister stated that she would clarify in writing as to what proportion of the £80 million would be allocated to social security programmes. The Committee also asks for ongoing cooperation from the Scottish Government to provide financial details for specific policy initiatives when these are available, even if only estimations are possible (examples of policy initiatives being the use of top up benefits, e.g. for Carer’s Allowance and Child Benefit).

The Committee also wished to note our concern regarding the limited timescale between publications of the Draft Budget and reporting to your Committee, which has limited the extent of our scrutiny to one committee meeting on 22 December 2016, at which we considered oral evidence from the Minister for Social Security.

This is clearly not a sufficient timescale in the interests of thorough committee scrutiny. However the Committee notes that these timescales are unusual and not intended as a precedent, and intends to conduct more detailed scrutiny in further years as I have described above, particularly in relation to the budget for the new powers on social security.

Yours sincerely,

Sandra White MSP
Convener