

Cabinet Secretary for Finance and the Constitution
Derek Mackay MSP



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Bruce Crawford MSP
Convenor
Finance and Constitution Committee
Scottish Parliament
Edinburgh
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7 March 2017

Dear Bruce

Following the Stage 2 Amendments made to the Budget (Scotland) Bill, my officials have updated the affected tables as an Annex to the on-line version of the supporting document to reflect the amendments (<http://www.gov.scot/Publications/2017/01/8659>).

Details of these changes are shown at Annex A.

I hope the Committee finds this information helpful.

A handwritten signature in black ink, which appears to read 'Derek Mackay'.

DEREK MACKAY

Budget (Scotland) Bill

Amendments to Supporting Document

for the year ending 31 March 2018

The amendments to the 2017 Budget Bill (approved at Stage 2 on 8 February 2017) are not immediately obvious in the Bill. This document therefore provides an indication of how the changes will affect the budgets.

The budget amendments are:-

1. An increase of £25m in the Justice portfolio for Police, an increase of £35m (Financial Transactions) in the Economy, Jobs and Fair Work portfolio for Scottish Enterprise, An additional £100m for local government along with an additional £60m in Non-domestic Rates and a £6m decrease in the budget for Finance and the Constitution in respect of the resource costs for capital borrowing.

Table 1.2 (column H) of the Budget Bill supporting document shows the budgets for each portfolio. These amendments will revise the table as follows:-

Portfolio	Budget as per Budget Bill £m	Amendment £m	Revised Budget £m
Finance and the Constitution	166.7	-6.0	160.7
Health and Sport	13,305.5	0.0	13,305.5
Education and Skills	3,378.7	0.0	3,378.7
Economy, Jobs and Fair Work	374.0	35.0	409.0
Justice	2,457.8	25.0	2,482.8
Communities, Social Security & Equalities	10,836.8	160.0	10,996.8
Environment, Climate Change and Land Reform	346.3	0.0	346.3
Culture, Tourism & External Affairs	272.5	0.0	272.5
Rural Economy and Connectivity	2,784.3	0.0	2,784.3
Administration	192.6	0.0	192.6
Crown Office and Procurator Fiscal	111.1	0.0	111.1
National Records of Scotland	37.3	0.0	37.3
Teachers and NHS Pensions	4,521.5	0.0	4,521.5
Office of Scottish Charity Regulator	3.0	0.0	3.0
Scottish Courts and Tribunals Service	105.6	0.0	105.6
Scottish Housing Regulator	4.0	0.0	4.0
Scottish Fiscal Commission	1.7	0.0	1.7
Revenue Scotland	6.1	0.0	6.1
Food Standards Scotland	15.3	0.0	15.3
Forestry Commission	61.3	0.0	61.3
The Scottish Government	38,982.1	214.0	39,196.1
Scottish Parliament and Audit Scotland	104.1	0.0	104.1
Total Managed Expenditure	39,086.2	214.0	39,300.2

The following pages show the revised budgets in the form of the Supporting Document with relevant changes to numbers highlighted

Table 1.1 - Revised NDPB Cash and Resource Budgets by Portfolio, 2017-18

Portfolios (with at least one Executive NDPB)	NDPB Budget (Cash terms)	Non Cash items	NDPB Budget (Resource Terms)
	£m	£m	£m
Finance and the Constitution	4.7	0.0	4.7
Health and Sport	57.5	1.2	58.7
Education and Skills	1,934.6	34.9	1,969.5
Economy, Jobs and Fair Work	194.9	10.6	205.5
Justice	1,476.2	75.1	1,551.3
Communities, Social Security & Equalities	1.3	0.0	1.3
Environment, Climate Change and Land Reform	98.6	7.4	106.0
Culture, Tourism & External Affairs	177.9	15.0	192.9
Rural Economy and Connectivity	83.8	20.6	104.4
Total	4,029.5	164.8	4,194.3

Table 1.2 Draft Budget restated for Parliamentary Approval

	A Draft Budget £m	B NDPB Non- cash £m	C Adjusted Budget £m	D Tech Adjust £m	E Other bodies & transfers £m	F LA grants £m	G Minor Rounding Adjustments £m	H Restated Budget £m
Finance and the Constitution	3,580.9	0.0	-6.0		-3,414.2			160.7
Health and Sport	13,225.9	-1.2		96.2	-15.3		-0.1	13,305.5
Education and Skills	3,288.9	-34.9				124.5	0.2	3,378.7
Economy, Jobs and Fair Work	384.6	-10.6	35.0					409.0
Justice	2,580.3	-75.1	-0.2	-3.1	-105.6	86.5		2,482.8
Communities, Social Security & Equalities	11,082.3	0.0	160.0		-7.0	-238.5		10,996.8
Environment, Climate Change and Land Reform	307.0	-7.4		46.7				346.3
Culture, Tourism & External Affairs	324.8	-15.0			-37.3			272.5
Rural Economy and Connectivity	2,866.6	-20.6	0.1	-28.1	-61.3	27.5	0.1	2,784.3
Administration	192.6							192.6
Crown Office and Procurator Fiscal	111.1							111.1
National Records of Scotland					37.3			37.3
Teachers and NHS Pensions			1,115.1		3,406.4			4,521.5
Office of Scottish Charity Regulator					3.0			3.0
Scottish Courts and Tribunals Service					105.6			105.6
Scottish Housing Regulator					4.0			4.0
Scottish Fiscal Commission					1.7			1.7
Revenue Scotland					6.1			6.1
Food Standards Scotland					15.3			15.3
Forestry Commission					61.3			61.3
The Scottish Government	37,945.0	-164.8	1,304.0	111.7	0.0	0.0	0.2	39,196.1
Scottish Parliament and Audit Scotland	103.2		1.0				-0.1	104.1
Total Managed Expenditure	38,048.2	-164.8	1,305.0	111.7	0.0	0.0	0.1	39,300.2

Table 1.3 Capital Spending 2017-18

<i>Accounts Definition</i>	Direct Capital £m	NDPB Capital £m	Financial Transactions £m	Capital Grants to Local Authorities £m	Capital Grants to Private Sector £m	Total £m
<i>Capital DEL</i>						
Finance and the Constitution	2.0	-	-	-	-	2.0
Health and Sport	437.1	-	-	-	30.0	467.1
Education and Skills	569.6	50.9	14.0	-	96.9	731.4
Economy, Jobs and Fair Work	0.7	-	49.0	56.6	66.4	172.7
Justice	36.9	52.6	-	-	-	89.5
Communities, Social Security & Equalities	-	-	259.5	810.2	418.0	1,487.7
Environment, Climate Change and Land Reform	167.5	5.6	-	-	16.4	189.5
Culture, Tourism & External Affairs	-	17.4	5.0	-	6.3	28.7
Rural Economy and Connectivity	586.3	11.9	10.0	27.5	780.3	1,416.0
Total Programme	1,800.1	138.4	337.5	894.3	1,414.3	4,584.6
Administration	13.1	-	-	-	-	13.1
Crown Office and Procurator Fiscal	3.6	-	-	-	-	3.6
Total Scottish Government (Consolidated)	1,816.8	138.4	337.5	894.3	1,414.3	4,601.3
National Records of Scotland	3.3	-	-	-	-	3.3
Scottish Housing Regulator	-	-	-	-	-	-
Office of the Scottish Charity Regulator	-	-	-	-	-	-
Scottish Courts and Tribunals Service	14.5	-	-	-	-	14.5
Scottish Fiscal Commission	-	-	-	-	-	-
Revenue Scotland	-	-	-	-	-	-
Food Standards Scotland	-	-	-	-	-	-
Total Scottish Administration	1,834.6	138.4	337.5	894.3	1,414.3	4,619.1
Direct Funded Bodies						
Forestry Commission (Scotland)	-	-	-	-	1.6	1.6
Scottish Parliament Corporate Body	1.0	-	-	-	-	1.0
Audit Scotland	0.2	-	-	-	-	0.2
Total Scottish Estimates	1,835.8	138.4	337.5	894.3	1,415.9	4,621.9

1. Approximately £560m of the ELL direct capital scores in AME

2. Approximately £59m of the Health direct capital scores outside DEL (ODEL).

3. Information on PPP unitary charges is set out in Annex H, Table 5 on page 173 of the Draft Budget 2017-18 which was published on 15 December 2016.

Table 1.4 The Components of the Scottish Budget 2017-18

	Expenditure	Expenditure	Expenditure	Total
	Within	Within	Outside	Budget
	DEL	AME	DEL/AME	
	£m	£m	£m	£m
Scottish Executive - Portfolios				
Finance and the Constitution	160.7			160.7
Health and Sport	13,109.3	100.0	96.2	13,305.5
Education and Skills	2,935.7	443.0		3,378.7
Economy, Jobs and Fair Work	409.0			409.0
Justice	2,427.2		55.6	2,482.8
Communities, Social Security & Equalities	8,331.0	2,665.8		10,996.8
Environment, Climate Change and Land Reform	346.3			346.3
Culture, Tourism & External Affairs	272.5			272.5
Rural Economy and Connectivity	2,653.0		131.3	2,784.3
Total Programme	30,644.7	3,208.8	283.1	34,136.6
Administration	192.6			192.6
Crown Office and Procurator Fiscal	111.1			111.1
Total Scottish Government (Consolidated)	30,948.4	3,208.8	283.1	34,440.3
Scottish Housing Regulator	4.0			4.0
National Records of Scotland	37.3			37.3
Office of the Scottish Charity Regulator	3.0			3.0
Scottish Courts and Tribunals Service	105.6			105.6
Scottish Fiscal Commission	1.7			1.7
Revenue Scotland	6.1			6.1
Food Standards Scotland	15.3			15.3
Scottish Teachers' and NHS Pension Schemes		4,521.5		4,521.5
Total Scottish Administration	31,121.4	7,730.3	283.1	39,134.8
Direct Funded Bodies				
Forestry Commission (Scotland)	61.3			61.3
Scottish Parliament Corporate Body	96.6	1.0		97.6
Audit Scotland	6.5			6.5
Total Scottish Budget	31,285.8	7,731.3	283.1	39,300.2

Table 1.5 Revised Overall Cash Authorisation (Total Funding Requirement)

	Budget		Adjustments		Cash Authorisation
	£m		Depreciation	Other	£m
			£m	£m	
Scottish Administration	39,134.8		-634.8	-4,008.6	34,491.4
Forestry Commission (Scotland)	61.3		-0.1	0.0	61.2
Scottish Parliament Corporate Body	97.6		-12.5	0.0	85.1
Audit Scotland	6.5		-0.4	0.0	6.1
Total	39,300.2		-647.8	-4,008.6	34,643.8

Sources of Funding for Scottish Budget:	
Cash grant from the Scottish Consolidated Fund	17,289.9
Non Domestic Rate Income	2,665.8
Scottish Rate of Income Tax	11,858.0
Forecast receipts from LBTT and Landfill Tax	656.0
Capital borrowing	450.0
National Insurance Contributions	1,724.1
Total Cash Authorisation	34,643.8

Table 1.6 Budget Position for Consolidated Accounts

	Expenditure	Expenditure	Expenditure	Total
	Within	Within	Outside	Budget
	DEL	AME	DEL/AME	
	£m	£m	£m	£m
Scottish Government - Portfolios				
Finance and the Constitution	160.7	0.0	0.0	160.7
Health and Sport	13,109.3	100.0	96.2	13,305.5
Education and Skills	2,935.7	443.0	0.0	3,378.7
Economy, Jobs and Fair Work	409.0	0.0	0.0	409.0
Justice	2,427.2	0.0	55.6	2,482.8
Communities, Social Security & Equalities	8,331.0	2,665.8	0.0	10,996.8
Environment, Climate Change and Land Reform	346.3	0.0	0.0	346.3
Culture, Tourism & External Affairs	272.5	0.0	0.0	272.5
Rural Economy and Connectivity	2,653.0	0.0	131.3	2,784.3
Administration	192.6	0.0	0.0	192.6
Crown Office & Procurator Fiscal	111.1	0.0	0.0	111.1
Consolidated Accounts	30,948.4	3,208.8	283.1	34,440.3

FINANCE AND THE CONSTITUTION

Schedule 2 - Summary Proposed Portfolio Budget

Total Proposed Budget DEL:	2017-18		
	Operating £m	Capital £m	Total £m
Scottish Public Pensions Agency	16.3	2.0	18.3
Finance and Constitution	142.4	0.0	142.4
Total DEL	158.7	2.0	160.7
AME:			
Total AME	0.0	0.0	0.0
Other Expenditure Outside DEL:			
Total Other Expenditure Outside DEL	0.0	0.0	0.0
Total Portfolio Budget	158.7	2.0	160.7

Total Limit on Income (accruing resources)	20.0
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FINANCE AND THE CONSTITUTION

Schedule 3.2 Finance and Constitution
 Details of Proposed Budget

Proposed Budget	2016-17	2017-18		
	Total £m	Operating £m	Capital £m	Total £m
	52.4	142.4	0.0	142.4
Less Retained Income	0.0	0.0	0.0	0.0
Capital Receipts Applied	0.0	0.0	0.0	0.0
	52.4	142.4	0.0	142.4
Budget Analysis				
Capital borrowing Repayments	0.0	24.0	0.0	24.0
Public Information and Engagement	2.8	2.8	0.0	2.8
Royal and Ceremonial	0.3	0.3	0.0	0.3
Scotland Act -Tax Provision Implementation and Management	16.2	12.0	0.0	12.0
Scotland Act - Non-Tax Implementation	0.0	80.0	0.0	80.0
Local Government Elections	0.4	1.0	0.0	1.0
Scottish Parliamentary Elections	9.6	0.6	0.0	0.6
Local Government Boundary Commission	0.0	0.2	0.0	0.2
Scottish Futures Trust	4.7	4.7	0.0	4.7
Procurement Shared Services	18.4	16.8	0.0	16.8
Net Expenditure	52.4	142.4	0.0	142.4

JUSTICE

Schedule 2 - Summary Proposed Portfolio Budget

Total Proposed Budget	2017-18		
	Operating £m	Capital £m	Total £m
DEL:			
Community Justice Services	33.6	0.0	33.6
Judiciary	1.0	0.0	1.0
Criminal Injuries Compensation	17.5	0.0	17.5
Legal Aid	136.8	0.0	136.8
Police Central Government	97.9	20.0	117.9
Safer & Stronger Communities	4.1	0.0	4.1
Police & Fire Pensions	350.6	0.0	350.6
Scottish Prison Service	291.9	15.8	307.7
Miscellaneous	36.3	1.1	37.4
Scottish Police Authority	1,042.4	0.0	1,042.4
Scottish Fire and Rescue Service	291.7	0.0	291.7
Justice Central Gov. Grants to Local Authorities	86.5	0.0	86.5
Total DEL	2,390.3	36.9	2,427.2
AME:			
Total AME	0.0	0.0	0.0
Other Expenditure Outside DEL:			
Scottish Prison Service	50.2	0.0	50.2
Scottish Police Authority	5.4	0.0	5.4
Total Other Expenditure Outside DEL	55.6	0.0	55.6
Total Portfolio Budget	2,445.9	36.9	2,482.8
Total Limit on Income (accruing resources)			39.7

JUSTICE

Schedule 3.5 Police Central Government
 Details of Proposed Budget

Proposed Budget	2016-17	2017-18		
	Total £m	Operating £m	Capital £m	Total £m
Gross Expenditure	82.5	100.0	20.0	120.0
<i>Less:</i> Retained Income	-2.1	-2.1	0.0	-2.1
Capital Receipts Applied	0.0	0.0	0.0	0.0
	80.4	97.9	20.0	117.9
Budget Analysis				
National Police Funding & Police Change Fund	80.3	97.8	20.0	117.8
Police Support Services	0.1	0.1	0.0	0.1
Net Expenditure	80.4	97.9	20.0	117.9

ECONOMY, JOBS AND FAIR WORK

Schedule 2 - Summary Proposed Budget

Total Proposed Budget	2017-18		
	Operating £m	Capital £m	Total £m
DEL:			
Parliamentary Business & Government Strategy	60.8	0.0	60.8
Enterprise and Energy	290.0	14.0	304.0
Accountant in Bankruptcy	0.5	0.7	1.2
Employability and Training	43.0	0.0	43.0
European Social Funds 2014-20 Programmes	0.0	0.0	0.0
European Regional Development Fund 2014-20 Programmes	0.0	0.0	0.0
Total DEL	394.3	14.7	409.0
AME:			
Total AME	0.0	0.0	0.0
Other Expenditure Outside DEL:			
Total Other Expenditure Outside DEL	0.0	0.0	0.0
Total Budget	394.3	14.7	409.0
Total Limit on Income (accruing resources)			40.0

Schedule 3.2 Enterprise and Energy
 Details of Proposed Budget

Proposed Budget	2016-17	2017-18		
	Total £m	Operating £m	Capital £m	Total £m
Gross Expenditure	289.3	290.5	14.0	304.5
<i>Less:</i> Retained Income	-0.5	-0.5	0.0	-0.5
Capital Receipts Applied	0.0	0.0	0.0	0.0
	288.8	290.0	14.0	304.0
Budget Analysis				
Energy	71.2	66.2	14.0	80.2
Enterprise	248.8	213.2	0.0	213.2
Innovation & Industries	8.8	10.6	0.0	10.6
Strategic Forum	-40.0	0.0	0.0	0.0
Net Expenditure	288.8	290.0	14.0	304.0

COMMUNITIES, SOCIAL SECURITY AND EQUALITIES

Schedule 2 - Summary Proposed Portfolio Budget

Total Proposed Budget DEL:	2017-18		
	Operating £m	Capital £m	Total £m
Local Government	7,280.9	0.0	7,280.9
Planning	4.0	0.1	4.1
Housing	504.5	234.5	739.0
Social Security	95.9	0.0	95.9
Social Justice and Regeneration	54.2	5.0	59.2
Equalities	20.3	0.0	20.3
Third Sector	24.5	0.0	24.5
Governance, Elections and Reform	1.2	0.0	1.2
Central Government Grants to Local Authorities	105.9	0.0	105.9
Total DEL	8,091.4	239.6	8,331.0
AME:			
Non Domestic Rates	2,665.8	0.0	2,665.8
Total AME	2,665.8	0.0	2,665.8
Other Expenditure Outside DEL:			
Total Other Expenditure Outside DEL	0.0	0.0	0.0
Total Portfolio Budget	10,757.2	239.6	10,996.8

Total Limit on Income (accruing resources)

80.0

COMMUNITIES, SOCIAL SECURITY AND EQUALITIES

Schedule 3.1 Local Government
Details of Proposed Budget

Proposed Budget	2016-17	2017-18		
	Total £m	Operating £m	Capital £m	Total £m
Gross Expenditure	9,935.0	9,786.7	0.0	9,786.7
<i>Less:</i> Retained Income	0.0	0.0	0.0	0.0
Capital Receipts Applied	0.0	0.0	0.0	0.0
	9,935.0	9,786.7	0.0	9,786.7
Budget Analysis				
Non-Domestic Rates (NDR)	2,768.5	2,665.8	0.0	2,665.8
General Revenue Grant	6,685.9	6,627.8	0.0	6,627.8
Support for Capital	480.6	653.1	0.0	653.1
Net Expenditure	9,935.0	9,946.7	0.0	9,946.7

Memorandum Item - Total Local Government Funding

Proposed Budget	2016-17	2017-18		
	Total £m	Operating £m	Capital £m	Total £m
Net Expenditure	9,935.0	9,946.7	0.0	9,946.7
Plus Specific Grants included as follows:				
Education and Skills (page 22)				
Educational Attainment Fund	0.0	120.0	0.0	120.0
Gaelic	4.5	4.5	0.0	4.5
Justice (page 35)				
Criminal Justice Social Work	86.5	86.5	0.0	86.5
Rural Economy and Connectivity (page 71)				
Cycling, Walking & Safer Routes	5.9	7.4	0.0	7.4
Regional Transport Partnership	16.0	20.1	0.0	20.1
Communities, Social Security & Equalities (page 52)				
Transfer of Management of Dev Funding	96.5	96.1	0.0	96.1
Vacant & Derelict Land Grant	7.8	9.8	0.0	9.8
Net Expenditure	10,152.2	10,291.1	0.0	10,291.1