



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Finance and Constitution Committee

**Wednesday 12 December 2018**

**Session 5**



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Pàrlamaid na h-Alba

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### FINANCE AND CONSTITUTION COMMITTEE

#### 31<sup>st</sup> Meeting 2018, Session 5

##### CONVENER

\*Bruce Crawford (Stirling) (SNP)

##### DEPUTY CONVENER

\*Adam Tomkins (Glasgow) (Con)

##### COMMITTEE MEMBERS

\*Tom Arthur (Renfrewshire South) (SNP)

\*Neil Bibby (West Scotland) (Lab)

\*Alexander Burnett (Aberdeenshire West) (Con)

Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

\*Angela Constance (Almond Valley) (SNP)

\*Murdo Fraser (Mid Scotland and Fife) (Con)

\*Emma Harper (South Scotland) (SNP)

\*Patrick Harvie (Glasgow) (Green)

\*James Kelly (Glasgow) (Lab)

\*attended

##### THE FOLLOWING ALSO PARTICIPATED:

George Adam (Paisley) (SNP) (Committee Substitute)

Jackson Carlaw MSP (Scottish Parliamentary Corporate Body)

Derek Croll (Scottish Parliament)

Sir Paul Grice (Scottish Parliament)

##### CLERK TO THE COMMITTEE

James Johnston

##### LOCATION

The Robert Burns Room (CR1)



# Scottish Parliament

## Finance and Constitution Committee

Wednesday 12 December 2018

*[The Convener opened the meeting at 11:00]*

### Scottish Parliamentary Corporate Body Budget 2019-20

**The Convener (Bruce Crawford):** Good morning and welcome to the 31st meeting in 2018 of the Finance and Constitution Committee. We have received apologies from Willie Coffey. I remind members to switch their mobile phones to a mode that will not interfere with proceedings.

The first item on the agenda is evidence from the Scottish Parliamentary Corporate Body on its budget submission for 2019-20. We are joined today by Jackson Carlaw MSP, who is a member of the SPCB; Sir Paul Grice, who is the Parliament's chief executive; Derek Croll, who is the Parliament's head of finance and security; and Michelle Hegarty, who is an assistant chief executive. I welcome the witnesses to the meeting.

I invite Jackson Carlaw to make a brief opening statement.

**Jackson Carlaw MSP (Scottish Parliamentary Corporate Body):** This is the third time that I have appeared before the committee on behalf of the corporate body. Last year, I advised the committee that the corporate body's 2018-19 budget submission was set at a level that would provide a sustainable footing for the remainder of the current parliamentary session. Members may recall that that budget included a significant increase. Following extensive planning and prioritisation, I can confirm that this year's budget submission for 2019-20 has been set at the level of the indicative forecast that was advised to the committee.

It remains the case that our medium-term financial plan is a prudent approach to what we can reasonably anticipate, and we retain flexibility to reprioritise resources to meet emerging demands. The corporate body's total budget submission for revenue and capital expenditure is £90.4 million for 2019-20. Excluding the one-off office-holder relocation costs for the current year, to which we referred last year, that is a 2.7 per cent increase over the current year. The overall net increase is attributable to inflation.

Our Parliament continues to be busy; consequently, there is high demand placed on the

services that are provided by the SPCB. As the committee will appreciate, uncertainty—I believe that that is the euphemism—remains around the final outcomes of the Brexit process and the parliamentary impact. Officials continue to engage actively on all developments, so that the SPCB can be advised of any changes or impacts that must be planned for and managed, and we remain assured that we have invested in the right level of capacity, expertise and support for members.

We continue also to develop new ways to provide our services to make them more efficient and responsive to members' needs. For example, members of the committee might be familiar with the Scottish Parliament information centre's "SPICe Spotlight" blog, in which SPICe staff publish information in anticipation of high-profile issues or reacting quickly to breaking issues. Subscriber numbers are growing, and although it is still early days, we hope that the blog will reduce reactive inquiries in order to enable SPICe to focus its resource on more specific and complex inquiries.

We are approaching the end of the one-year pay deal for parliamentary staff, and negotiations will commence in the new year to determine a new pay settlement, once the corporate body has considered a negotiating remit. MSP pay rises are linked to public sector pay rises in Scotland, using the annual survey of hours and earnings that is published by the Office for National Statistics. Using that index—and resisting the temptation, when there is no other news that might get reported today, to omit the decimal point—I can confirm formally that an increase of 2.3 per cent will be applied from April 2019.

I will pick out three areas of progress, based on our last budget submission to the committee. The recommendations from the commission on parliamentary reform continue to be considered, with the majority of the recommendations to be implemented over the coming months. We are already seeing the benefit of some of the changes that we have resourced, including in the emerging new ideas around public participation to enhance committee work that are being piloted by the newly established committee engagement unit.

The corporate body expects to consider a closure report on the reform agenda early in the new year. The proposed budget for 2019-20 now reflects the on-going revenue costs that are associated with the commission on parliamentary reform.

Our project budgets reflect an increasingly mature approach to planning and prioritisation, so that we can smooth our expenditure over multiple years. As always, choices have had to be made about project investment, informed by our strategy, management of risk and, of course, value

for money. Project spend for the next few years reflects, among other things, the need to start to replace various aspects of our infrastructure for broadcasting, facilities and information technology, which have been in place, in many instances, for 15 years or more. In addition, physical and online security remain paramount considerations for the corporate body, and we are continuing to invest to ensure that Parliament is a welcoming, accessible and, primarily, safe place to work in and visit.

The committee will remember that our bid last year included a project to co-locate three offices: the Scottish Public Services Ombudsman, the Children and Young People's Commissioner Scotland and the Scottish Human Rights Commission. That has involved the respective office-holders and corporate body staff in a significant piece of work, which is now nearing conclusion. Two of the offices have already relocated and the final one will do so in January. Although there are still some outstanding aspects of the project to conclude, we can confirm that there will be rental savings in the order of £0.5 million over a 10-year period. As a result of co-location, we anticipate that further savings and efficiencies will be achieved in the future through the shared services agenda.

That concludes my remarks on the budget submission. I and colleagues will be happy to take questions.

**The Convener:** Thank you for that helpful introduction. In our reports on the 2017-18 and 2018-19 draft budgets, the committee invited the corporate body to consider undertaking a review of office-holders that are supported by the corporate body. What progress has been made in that review?

**Jackson Carlaw:** I think that I said last year that we would have an unquantifiable amount of work to do in considering and implementing the recommendations of the commission on parliamentary reform, as well as considerable additional work in preparing for Brexit. Therefore, although the corporate body had discussed a full review, we were not sure that the year that we have just completed would be the appropriate time to do it. We were also involved in quite a lengthy negotiation with office-holders on the relocation process. As some members will be aware, that had a public dimension to it that required considerable effort on the part of some parliamentary staff.

It is also worth noting—the committee might want to consider this—that the Government intends to introduce to Parliament a bill to create an additional commissioner. I know that in session 3 the Parliament wrestled with the business of the number of parliamentary commissioners that we had. There was quite a lot of controversy

surrounding the recommendations that the committee made to Parliament at the time. The committee might want to pursue with interest the question whether, two parliamentary sessions later, we are at a point at which there is a temptation to have a significant increase in the number of commissioners. Obviously, that is not a matter for the corporate body—we will have to work with whatever structure is applied—but the matter will be of concern.

If the Government's proposal goes ahead, that will lead to a minor additional increase—in the first instance, the new office-holder will work part time. However, that is speculative. The creation of a new commissioner falls within the publicly known anticipatory needs, but no such bill has yet been introduced.

**The Convener:** When that bill is introduced, it will be accompanied by a financial memorandum, which the committee will have to consider.

**Emma Harper (South Scotland) (SNP):** The past year has been busy, with additional work on legislation coming through committees. I am interested to know whether there has been an increase in overtime and, if so, how that has affected parliamentary staff. Has flexitime been a challenge? It does not jump out from our papers that more hours have been worked or that there has been more flexible working by staff. Is that an area in which the Parliament will face a challenge in the future?

**Jackson Carlaw:** We will answer that in two ways. We are significantly busier at this point in the parliamentary session than we were at the same point in the previous parliamentary session. There has been a 27 per cent increase in the amount of committee time and a 9 per cent increase in the amount of chamber time over the previous year, and committee meetings are up by 22 per cent. Compared with the same point in the previous session, there has been a 19 per cent increase in the amount of committee time and a 5 per cent increase in the amount of chamber time and, in general, committee meetings are up by 17 per cent.

On the Parliament's overall workload, you are correct that this session is proving to be consistently busier than the previous session. Paul Grice will address the specific requirements in relation to the costs that are associated with that.

**Sir Paul Grice (Scottish Parliament):** We have approached the situation in a number of ways. First, we have increased the number of staff—we briefed the committee on that last year—and we have tried to target the areas of greatest pressure. Secondly, we have looked for more innovative ways of working. Jackson Carlaw mentioned the SPICe blog. The advantage of the blog is that it

not only provides an awfully good service to members, but reduces the number of inquiries to SPICe. We are looking to use technology in such ways.

Staff are working very hard. There has not been a noticeable spike in overtime. We have a flexible system of working, so although we are very busy at certain times of year, during the summer recess we expect staff who principally service committees and the chamber to be able to draw flexitime down. We are managing fine. It is busy, but we are coping well with the extra demands that Jackson Carlaw outlined.

**Emma Harper:** I guess that the busyness is not all attributed to Brexit and forthcoming legislation, but is part of the process of further devolution.

**Paul Grice:** That is an important point. There is no doubt that a lot is Brexit related, but as we will find out this afternoon, the new income tax powers are also having an impact. This committee has been at the forefront of that work. There is also the fact that the 10 or so committees with the greatest interest in spend have had to go through a new pre-budget process, and there are the new welfare powers. Parliament is busy anyway, and Brexit has come on top of that.

**The Convener:** Emma Harper asked how much had been spent on overtime and what the impact has been on flexitime.

**Paul Grice:** Flexitime is fine—we are managing. I can write to you with the details; I do not have the actual numbers in front of me, although I am pretty sure that there has not been a noticeable spike in overtime. We do not pay much overtime; we tend to use flexitime. There are some offices in which we have to pay overtime, but by and large we try to avoid it on the ground that I prefer that, over the year, people work their hours and manage them through flexi. I am pretty clear that we are still managing that fine through our flexi system. If you want it and if it would be helpful, I can drop you a note after the meeting on the actual spend on overtime.

**Emma Harper:** Thank you.

**The Convener:** I will ask a couple of follow-up questions. You have described well the architecture and landscape of the current challenges, but has the corporate body undertaken a review of working patterns to look at where we are now, and at whether staff working patterns are suitable for the challenges that we currently face?

**Jackson Carlaw:** We have had several extended discussions about that. Paul Grice might wish to identify some specific areas. We are reducing the number of senior executives as part of that continual review.

**Paul Grice:** That is an on-going process, I would say. We have had periodic reviews of senior management, for example, but it is a constantly evolving process. For example, how we use technology is always changing. I have found that the best way to do it is to expect all the individual teams and groups to look at that, rather than having set-piece reviews. We have had more step-change reviews—for example, when Parliament changed its sitting patterns we had a more formal assessment of whether how we deployed our staff was suitable—but we try to look ahead constantly and to evolve the organisation steadily. In my experience, big set-piece reviews tend not to work very well in the current climate, because things move on.

As Jackson Carlaw said, we have regular dialogue with the corporate body about how we work. I am as confident as I can be, but it is a constant challenge to ensure that the staff group is deployed not just to meet new challenges but to suit the way members work. I hope that you will confirm my observation that members now operate in a more mobile way—that they use technology to operate not just from here or from their constituencies but while they are on the move. We have set up our business information technology team in a way that recognises that working pattern, with more mobile devices and more capability to develop software applications in-house to support members.

That is the approach that we have taken. I hope that that answers the question.

**The Convener:** To be fair, I do not think that it really did. I am not so worried about the head count; I am concerned about the response to the demand that obviously exists and the issues that you have just raised about the organisation working differently now that MSPs work differently. I want to know about people's working patterns and how they are being deployed, as much as I want to know about staff numbers and the number of hours that they work. Has a review of that been undertaken?

**Paul Grice:** I am sorry that I did not answer on that point. What I intended to say is that that is constantly under review. For me, the answer is not to have set-piece reviews. Instead, I expect all business areas to be constantly mindful: they change their working patterns as an incremental process over time.

It is rare that we have set-piece reviews because—in my experience—often by the time you finish them the world has moved on again. For me, review is a constant process.

11:15

**The Convener:** Finally, Jackson Carlaw mentioned some useful information about the additional work that is being undertaken by committees, and about the percentage increase in the amount of time for which committees and the chamber meet. Has that information ever been published? I am not aware of it.

**Paul Grice:** I think that this is the first time we have made the information publicly available. It comes from analysis that I had done in order to be able brief the committee today.

**The Convener:** I think that all members of Parliament would find it useful to know that information about the work that they do, to help with public understanding of the additional hours that are being put in to make sure that we get through this challenging period.

**Alexander Burnett (Aberdeenshire West) (Con):** I have a couple of questions. In percentage terms, the nearly 8 per cent increase in running costs clearly stands out. A lot of that increase seems to be explained by the migration of the IT model towards something that is cloud based rather than on site. Are there offsets in the on-site IT provision and, if so, where do they appear in the budget?

**Paul Grice:** Yes, there are offsets. It is quite a complex move, but you are absolutely right.

There are two areas where we will save money on site over a number of years. One is to do with the amount of infrastructure. We will not need to replace servers—we will probably keep some servers on site for security purposes, but as we operate more in the cloud, which means that the servers are elsewhere, we should make savings in that area.

There has also been a switch to having more in-house staff, which has reduced contractor costs. I think that our spend on contractors over the past three or four years is down by several hundred thousand pounds as we have employed more staff in-house.

The other side of that is that we are paying more licensing costs. Licences are more complex and there are more of them. I do not know the exact numbers, but there are several hundred more licences in operation now than there were two or three years ago and we expect that trend to continue over the next two or three years. You are right that it is a case of swings and roundabouts—we save in some areas and spend more in others.

**Alexander Burnett:** My second question is about security. I thank Sir Paul for arranging a most productive meeting with the security team following some queuing issues that we had specifically with people attending our cross-party

group on autism. I understand that queuing is an issue that has been affecting a lot of the evening events. Although the team is trying to mitigate that with a lot of measures around the main entrance, it became clear during the meeting that there is an issue with their not being able to use both the scanners at the same time because of how the space around the main entrance is arranged.

Will some of the increase in the security budget go towards looking at the main entrance security arrangements? Are there any plans to look at that issue so that people can get into the building more speedily?

**Jackson Carlaw:** The attack at the House of Commons in 2017 led to a fairly comprehensive additional review of security here at Holyrood. One very visible consequence of that was the presence of armed officers for the first time.

It is for the corporate body to address rather than advertise any weaknesses that there might be within the parliamentary security campus, so you will understand why it would not be wise for me to speculate or to comment, other than to say that a comprehensive review has been considered carefully by the corporate body.

It is not the case that we simply then agree to everything. We are keen that this Parliament does not become a fortress Parliament but that it remains accessible to the public in as broad a way as possible, although—as was pointed out to me—the members of the corporate body are personally liable in the event that anything subsequently happens.

We take the responsibility for the security of everybody on the campus incredibly seriously, but we are also mindful that any changes must be implemented carefully and budgeted for over time. Quite a number of changes will materialise—some obvious, some less so. Of course, for members and staff, the most obvious immediate change will be the two-point identification system, which will come into play in the new year. The first confirmatory emails have either gone out or are just about to go out explaining how that will operate. It is being piloted in the short term.

We are mindful of the fact that it is important that we do not allow the Parliament to become a fortress. Security issues form a big part of the discussions that we have in the corporate body. We will do a range of things that will have a material effect on our budget over the parliamentary session; however it is important that we do them.

**Patrick Harvie (Glasgow) (Green):** My question follows on from the issues that the convener raised earlier. One of the recommendations that was made by the commission on parliamentary reform was the



“creation of a Committee Engagement Unit.”

Is it the expectation that the budget for the unit will be stable from now on, or will it change as the unit develops into its role? Are there any other recommendations from the commission that have not yet had a budgetary impact but which you see happening in the future?

**Jackson Carlaw:** Given that not every member of this committee will necessarily have served on a committee that has had exposure to or interaction with the committee engagement unit, it is worth saying that the unit has been set up and has been working with a number of committees. The establishment of the unit was one of the commission's big recommendations. The committees with which the engagement unit has been working have seen, in a number of material ways, the benefit that it provides. Paul, do you want to comment on what that means for the budget?

**Paul Grice:** The short answer is that I expect the committee engagement unit budget to be stable for the remainder of this session at the very least; that is the budget that you will see for both staff and running costs. As Jackson Carlaw said, the unit, which really kicked off in July or August this year, has already done some good work with the Public Petitions Committee. I saw a note of a discussion that the unit had with about a dozen members asking what their expectations were. There were some interesting ideas from members about how we could enhance the unit—such as by using mini-publics and various other interesting ideas—which will feed through.

You asked about other commission recommendations. There is nothing major, but there is a recommendation that we review the legislative process, so there might be a modest one-off cost for that, and there is a proposal about a back-bench committee. I do not think that any of those things are substantial and they would certainly not knock the main budget—they are all perfectly capable of being resourced within existing budgets, although there might be a specific spend attached to them.

**Angela Constance (Almond Valley) (SNP):** I turn to schedule 3 of the SPCB's written evidence. I am particularly interested in the budget bids and the indicative budget lines for future years in the context of actual outturn figures. I appreciate that you will not have outturn figures—actual spend—for the financial year 2018-19, but can the committee be assured that the various budget lines are accurately based on previous spend? I note that the contingency budget has reduced significantly. Where is the transparency that allows the committee to see that you do not have unnecessary headroom in other budget lines?

**Jackson Carlaw:** On the final point, last year I specifically said to the committee that the corporate body felt that the contingency provision had been relied on too much. In the work that we did ahead of last year's submission, we sought to identify the actual likely requirements, so that we did not just rely on the contingency, which had mopped up quite a lot of unforeseen expense. There is less of a contingency.

**Paul Grice:** The contingency point is a very fair one. The transparency point is fundamental. We say in our report that there are two elements to the contingency. The first half a million pounds is the classic emergency fund in case something that is completely unforeseen happens. The other half a million—which we are quite upfront about—has a range of bids against it. We are not funding them just yet, but we would expect that to be used over the year.

We have been working over a number of years to improve the outturn against budget. We were within £1 million last year and we have a target of being within 2.5 per cent, which we are meeting. I hope that that reassures the committee. Given that we are in the public sector and do not raise revenue, we always have to allow a margin for error, but we get pretty close to the budget that we set and certainly within around 2 per cent of it. That is an area that I would like to continue to improve.

You are right that we do not have the outturn figure for the current year, but I would expect it to be at or close to within 2 per cent—if not better. I would like to improve that further. As you will know, there is a limit to where we can get to. We cannot overspend, so there always has to be a little bit of a margin.

I hope that that gives you comfort, particularly in relation to the transparency around contingency, which is an important point. We are always happy retrospectively to report to the committee on what we used the contingency budget for, so that you are reassured that it is not padding and that there are bids against it. For example, we used a fair bit of contingency last year to deal with the commission on parliamentary reform proposals. Again, we have reported this year on the use of the money and how some of it is being used in main budget lines. The committee engagement unit is the prime example of that.

**Angela Constance:** I was trying to encourage you to be crystal clear that you have not reduced the unnecessary padding in the contingency budget by inflating other budget lines, because that is not immediately transparent to us—for today's purposes—from the outturn figures on years gone by.

**Paul Grice:** I give you an absolute assurance that that is not the case. This is the key part of our budgeting year, but we have a very thorough interrogation from corporate body colleagues before we get this far. Jackson Carlaw and his colleagues would not tolerate that.

Jackson Carlaw has explained specifically why this year's contingency is half a million pounds less. The figure is more what you would regard as being a normal contingency against our budget.

**Angela Constance:** Will the panel talk a little bit more about the maintenance costs and the long-term 25-year plan? How will the committee be able to view the plans for the next few years and the longer term to ensure that what is planned is necessary and proportionate?

**Jackson Carlaw:** I have dealt with the security element of that. Sometimes, these things can be quite frustrating to politicians. Members will obviously recall the upgrade costs associated with changing the chamber lighting a couple of years ago. It is undoubtedly the case that each of us knows an elderly relative with a bulb in their kitchen that has worked since 1940 and they cannot understand why we had to spend the money. The problem, unfortunately, is that the units that we use become obsolete, legislation changes and we are no longer allowed to use those units, or the manufacturer no longer supplies and updates them.

When we have changed sound and lighting systems in the chamber, where we are permitted, we have stored all the equipment. The equipment in this committee room is being sustained on the basis of spares from units that were taken out of the chamber a few years ago. However, we are getting to the point where all the supporting infrastructure is becoming obsolete. Elements such as that, which are quite expensive, have to be built into the maintenance programme.

In addition, all the lifts in the Parliament are at the end of the period in which they can be safely operated without significant maintenance. Therefore, over the next three years, all the lifts will have to be significantly upgraded—probably during the summer recess, because it will take six to eight weeks to do that maintenance, on a rolling basis. That will cost money, too. I know that that can be quite frustrating—I think to myself that this is a fairly new building and surely the lifts do not need replacing, but that is the reality.

We are very careful to try to not have all the telephony, security or lift replacements hitting the parliamentary budget in one go and instead phase that work over time. Together with the IT upgrades that we are required to do, we manage that as best we can to ensure that it is an even process over the session.

We are aware of the work. As far as we are aware, there are no major maintenance costs that have not been anticipated, or that we have not been planning to schedule into the programme over the next three years.

**Angela Constance:** Schedule 1 shows the total net expenditure in relation to capital charges and non-cash items. We see a very modest increase from this year's approved budget to the budget for next year. Looking ahead to the indicative forecast, we are seeing bigger increases. Will you give a flavour of what is driving that?

**Paul Grice:** At this stage, that is a simple inflationary uplift: we are using the Treasury's gross domestic product deflator figures. When we put a proper indicative bid in next year, it will be broken down much further. At this point in the process, it is just a marker.

11:30

**Angela Constance:** Given that finances have been challenging across the public sector—that is probably an understatement—and that your covering letter is not advocating any outlandish increases, can you give us an indication where the pain is being felt in the organisation?

**Paul Grice:** I hope that there is no pain, but I see what you mean. There are a number of things that we are not doing and projects that we have had to postpone, as well as some postponing of investment in technology and so on. We try to look to how we balance it out. We have deferred things such as the television upgrade and other upgrades.

We try to look ahead and think about what is affordable. There is probably about £1.5 million-worth of projects that we would like to have undertaken next year that we are putting off to future years. That is how we tend to approach it. Staff are working very hard and there is a busyness about the place. That is where we have had to make choices.

Another area that is worth pointing out is not one of pain but is about our smart use of resources. In the past six months, the Parliamentary Bureau has taken a much more strategic look at the way in which we organise business. That is a great help for us in trying to be more efficient in supporting that. The bureau is now pulling together not just the Government's legislative programme but the committees' workloads and other things. That allows us to allocate resources more efficiently and we can see the pinch points ahead.

In part, there are things that we are just not doing or are deferring and in part, it is just about the way in which we organise our resources so

that they go where they are most needed. I hope that that answers your question.

**James Kelly (Glasgow) (Lab):** I have a question on schedule 5 of the balance sheet, under “Taxpayers’ equity”. The balance sheet details the actual position at the end of 2018 and then shows the projections for 2019 and 2020. There is a trend that shows the general fund decreasing by £17 million and the revaluation increasing by £17 million. What is the background to that?

**Jackson Carlaw:** Perhaps Derek Croll can answer that.

**Derek Croll (Scottish Parliament):** It is simply an accounting adjustment. We revalue the building every year in line with the Royal Institution of Chartered Surveyors indices. We also have to charge depreciation on the building every year. Those are accounting adjustments—they are non-cash items, but they affect the stated value of the building in the accounts.

**James Kelly:** So, the revaluation reserve going up indicates the value of the building going up, but why does the general fund figure go down? Is that due to depreciation?

**Derek Croll:** That reflects depreciation. It is the total asset value of the Parliament.

**James Kelly:** Okay, so the asset value has gone down because the depreciation amount has come off.

**Derek Croll:** Yes.

**Murdo Fraser (Mid Scotland and Fife) (Con):** I want to go back to an issue that Jackson Carlaw touched on at the start—MSPs’ pay and the budget for that. MSP pay is due to go up by 2.3 per cent next year, but the overall budget is up by 3.3 per cent. Can you explain the reason for the difference in those figures?

**Jackson Carlaw:** Yes. There is a discrepancy between—as I have confirmed—MSP pay going up by 2.3 per cent and the overall increase in pay being 3.3 per cent because there is an additional £168,000 cost associated with the fact that, in the past year, the First Minister has created an additional two cabinet secretaries and a junior minister—that is three more ministers than we had in the previous year’s budget. That accounts for the overall increase, beyond the 2.3 per cent for members’ pay, of 3.3 per cent.

**Murdo Fraser:** Thank you for that. That is interesting. I had always understood that MSPs’ pay came out of the SPCB’s budget, but does ministers’ pay come out of the same budget? I would have thought that their pay would come out of the Scottish Government’s budget.

**Paul Grice:** That is partly to do with how the Scotland Act 1998 was set up. The situation is not new; it has always been the case.

**Murdo Fraser:** Thank you. Is that the highest ministerial salary bill that we have ever had?

**Jackson Carlaw:** I have NOT looked at that. However, I suspect that it might be, on the basis that this is also the highest MSP salary bill that we have had. Costs do not decline; they invariably increase. We have probably the biggest complement of ministers that we have ever had. Therefore, the record would probably confirm what you suggest to be the case, but I can only speculate on that.

**Paul Grice:** I do not have that figure to hand.

**Jackson Carlaw:** It is not a chart that we maintain.

**Murdo Fraser:** It would be interesting for the committee to know.

**Jackson Carlaw:** I am sure that the committee would enjoy finding out.

**Tom Arthur (Renfrewshire South) (SNP):** I have one or two quick questions. Reference was made to Brexit uncertainty. I have not checked Twitter in the past half hour, so I do not know where we are with that at the moment. With regard to the contingencies that have been planned for, what consideration has been given to the possibility of no deal? In particular, a number of European Union nationals are members of the parliamentary staff or are employed by MSPs. In a no-deal scenario, their status would be up in the air. How has scenario planning for a no-deal Brexit informed the budgetary process?

**Jackson Carlaw:** I am sure that Paul Grice will comment further on that. The corporate body has acted in a completely apolitical way in that regard. As a responsible body, no deal has always been one of the options that we have considered, while seeking to do the best that we can—very often in the absence of firm information. I happily concede that we have to deal with that environment: it was one of the considerations when we set the budget before the committee last year. We recognised that it was something of an open window.

Parliament must now deal with the progression of Scottish statutory instruments and UK statutory instruments that are arising as a consequence of Brexit. At the moment, we feel that we have done a good job of anticipating that. Members of staff who have been deployed specifically to ensure that we get it right have accommodated everything that has had to happen. I do not think that they have yet been surprised by anything, but I know that no deal is one of the scenarios that we look at.

**Paul Grice:** I confirm that we have a specific team that is scenario planning all the time, as matters develop, which includes planning for a no-deal scenario. We are confident that the budget is sufficient. Part of the contingency money would enable us to cope with that, or we would flex other things in order to focus on it. It would be a top priority.

Tom Arthur's point on EU nationals is well made. We are following the same approach as the Government; we are giving whatever support we can to corporate body staff and contractors' staff to ensure that, whatever deal is ultimately agreed, their position is as secure as possible. We are offering them reassurance and advice as we go along.

**Tom Arthur:** My second question is on a different topic. This week, the Standards, Procedures and Public Appointments Committee published its report on cross-party groups. We now have somewhere north of 100 cross-party groups. I believe that there are now more cross-party groups than there are MSPs who are not party leaders or members of the Government. In the budgeting process, has consideration been given to ensuring that adequate facilities are available to accommodate the cross-party groups? Members will be aware that the groups are often very well attended; there is great demand, but there can be challenges in accessing facilities.

**Jackson Carlaw:** As a member of this Parliament, I have noted that growth in the number of cross-party groups. Supposedly, the SPPA Committee was undertaking an evaluation and rigorous assessment of the creation of new cross-party groups. The corporate body does not fund or financially support cross-party groups: we provide accommodation, but we do not provide support beyond that. Therefore, we have not had to make significant budgetary provision for them.

**Tom Arthur:** I appreciate that. I should have clarified that my question was with regard to cross-party groups meeting off campus, due to lack of available accommodation within the Parliament. Has supporting cross-party groups to meet off campus been considered?

**Paul Grice:** No, that has not been considered. I would be quite reluctant to do that. The strength of cross-party groups is that they can be formed as and when they are required. The minute we were involved officially, we would need regulation or control. I think that that would go against the—

**Tom Arthur:** There is no expense involved in a cross-party group meeting in the Parliament. However, if committee or other rooms were unavailable, that would necessitate a group meeting off campus, and that expense, as I understand it, would be incurred by the cross-party

group. Has any consideration been given to giving parliamentary support to provide additional facilities off campus?

**Paul Grice:** We have not been asked for that. I would remain reluctant to do that, because the SPCB would then be a funder of the groups. Cross-party groups can use facilities here because they exist already, and the marginal extra cost of meeting in an empty room is quite low.

There is particular value in the cross-party groups not being controlled as part of the formal machinery. I would be extremely cautious about moving into that space. We do everything we can within the facility here to make it possible for them to meet; we leave equipment out, and so on. We try to strike a balance. I have not been approached directly on the point: it would be a matter for the corporate body.

**Jackson Carlaw:** Did we not receive one such request?

**Paul Grice:** We might have done—your memory could be better than mine. That would be a matter for the corporate body. I would be reluctant to go there, even though I am sympathetic.

**Jackson Carlaw:** We might have received one request—possibly informally. We have received no formal request from members or groups of members or cross-party groups that I can think of, beyond possibly that one that is in my mind.

The answer to Mr Arthur's question is no: the corporate body has not given consideration to that issue. If we were asked to do so, we would. It is true to say that the corporate body's members are usually reluctant to set precedents. A number have been set; we obviously set a significant precedent in relation to additional security costs for members' offices. We had to look carefully at that and decide what we thought was appropriate. We can be circumspect before we agree.

**The Convener:** If there are no other questions, I thank the representatives of the corporate body for their evidence today, which was helpful. The evidence will form part of the committee's budget report, which will be published towards the end of January.

## Subordinate Legislation

11:42

*Meeting continued in private until 11:45.*

### **Revenue Scotland and Tax Powers Act (Ancillary Provision) Order 2018 (SSI 2018/346)**

11:42

**The Convener:** The next item is to consider an instrument that is subject to negative procedure, on Revenue Scotland sharing information with the Welsh Revenue Authority. Members have no questions or comments, so we move into private session.



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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