



OFFICIAL REPORT
AITHISG OIFIGEIL

Finance and Constitution Committee

Friday 12 June 2020

Session 5



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FINANCE AND CONSTITUTION COMMITTEE

12th Meeting 2020, Session 5

CONVENER

*Bruce Crawford (Stirling) (SNP)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Tom Arthur (Renfrewshire South) (SNP)

*Jackie Baillie (Dumbarton) (Lab)

*Alexander Burnett (Aberdeenshire West) (Con)

*Donald Cameron (Highlands and Islands) (Con)

*Angela Constance (Almond Valley) (SNP)

*Patrick Harvie (Glasgow) (Green)

*John Mason (Glasgow Shettleston) (SNP)

*Alex Rowley (Mid Scotland and Fife) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Kate Forbes (Cabinet Secretary for Finance)

Scott Mackay (Scottish Government)

Dougie McLaren (Scottish Government)

CLERK TO THE COMMITTEE

James Johnston

LOCATION

Virtual Meeting

Scottish Parliament

Finance and Constitution Committee

Friday 12 June 2020

[The Convener opened the meeting at 13:00]

Public Finances and Fiscal Framework (Impact of Covid-19) and Summer Budget Revision

The Convener (Bruce Crawford): Good afternoon and welcome to the 12th meeting in 2020 of the Finance and Constitution Committee. Today we will take evidence on the impact of Covid-19 on the public finances and the fiscal framework, and on the summer budget revision. The committee has launched a call for views as part of its pre-budget scrutiny of the impact of Covid-19 on the Scottish Government's budget for 2021-22, so today's session will not be the end of the committee's interest in the area.

For agenda item 1, we are joined by Kate Forbes, the Cabinet Secretary for Finance, and her officials from the Scottish Government. Scott Mackay is head of finance co-ordination, Dougie McLaren is deputy director of public spending and Daniel Hinze is deputy director for fiscal responsibility. I welcome you all to the meeting.

I invite the cabinet secretary to make a short opening statement.

The Cabinet Secretary for Finance (Kate Forbes): Thank you for the opportunity to discuss the impact of Covid-19 on our public finances and what that impact exposes in relation to the limitations of the fiscal framework, which is a subject that the committee has looked at in depth.

The impact of the current crisis is, of course, huge for individuals and businesses, but it is also huge for the Government, which is trying to support the direct health costs and the various financial pressures across wider society. We have done our best to react quickly, and I give credit to the United Kingdom Government for the way in which it has worked collaboratively, which has allowed us to co-ordinate the response in Scotland.

Nevertheless, the financial impact exposes us to additional financial risks that the current fiscal framework arrangements do not allow us to manage effectively. In order to offer an initial opportunity for the Parliament to scrutinise the funding commitments that we have made in responding to the crisis, I have introduced an

additional summer budget revision, which will provide transparency to the Parliament over the receipt and allocation of the significant resources.

The committee has been given a copy of the brief guide to the summer budget revision that officials have prepared, and I hope that it is useful. The budget revision deals specifically with budget changes that are related to the Covid pandemic, so it is by necessity a snapshot of the on-going position. Any further changes to budgets in order to fund our response will be made at the autumn and spring budget revisions as normal, along with the other technical, Whitehall and interportfolio transfers.

In summary, the net impact of all the changes is an increase in the approved budget of £2,787.2 million to £52,037.9 million. Table 1.1 on page 4 of the summer budget revision document shows the approved portfolio budgets following the changes that are sought, and the supporting document provides background information. The gross increase in funding in the summer budget revision is just over £4 billion, which is offset by a reduction of £972 million in non-domestic rates income that arises as a result of a number of reliefs that were introduced by Scottish ministers, as well as savings from reprioritisation of £255.2 million, to give the net increase of £2.7 billion.

I want to be clear with the committee that the risks that I am having to manage on the funding position are significant. Of the £3.5 billion in Barnett consequentials allocated to the Scottish Government that are shown in the document, only £3 billion has been formally added to our block grant at the main estimate. We expect the balance of those funds to be added to our budget at the UK supplementary estimate.

However, the Treasury has repeatedly made clear that it is exploring with UK departments the capacity for them to meet additional Covid-related costs from within existing budgets. That implies a risk that not all the consequentials that are set out in the document will actually be provided. Indeed, the funding position has already moved on and we have seen the Treasury revise downwards some of the consequentials that have been allocated in the revision. Specifically, £60 million for additional business support measures and £10 million for charities funding have now been removed from the aggregate consequentials that are allocated here.

The Scottish Government is rightly expected to demonstrate that every penny of funding that is received is allocated to support the Covid response. I have taken funding decisions in good faith where UK Government announcements have clearly suggested additional funding and where consequentials have been indicated.

The committee is already aware of some of the limitations within which I am required to manage the overall budget position. I have been clear that the restrictions of the fiscal framework make it insufficient to manage the budget volatility, which has previously been explored by the committee and debated in Parliament. There is limited room for manoeuvre within our budget, which is why I will continue to make the case to the UK Government for stability in funding and for some additional flexibilities to allow us to respond more fully to the crisis.

The Convener: Thank you for your opening statement, cabinet secretary. I am sure that some of my colleagues will have questions about the summer budget revision and the specifics of the consequential, which you began to outline. However, I will start with a general question.

It is now pretty clear that there are differences between the responses of each of the four Governments and four nations to the Covid crisis. To what extent are those differential approaches sustainable from a fiscal perspective, particularly if the UK Government continues to ease lockdown restrictions in England more quickly than the restrictions are being eased in the rest of the nations of the United Kingdom?

Kate Forbes: We certainly need to keep that under review. I would suggest that the overall impact on our economy compared with the rest of the UK will be minimal. It will be a question of degree rather than there being fundamental differences. There is a difference in the speed of unlocking, but that is because in Scotland we want to see a stronger, more sustainable recovery in the long run.

The UK Government published gross domestic product impact statistics today, and equivalent figures for Scotland will be published relatively soon. There are different impacts on different industries and sectors. In Scotland, we are more exposed in some sectors, particularly tourism. However, the rest of the UK will have its own share of impacts. That is increasingly coming through in some reports, not least the KPMG report earlier this week. I think that this goes to the heart of the question.

I was very grateful when the UK Government extended the furlough scheme, because it allows for a different pace in unlocking. The scheme means that the unemployment figures are lower than they might have been without it, so it has been very welcome. The problem is that some businesses are already looking to October and there is concern that, if they are not fully trading on both sides of the border by that point, or if their customers have not returned or consumer demand is not as strong as it was, they will have to let people go and we will start to see a rise in the

unemployment figures. That is why we believe that we need to have the powers and flexibilities to adapt our budget to meet needs as they arise over the coming months and years if there is a disproportionate impact on Scotland.

The Convener: That leads me nicely on to my next question, cabinet secretary. The committee has received evidence on the need to make temporary adjustments to the fiscal framework in each of the devolved Governments, given the extraordinary circumstances of the Covid crisis. What discussions have you and your colleagues in each of the devolved Governments had with Her Majesty's Treasury on making such temporary adjustments to the framework?

More generally, what discussions have you had with your counterparts in Belfast and Cardiff about a joint approach to discussions with Her Majesty's Treasury in seeking to agree temporary adjustments to fiscal rules to deal with the crisis that we face?

Kate Forbes: It is clear that the fiscal framework was not designed for a pandemic or an economic crisis on such a scale. A review was already baked into the fiscal framework, which suggested that improvements would be needed at a later date, and the crisis simply reinforces that. I would argue that the restrictions jeopardise spending decisions.

We have had quite constructive conversations with the Treasury in a series of quadrilateral calls. My counterparts in Northern Ireland and Wales have reinforced the point that the levels of volatility and uncertainty in the fiscal framework are unmanageable without a move on some of the powers or flexibilities that we have been asking for. Officials are working in partnership with Treasury officials to consider what some of the flexibilities and powers might be to allow all the devolved Governments to manage the uncertainty.

I think that there is an appetite to look at what the flexibilities and powers might be because of the scale of the volatility and uncertainty. Some of them are relatively basic—they are as simple as the ability to switch capital to revenue—but they go all the way through to how we can manage reconciliations over a longer period of time.

Those conversations are on-going. There are real-life implications, so we need to get beyond the discussions as soon as possible and get into the substance of which flexibilities and powers I will have to manage the budget, free up resource and continue to invest in our economy, our communities and the public services that matter to people.

The Convener: I want to probe a wee bit further on the issue of moving expenditure from capital to resource. I understand that the Welsh Government

has requested that HM Treasury relaxes the rule that prevents Governments from moving expenditure from capital to resource. Have you made a similar case to the Treasury? If so, what response have you had?

Kate Forbes: Absolutely—the Welsh Government has made that case, and we have made that case. Following the last quadrilateral call, I wrote to the Treasury and highlighted the need for certainty about consequential for extra flexibility in relation to capital-to-resource switches. That makes a lot of sense. This year, probably, a whole quarter of construction work will have been suspended. That frees up some capital. On the other hand, we are facing the most challenging pressures on our revenue budget. In order to deal with that, it would make sense to use some of the capital to help us with the pressures on revenue.

Let us consider business support. Businesses do not need capital just now; they need revenue in the form of grants. We have already exceeded the consequential that we got for supporting business. However, if I could use some of that capital, I could make that support go much further. The same applies right across the board.

Those are not huge new powers or extensive flexibilities; they are among the most basic powers that every Government around the world has access to in responding to the crisis. However, we do not have them. It would not undermine the Treasury's position to give us some of that freedom and flexibility to better manage our budget over the coming year.

Donald Cameron (Highlands and Islands) (Con): Good afternoon, cabinet secretary. I have two questions. One is a general question, and the other is a specific one. My general question, which is rather like the convener's question, is about the general impact of the virus on the economy and the public finances.

Yesterday, you suggested on the BBC that the slump could be worse in Scotland than in England and, by implication, that the recovery could be slower in Scotland because of the different pace of the easing of the lockdown restrictions. We have received evidence from the Fraser of Allander institute that speaks about a "disproportionate" impact on the Scottish economy. Do you accept that Scotland's economy could suffer compared with that of the rest of the UK, with severe consequences for our workers, our businesses and the livelihoods of many people, as a direct result of political choices by the Scottish Government on the easing of lockdown?

13:15

Kate Forbes: Saving lives, ensuring the reduced transmission of the virus and ensuring

that our economy bounces back in a more sustainable way are not political choices; those are the responsibilities and duties that face all elected leaders in this country. Our challenge is to look at the enormous sacrifices that businesses, individuals and families have made over the past few months and to ensure that our progress in managing the virus and enabling our economy to get back up and running is made with the confidence, the backing and the support of people in this country.

There is no value in my glibly trying to get the economy firing on all cylinders if consumer confidence and the confidence of employees to go back to work are not where they need to be. By taking a cautious approach, we will enable the economy to come back in a more confident and sustainable way.

Donald Cameron rightly picks up on the point that if, because we carry out our duty to protect people in this country, there are different impacts on Scottish industries and sectors of the Scottish economy, it stands to reason that we should have the powers and flexibilities to manage that. I have already said that, having raised the issue with the Treasury a number of times, I was very grateful that the furlough scheme was extended so that there was not a cliff edge and we could extend the lockdown.

However, businesses are looking at a cliff edge in the autumn. Even if tourism businesses are given the certainty of a date for reopening, the markets might not return. Businesses will not be able to contribute to the furlough scheme and keep staff on if it is not extended further or, at least, adapted for certain sectors.

Donald Cameron: That answer helps with my second question, which is about borrowing and reserves. I am glad to hear that you are having constructive conversations with the UK Government. However, earlier this week and just now, you reiterated your call for further borrowing powers. Even before the virus, we knew that there would be significant income tax reconciliations to manage in the next few years, and the capacity to manage them is already limited.

The Scottish Parliament information centre advises that the Scottish Government is planning to make use of £66 million of reserves—which will leave a total of £165 million in the Scotland reserve—not to mention other planned borrowing in this year's budget. Given that you had used up much of the Government's borrowing capacity even before the pandemic struck, can you understand the deep scepticism in some quarters and the view that further borrowing is not the answer?

Kate Forbes: I suggest that the member lets the UK Government know that, because it is funding the vast majority of its response, in relation to business support and health spending, through borrowing.

The Office for Budget Responsibility suggests that borrowing could increase to just over £300 billion this year, which would be a £253 billion increase compared with its March forecast. The question for me is why some Opposition members expect the people of Scotland to pay the price, either through austerity and reprioritisation or because we do not have the powers in place, rather than asking for additional funding at source.

Our resource borrowing powers are welcome, but there are a number of specific and fundamental issues with those powers in the fiscal framework. For example, we are allowed to borrow £500 million for cash management, which we do not need, but not for budget cover, which we do need. In other words, we have the right power for the wrong fiscal risk, and the resource borrowing limits are not internally consistent. Given that we will not use borrowing for cash management, it is almost impossible for resource borrowing to exceed £1.1 billion because of the annual restrictions, even though our cumulative limit is £1.75 billion.

I am calling for borrowing powers when rates are at a record low in order to respond to the exceptional circumstances in which we find ourselves, in line with the response made by every Government around the world. If we cannot have the borrowing limit extended, at least give us the right powers for the right reason in order to manage the uncertainty.

This is all about how we respond to the needs that we see on the ground—to the businesses and communities that are in need, and to our health service, which requires additional investment. It is that simple. However, with a fixed budget, the only way that I can create additional headroom to meet those needs is by taking money from elsewhere, and I cannot in good faith take funding from the health service, from local government or from other front-line services that are helping us to respond to Covid.

Tom Arthur (Renfrewshire South) (SNP): Can you unpack a bit more what types of flexibility you would like to see added to the fiscal framework? You have spoken about the ability to transfer capital to resource and borrowing over a longer period. Can you give the committee a flavour of the proposals that you would make to the Treasury?

Kate Forbes: Tom Arthur will know that we would be able, if we had full fiscal autonomy, to respond fully to needs, but that is not what I am

asking for; I am asking for some pretty basic powers and flexibilities. I have outlined some of them already in relation to borrowing.

The narrow definition, the limit and the reasons why we can borrow are not suited to a pandemic such as this one. However, the options that we are asking for include a guaranteed baseline level of consequential. At the moment, the consequential that are allocated to our budget are all estimates. That is understandable, to an extent, because when the UK Government is budgeting, it budgets on the basis of anticipated spend rather than actual spend.

However, that means that I am always running the risk that figures will be revised downwards, sometimes as late as the last month of the year, as happened last year. I therefore have to create some headroom, because if I commit £155 million to local government—as I have done—before the money has been allocated to our block grant, I cannot take that money back. I have allocated it and, in good faith, I will honour that commitment. However, that might mean that I have to find funding from elsewhere in the last month of the year.

The other options are, as I said, the ability to transfer capital to resource; the flexibility to carry forward greater levels of capital underspend than the current limits allow; increased flexibility over borrowing—the scope, limit or tenor of borrowing; cancellation of negative in-year block grant adjustment reconciliations to defer the impact until the final reconciliation; and allowing for social security and tax reconciliations to be spread over a longer timeframe. As Tom Arthur knows, our resource borrowing powers, which are limited to £300 million per annum, will not cover forecast tax reconciliations next year, which is their primary purpose.

Tom Arthur: I will pick up on that last point. The concern about there being insufficient borrowing powers to meet reconciliations predates the current Covid crisis. If the Scottish Government takes on more borrowing powers, would there have to be a commensurate increase in revenue-raising taxation powers? Currently, we are heavily dependent on income tax. If we were to take on more debt and manage it responsibly, would that necessitate a larger basket of taxes?

Kate Forbes: None of our powers—tax or borrowing—can be seen in isolation. Therefore, there is an argument to be had about how the fiscal framework, in its totality, is able to support the spending decisions that we make in Scotland, in order to serve people. I am making a plea that now, in the current extraordinary circumstances, we have a review of the fiscal framework, as well as tangible and meaningful powers and

flexibilities. However, that is just the tip of the iceberg of the wider debate.

Tom Arthur: What would be the practical economic consequences of the Treasury not heeding your requests for greater flexibility?

Kate Forbes: The risks are substantial. In the budget revision, we have indicated the cost to date of coronavirus at £4 billion, although that is just a snapshot and the figure changes daily. We are grateful for the consequentialists that we have received to date and the funding that the UK Government has allocated. However, it is not a political point to say that the costs have been higher than the consequentialists that have been received. The choice is this: either the UK Government meets that shortfall or guarantees the funding to date, or, if it cannot do that, it gives us the powers to manage it. Because we have a fixed budget and, by law, I cannot overspend, if this year requires extraordinary spending in order to save lives and the economy, I will be hamstrung, or will, at least, be working with one hand tied behind my back.

Although the UK Government is able to borrow more to meet its needs, we cannot, so if there is a pressing need in one part of the budget, money will need to be taken from elsewhere. Revenue, which pays our staff in the healthcare system and keeps our local government going, is under pressure just now. If I start moving revenue around because of the restrictions in our budget, that would lead to austerity.

Tom Arthur: Thank you.

Jackie Baillie (Dumbarton) (Lab): I will explore some of the territory that we have already covered, because the fall in gross domestic product of 20.4 per cent is staggering, and it is clear that we will face an economic tsunami that will have devastating consequences for jobs in Scotland and across the UK. What modelling have you done on the implications for the block grant of a fall in income tax in Scotland greater than the fall the rest of the UK? You have admitted that things in Scotland could be worse and that they could last for longer than in England, and that the economic impact could be disproportionate. On that basis, what is your modelling telling you?

Kate Forbes: I will give an initial answer; if officials want to come in, they can. With regard to the modelling, the independent Scottish Fiscal Commission is responsible for forecasting our devolved tax revenues. Its most recent forecast was published alongside the budget; no forecasts have been published since. Members will know that the SFC has recently highlighted the considerable uncertainty about the economic and fiscal impacts. The full scale, nature and duration of the economic downturn are still unclear, so I

would be reluctant to give figures on the impacts on income tax and other devolved and local tax revenues just now, because they remain uncertain. I include land and buildings transaction tax in that.

13:30

We are working very closely with Her Majesty's Revenue and Customs, Revenue Scotland and local government on trying to analyse the impact on tax revenue. It should, of course, be borne in mind that income tax revenue for 2020-21 is effectively locked in, so any effects from the pandemic on income tax revenues in that year will not affect our budget until 2023-24.

I do not know whether any of the officials want to say anything else about income tax and the impact.

The Convener: To help broadcasting staff, would you suggest a particular official?

Kate Forbes: I am sorry. Would any of the officials like to come in?

The Convener: Nobody is indicating that they want to come in, so we will move on to Jackie Baillie's second question.

Jackie Baillie: I am sure that the cabinet secretary's officials will pay attention in the future when she invites them to say something.

The cabinet secretary talked about the forecasting process. I appreciate that there is still lots of uncertainty, but the reality is that, in order to know what powers and flexibilities to negotiate, she should really have an idea of the order of magnitude of what is going on. Far be it for me to point out to her that the Scottish Government already owes £1 billion for income tax reconciliations, part of which—£555 million—needs to be paid back in the next financial year. The issue is therefore urgent, particularly as things are likely to get much worse. I wish the cabinet secretary well in the negotiations, but preventing cuts to public services has to be a top priority.

I want to ask about fiscal autonomy, which the cabinet secretary has raised. I am curious to know how she thinks full fiscal autonomy would have helped us in the current Covid-19 crisis, given that she would have had to fill an £8 billion budget gap, never mind having to find almost £4 billion to spend on measures to tackle Covid-19. Is that about spending cuts or increasing taxes? Our growth has been so pitiful that that would not be achieved in that way. I would have thought that the cabinet secretary would have known that, from being on the Scottish National Party's sustainable growth commission.

Kate Forbes: I find it remarkable when members ask questions about full fiscal autonomy as though every other country in the world that is responding to Covid does not have full fiscal autonomy. The consistent response to coronavirus, which clearly exceeds the available resources in most countries, is borrowing. I have already cited the UK Government's borrowing figures and the OBR's illustrative scenario. If the OBR's illustrative scenario and its forecast of increased borrowing are accurate, that will take the UK Government's fiscal deficit to 15.7 per cent of gross domestic product, which is the highest level since the second world war, and is well above the level at the height of the 2008-09 financial crisis.

My argument is very much about having what I would call relatively minor powers and flexibilities to help us to manage volatility and uncertainty now. My job and my top priority—the first thing on my agenda—is to ensure that we have the financial resources to continue to respond to need, as we see it. We are not talking about a normal budget process, with me pontificating about what I think we might need, but about the reality for countless businesses, families and individuals who are facing an uncertain future and who need Government intervention on a hitherto unseen scale.

Jackie Baillie: I know that I am testing the convener's patience, but I have one more tiny question on the housing budget line, which is in the summer revisions. There is £105 million of capital being redeployed to support Covid-19 measures. What was the money originally to be used for? What will we miss because that money is being transferred?

The Convener: You might need an official, cabinet secretary, so please say who it is if you do.

Kate Forbes: I will try to answer the question; if an official wants to come in and correct me, they can.

The Convener: I thought that you might.

Kate Forbes: The £105 million was related to financial transactions under the communities and local government line that were allocated to better homes and intended to fund domestic energy efficiency loans in 2020-21. The reprioritisation of the total £225 million is a direct result of Covid. It relates to areas that have experienced reduced demand during the lockdown. All those funds have been redeployed to improve support to service providers for their Covid response.

The funds have been redeployed as an emergency loan fund to support small and medium-sized enterprise house builders that are facing liquidity issues because of the temporary

closure of house-building sites, and it is open to applications from house builders that are operating within Scotland. It complements some of our other support schemes.

The Convener: I am not seeing a typed request from any official, although Scott Mackay looks like he might want to come in, despite not having typed "R". Am I right, Scott?

Scott Mackay (Scottish Government): Yes, you are, convener. I echo the point that the cabinet secretary made. This is about redeploying funds from largely demand-led areas in which demand has fallen as a result of the impact of the crisis, and diverting them to other areas to support the range of responses to Covid. The focus of reprioritisation has been on where there has been a fall in demand as a result of the lockdown measures that have been put in place.

Patrick Harvie (Glasgow) (Green): I want to start my questions by asking about something that the cabinet secretary said during her opening remarks. She gave the UK Government credit for working in a collaborative way and said that there has been good, constructive dialogue. However, how does that fit with some of the things that she has said elsewhere? On 28 May, for example, she said that she had discovered that

"£70m that had been promised by UK Gov was withdrawn."

She said:

"We'd already passed that funding on to businesses & charities, but now we won't receive it".

She went on:

"That kind of uncertainty, of funding promised and then withdrawn, makes it v difficult to budget".

The next day, she continued to make statements about the funding gap and about estimates going up and down, saying that the UK Government was creating "huge uncertainty".

It cannot be true that the UK Government is creating huge uncertainty by promising funding and then withdrawing it at the same time as there being good, constructive engagement and collaborative working between the two Governments.

Kate Forbes: That is a fair question. I am not trying to frame my points as a way of being irritated or frustrated with the UK Government. I am trying to make meaningful progress in working with it. The value of that will be seen in the coming weeks when the UK Government either delivers the additional flexibilities that we have been discussing, or it does not.

Some of my frustration is with the structure of the fiscal framework and the devolution settlement and how it can respond to a crisis such as the current one. The challenge of responding is

already such that I believe that we need more powers. When we start to appreciate that the consequentials that have been given can be revised down—I have given the examples of £60 million for business and £10 million for charities—it illustrates the scale of the problem. Those figures are estimates. If that can be done to the £60 million, it might well be done to some of the other funding that we have received.

That illustrates some of our challenges. There are great fanfares when announcements are made, and Opposition politicians quite rightly demand that we pass the funding on as quickly as possible. It could be for local government or business support. However, it is perhaps not fully appreciated that there is a difference between an announcement being made and the funding being passed on to our block grant. That means that we may potentially pass the money on in good faith only to find that it is withdrawn later on.

I am trying very hard to work constructively with the UK Government, and there has certainly been more engagement than ever before. I am doing that with the purpose of putting our public finances on a more stable and certain footing. I hope that that constructive response to the UK Government will pay off, but the truth of that will be seen in the coming weeks.

Patrick Harvie: I am not trying to deny that these situations will cause complexity and difficulty. We probably agree on the need for more powers up to and including independence, but that is not the point that I am making; I am simply looking to understand on a factual level how collaborative the relationship is. Is the UK Government working in advance with the Scottish Government and the other devolved Administrations to develop its financial response? Is it giving you information in advance about policies that are in development or is it just landing stuff on you?

Kate Forbes: The UK Government has gone through phases of being very helpful and constructive, in which we have had a sense of what is coming down the track, but we have been caught off guard many times. We have had far more conversations in person on the phone than we might have had. The most recent quadrilateral meeting was on 19 May. Our follow-up meeting to that one has been postponed a number of times, but I hope that there will be another conversation in the coming weeks.

In the conversation on 19 May, we saw significant improvement, moving from an unwillingness to look at additional flexibilities to a proactive position from the Treasury and the volunteering of some ideas about managing those flexibilities. My hope is that, at the next

quadrilateral meeting, we will have tangible proposals that we can forward.

I still have a number of frustrations. I would like to know about some of the announcements in advance so that we can work in tandem, which does not always happen, and I would like guaranteed consequentials, which we do not have. I would also like more flexibilities. There is an opportunity for that to be delivered in the next week. If it is not delivered, my answer will probably be very different going forward.

Patrick Harvie: I want to move away from the intergovernmental relationship and look at the state of the Scottish budget. Assuming we pass the budget revision that is in front of us, you have been quite clear that, in some areas of demand-led spending, there has been a reduction in work. You mentioned energy efficiency, for example. We understand that, in the current circumstances, not all spending is happening as planned, and you have been quite clear in the chamber that you will not be able to absolutely pin down all the areas in which there has been slippage—for example, in capital projects that are not proceeding according to the original schedule—until some time later in the year.

When do you expect to be able to identify further slippage? What are the areas in which that might happen or about which you know that you do not yet have all the information? Is it possible to get anywhere close to a ballpark estimate of the scale of the further slippage that we expect in the Scottish budget?

13:45

Kate Forbes: Any changes that have not been included in the summer budget revision will be included in the autumn budget revision, which will be the next formal point at which Parliament can scrutinise the changes in our budget.

As you will appreciate, when it comes to capital, a lot of the figures are changing on an on-going basis. The vast majority of the live projects in our pipeline for the current period have been affected in some way. The issue is how much capital that might make available, because it may well be that some of those projects can make up for lost time before the end of the year.

My work just now is about trying to identify those figures and redeploy the capital back into the economy so that we continue to invest in it. Clearly, investing capital will have a positive impact on economic growth at this very challenging time.

Patrick Harvie: Thank you for that. I have a final short question and I hope that I will get a short answer in the form of a yes.

The autumn budget revision is likely to be a point at which much bigger political choices are at stake than in the summer budget revision that we are looking at. Can you give us a commitment that there will be a more open, reflective and consultative approach to developing the autumn budget revision that allows not just Parliament but civil society and other interested parties to feed into the Scottish Government's decision-making process? The normal budget revision process does not really have that element, but the political choices in the autumn budget revision are likely to be as significant as those in a budget.

Kate Forbes: My answer is, "Yes, but." As you know, the autumn budget revision is retrospective. It accounts for changes that have normally already been made, so the opportunity for engagement must come before that. We will have a debate in Parliament in the coming weeks to discuss anticipated, expected or suggested ideas for our budget, and I will continue to listen carefully to people's ideas. In the past week, I have engaged with representatives of every party on both the budget finance and the economy, and I will continue to do that.

George Adam (Paisley) (SNP): My question is about local government funding. We have all heard about the £155 million in consequential for local government. I appreciate the challenges that you face given the way that things have been. I used to be an administration councillor—it was a long time ago—and we had some serious budget challenges to deal with after the 2008 crash, but surely the Covid-19 situation that we are in will mean even larger challenges for local authorities.

As you said, you are looking for additional flexibilities from Westminster to allow you to deal with the budget and create some stability. Should we not look at some form of windfall tax on firms that have done well during the crisis—for example, online firms such as Amazon and Google, and even some of the big-box retailers—in order to create the stability that you are looking for?

Kate Forbes: I will answer the question on tax and then talk about local government. In the past, we have been supportive of and sympathetic to, for example, the idea of a new digital tax. If I remember correctly, the chancellor suggested that he was going to introduce a digital tax in the autumn of 2018. Clearly, some very large organisations and corporations have benefited significantly from the pandemic, and I think that we should be looking to them to fund some of our needs.

I believe that all tax powers should be devolved to the Scottish Parliament. The majority of the UK tax system is reserved, but it is right to ensure that all avenues remain open when assessing how we respond to the severe economic effects of the

crisis. I am very much open to that. The member will know that the Scotland Act 2016 contains a mechanism that would allow the UK Parliament to devolve powers for a new national tax in Scotland with the agreement of the Parliament.

We will keep all of that under review. It was going to be progressed as part of the non-domestic rates legislation until the chancellor indicated that he was going to do something and we decided to see what that would be. It is certainly time for that to be delivered.

I can respond on local government now, unless you have a more specific question about that.

George Adam: My final question was going to be about the idea of local government and stability and how we will not end up having the same kind of stooshie with local government as we have had in the past. Would having powers over that type of tax give you an opportunity to invest in local government, which could then, in turn, invest in local businesses in our communities in order to help us to get out the other end of the difficult time that we are going to go through?

Kate Forbes: For all the headlines that might suggest otherwise, I have a good working relationship with the finance spokesperson of the Convention of Scottish Local Authorities. As we look at how we support COSLA, there is a growing understanding that, given the constraints of our budget, if there is going to be significantly more investment in local government, it needs to come from the source, which is the UK Government. I know that COSLA has approached the UK Government, in collaboration with English local authorities, to ask for more funding.

We have, as far as we can, tried to help local government with its cash flow issues as well as with its budgets. We have talked about the £155 million that was passed on, which takes overall investment in local government to just over £300 million, and that is clearly more than the consequential that we have received. That is because local government is on the front line and its staff have done an enormous amount of work in the past few weeks. Many of them have been working day and night—for example, to get grants out, to support families who are in need or to help people with questions about council tax payments.

We are front loading all our grant payments so that there is no issue with cash flow. We agreed with COSLA that, if any local authorities reported cash flow problems, we would make further adjustments to the payment profile. As at 4 June, Scottish local authorities had received grant payments of more than £2 billion, which is an increase of just over £200 million on what was originally planned. By the end of July, they will have been paid £3.8 billion, which represents an

increase of £450 million on what was originally planned, to help them with cash flow.

Murdo Fraser (Mid Scotland and Fife) (Con): I would like some clarity on the figures that have been spent on Covid-related issues, including business support. According to the information from SPICe, the allocation of funding as at 15 May was just over £4 billion against UK Barnett consequential for that time of £3.581 billion. The balance of that was £433 million, which was made up of £255 million from a reprioritisation of existing Scottish Government expenditure, £112 million of unallocated non-Covid-related consequential from the UK budget in March, and £66 million from central funds in the Scotland reserve.

SPICe has also told us that, subsequent to 15 May, a further £139 million in Barnett consequential has come into the Scottish budget. According to my arithmetic, that means that the amount that has been found from the Scottish Government's own resources to spend on Covid-related issues is £294 million. I do not know whether that figure is still accurate or whether the cabinet secretary can update the committee on whether there has been any additional expenditure on top of that since the date of the regulations that are before the committee today.

Kate Forbes: Correct me if this does not answer your question, but the summer budget revision is very much a snapshot in time. In health, for example, we have received consequential that amount to £620 million, which has been included in the budget revision. However, there has been a further £158 million in additional funding for the health service since the revision went to press. The officials can correct me, but I am pretty sure that the vast majority of the additional consequential since the revision went to press are to do with health and social care.

Murdo Fraser: Thank you for that clarity.

According to SPICe, we are looking at £433 million from your own resources as at 15 May, and there may have been a bit more money subsequent to that. I ask the question because, as you know, there is a lot of pressure from businesses that are looking for more support. There are businesses that think that they have fallen through the gaps. Businesses that have rateable values above £51,000, for example, have not had grant support and are looking for it. Whenever we ask you and your colleagues in the Government such questions, you always say that you would like to do more, but you depend on the UK Government to give you more resource.

The committee was told in evidence from the Institute for Fiscal Studies last week that, as at April, the Welsh Government had found some £526 million from its own resources in addition to

Barnett consequential for Covid-related initiatives, including business support. Given that, in general terms, the Welsh Government's budget is probably half or slightly less than half of the Scottish budget, that is much more proportionally; in fact, it is more than double the amount of money that the Scottish Government is putting in. How is the Welsh Government able to reallocate resources from within its budget more urgently and to a much greater extent than the Scottish Government has so far been able to do?

Kate Forbes: Obviously, we have included reprioritisation in the budget revision. Those figures will be updated in the autumn, and they may well be higher, not least because we have already developed in Scotland new schemes and initiatives that are the only ones of their kind to meet the business support need. Whether we are talking about the pivotal enterprise resilience fund, which was at £90 million, I think, when the revision went to press but has since increased by £30 million, or the hardship scheme, which was probably £20 million when the revision went to press and which has increased to £30 million, much of our business support in those packages will draw on funding from the Scottish Government, so it is not part of the business consequential. Some of the business consequential are going to those packages, but it is clear that we have had to draw on our own budget in order to meet the additional costs of our much wider package of support.

Murdo Fraser: Today and in the past couple of weeks, you have spoken a lot about the need for more flexibility and more funding from the UK Government, but it seems that devolved Administrations in other parts of the UK are able to find substantially more resources from reallocating budgets than you have been able to. Have you had any discussions with the Welsh Government about how it is able to do that when you are not able to do it to the same extent?

Kate Forbes: My understanding is that the Welsh Government reprioritised around £250 million and that it referenced potential repurposing of European Union structural funds above that. It would be worth drilling into those figures.

I will have to look across the budget in order to meet the needs. We have included some of that in the £255 million, but the bottom line is the same as it was when we started this session. The UK Government is not funding its critically important multibillion-pound interventions through reprioritisation, because it cannot. That would require complete departments to be shut down to fund the level of spend, and that is absurd. It does not do that; it borrows at record low interest rates to fund the response. I do not see why we should expect the people of Scotland to suffer and see a

return to austerity just because the Scottish Government does not have the basic powers to respond.

John Mason (Glasgow Shettleston) (SNP): To build on some of the points that have been raised, if I understood you correctly, cabinet secretary, you said that £3 billion has been formally added to the consequentials but that about £3.72 billion has been indicated, so the uncertain amount is about £720 million. Is that correct?

14:00

Kate Forbes: The figure is changing every day. In this revision, we have £3.58 billion in forecast Barnett consequentials as part of an overall response of £4 billion. The figure that we have in the main estimate, which has been added to our block grant, is just above £3 billion.

John Mason: Is there any timescale for when the position will solidify and you will be clearer about what you are definitely getting?

Kate Forbes: It would be worth officials coming in on that point. The process is that the block grant is confirmed sometimes as late as the last few days of March in the previous financial year. Last year, it was certainly a very late confirmation; I believe that it was in March.

Our plea to the UK Government is not to leave it as late as March to confirm what consequentials will be coming. However, we also know that the UK Government is asking its departments to fund as much of the Covid response as possible from their own resources, which means that, if the actual spend is more than the allocated spend, there might be some clawing back of consequentials. One of the officials may want to talk about the supplementary estimate and when that happens.

Scott Mackay: The only formal revision process for the UK budget is in the supplementary estimate, which is in the very early part of the next calendar year. We will be engaging with the Treasury on the formalities of the supplementary estimate as we get into January. It was into February before that estimate was really being finalised last year.

A lot of the engagement that there has been to date at official level has been to secure as much early insight as possible on how the position is developing in terms of firming up the figures on consequentials and the outcome of the Treasury's current exercise to review reprioritisation options in UK departments. That will give us more clarity on what is coming out of that UK exercise and how it might impact on the Scottish Government early enough to allow us to respond more fully, rather

than our having to wait until that supplementary estimate process in early 2021.

Kate Forbes: Can I correct myself? Apparently last year the supplementary estimates were in February, not March.

John Mason: Has the Treasury given the UK departments a timescale in which to find savings within their own budgets, if they are able to do that? Presumably it would help us if we knew what they were coming up with.

Kate Forbes: Again, I will ask officials whether they have more information than I do on when that UK Government exercise is due to be completed. However, I do not yet know when the UK Government needs the exercise to be completed.

Dougie McLaren (Scottish Government): The Treasury has indicated that the exercise is ongoing and I think that it is due to conclude fairly soon—this month. We should get an update on that at the next finance quadrilateral.

The Convener: John, do you have a final question?

John Mason: Is this my final question? I had two more questions to ask—I will combine them.

My assumption is that the cash is a completely separate question. We have the potential consequentials and the definite consequentials; the cash, in a sense, is a less important decision. My next question links in with that. If we look at the £155 million for local government from the point of view of what Scotland is giving to the councils, is that a vague commitment or a definite commitment, or does the cash not matter?

Kate Forbes: The cash matters. I do not fully understand the question, but the £155 million for local government is confirmed. I have confirmed that we will pass it on, and it is being paid on a weekly basis throughout June, with the second instalment being made on 10 June. Some of the commentary in the public domain has confused cash management with budget. The local authorities have known for several weeks that the money was coming, and they have been able to budget on that basis. We have been supporting their cash-management process by front loading all the grants, so that they get the cash up front and not further down the line.

The Convener: I am sorry—I probably confused matters there. I think that John Mason was asking whether the £155 million that is being passed on to local authorities has actually been received by the Scottish Government through a resource transfer under the Barnett formula. I assume that that is what John Mason meant.

Kate Forbes: Oh, right. No, it has not been received yet.

The Convener: To help John Mason, I will ask whether there is an expectation of when that might happen.

Kate Forbes: There is not, but I assume that it will not happen until the supplementary estimates are made, which will be much later in the year, and possibly at the beginning of next year, unless we get an up-front agreement from the Treasury to guarantee our consequentials earlier in the year than normal.

The Convener: Does that help you, John?

John Mason: Yes—that is great.

Alexander Burnett (Aberdeenshire West) (Con): Cabinet secretary, you have called for more borrowing powers and you have expanded a bit on that, but I wonder exactly who you are planning on tapping up for that money. You mentioned the low interest rates, and I note that Professor Gallagher told the committee last week that it would be “silly” to go anywhere else than the UK Treasury, given its

“capacity to borrow at low or even negative interest rates”.—[*Official Report, Finance and Constitution Committee*, 5 June 2020; c 9.]

What are your thoughts on that? What conversations have you had with the Treasury on the issue, and are you looking elsewhere?

Kate Forbes: I do not know whether any of my officials wants to come in on the constraints on our borrowing powers, but I am less concerned about the source and more concerned about being able to use the powers. There are pretty established processes for the Scottish Government for how we can borrow, where we can borrow from and for how long. I do not know whether it would be helpful to have a more factual or technical answer from an official on the restrictions on our borrowing and where we might borrow from.

Scott Mackay: We are restricted in where we can borrow. Under the current rules, resource borrowing needs to be from the national loans fund. Obviously, that is a way in which we can access funding at relatively low rates. One flexibility that we could pursue is the ability to borrow more widely, although it would be difficult to access the sort of rates that are available from the national loans fund, certainly in the shorter term.

Angela Constance (Almond Valley) (SNP): I want to follow on from John Mason’s questions. Given the lack of flexibility that the cabinet secretary outlined, can she crystallise what happens if the consequentials that we expect are revised downwards? From the evidence that the committee has heard, we know that there is a risk of that. In that situation, what choices would the cabinet secretary have in balancing the budget?

Kate Forbes: The truth of the answer is that I have no alternative when it comes to balancing a budget. By law, this budget must be balanced.

At the moment, the response to Covid is more expensive than the consequentials that we have received. I have two ways to meet that shortfall. Either it comes from elsewhere in the budget, or the UK Government provides additional funding. It is unlikely that it will do that, because it is also facing these challenges. Therefore, the only option, if I do not have flexibilities and powers, is that that money is reprioritised from elsewhere in the budget.

Because it is revenue, we are talking about the front line of the national health service, local government and the public services that we absolutely rely on and which will be critical in taking us through the next few months.

I cannot countenance a return to austerity when families, individuals and businesses are already struggling. I want to be able to continue to support them, but to do that I need those flexibilities and powers. The UK Government can borrow. It can meet that shortfall. The UK Government can also provide us with flexibilities and powers in order to manage the volatility.

All of this is extremely technical until you realise the impact that it has on individuals, families and businesses in this country. It is right and understandable that members across the chamber ask for more to be spent in areas of our response to Covid. I understand that. Going through recovery, we will need that more than ever, particularly if unemployment starts to rise. I want us to be able to respond—to care for and protect people, and invest in businesses and meet their capital gaps—but to do that, I need the Treasury to either provide us with more funding or give us the powers and flexibilities to do it ourselves.

Angela Constance: That is crystal clear. If we want to avoid cuts, we need either additional resources or more flexibility and powers.

You spoke eloquently about the Scottish Government needing the right powers for the right reasons. Does the same apply to local government? Do you need to review local government taxation, for example?

Kate Forbes: We need to review local government. Some of the conversations that I have had have covered what flexibilities local government needs to be able to respond to Covid. Providing funding is one thing, but how else can we support local government?

We have already provided significant flexibilities when it comes to funding, particularly around early learning and childcare, and local authorities can use that funding to meet other needs. I am very

open to a conversation with local government about how else we can support it to get through the next few months and beyond. If some of those powers reside with the Scottish Government, we will look carefully at them. If some of them reside with the UK Government, particularly around loan funding and interest payments, we can make a joint approach to the UK Government.

Alex Rowley (Mid Scotland and Fife) (Lab):

We have heard quite a bit about the right powers for the right reasons, to which Angela Constance referred. I might have missed this, but is the Government intending to set out more detailed proposals on, for example, bringing forward the review of the fiscal framework? How are you getting on with that? What is the case for doing it? Labour supports removal of the borrowing cap; we support the Parliament having far greater powers in these areas. Does the Government intend to publish a policy paper that sets out what changes—what powers and flexibilities—we need, given the crisis that we are in?

Kate Forbes: I would be very happy to provide whatever further information Parliament or members would like on the proposal that we are making.

Officials are currently engaged in discussions with the Treasury on a variety of fiscal flexibilities that could help us to manage the budget. However, right now the options around gaining meaningful powers that seem to be gaining most traction are around flexibility between capital and resource, and resource borrowing. Treasury officials are already discussing those with the devolved Governments.

14:15

The first of those flexibilities could well be the most beneficial, because it would mean that there would be no knock-on costs for using budget that funds capital to support revenue. Borrowing would also provide additional flexibility, depending on the detail of the powers that were granted. I have identified some of them; there is a clear case for substituting the £500 million cash-management borrowing for Covid borrowing. That would not require us to increase the total limit—only the annual limits and the restrictions.

We could increase the term of resource borrowing to eight to 10 years for this year, which would be crucial if we are to avoid undue pressure in subsequent years. We could also look at an allowance to borrow against all tax reconciliation.

As I said at the beginning, those are relatively minor flexibilities and powers. If we look beyond the immediate short term, there is certainly a case to be made for a broader look at the package of financial powers that we have. Ultimately, they all

have knock-on impacts on each other. I would like to see the fiscal framework being reviewed in totality, earlier than is envisaged, which is next year.

Alex Rowley: It would be useful to set out those specifics and why the Government would want flexibilities and powers to be able to switch capital to revenue. It would be useful to build the case and to make the argument so that all politicians in Scotland could start to put the case.

Many people are now asking what the plan is. They do not think that furlough will last forever. It is difficult to look forward even to next year and see when some sectors will open up. We know that there will be major unemployment, so people are asking what the plan is.

Does the cabinet secretary agree that the state needs to play a greater role in intervention in the economy, and that we should move towards a planned economy? Common Weal has produced a report that contains some interesting ideas on public procurement, for example. This morning, the Confederation of British Industry was on national television talking about a programme to tackle fuel poverty and to insulate houses across the country.

There will have to be job-creation schemes that will deliver social worth and investment in the economy. Does the cabinet secretary agree with that and, if so, does the Government intend to start making proposals in those areas?

Kate Forbes: The short answer is yes—although we are already doing that. Next week's debate will give Parliament the opportunity to discuss fiscal flexibilities on the one hand, and the measures that we need to take to grow our economy in a fair and sustainable way, on the other.

The past few months have turned political ideologies on their heads. Who would have envisaged a Conservative Government at Westminster intervening in the economy in such a welcome way and to such an extent through the furlough scheme or the self-employed income support scheme? That level of Government intervention will be required in the future, because there will not be just a short dip in the economy; it is clear that we will not bounce back as fast as we thought we might and that there will be a much more gradual return to pre-crisis levels of activity and output. The Governments in Scotland and the UK will, for now, continue to be heavily involved in the economy in order to get it back up to a better level of trade.

However, there is also an opportunity to do things differently, which I know Fiona Hyslop is considering carefully. We are looking forward to receiving the report from the advisory group on

economic recovery. We need to consider not just how we can get the economy trading again, but how we can change and reposition our economy and take advantage of some of the opportunities that exist, whether through use of digital and other technology, or through a faster transition by the oil and gas industry to green renewable sources of energy. If we are to take advantage of those opportunities for our economy, innovative thinking and active intervention will be required.

Alex Rowley: We are talking about a green agenda, but in Fife—in Burntisland and Methil, just up the road from here—we have yards lying empty, so if we are to get the benefit of those green jobs, the Government will have to intervene much more.

Is the cabinet secretary looking at other suggestions? George Adam mentioned a windfall tax, which we discussed last week. We could also consider a tax on land. What is the Government's thinking when it comes to new ways of generating income? If we need further powers to progress that, the argument can be made. Many wealthy landowners in Scotland have gained from Government grants. Will consideration be given to those wealthy landowners paying a bit of tax on the land that they own across Scotland?

Kate Forbes: We will look at everything, but we must do so with a purpose in mind. For the next few months, leading on to the next few years, the purpose is to provide as much certainty as possible to businesses and communities, to invest in public services and to ensure that our economic growth is fair and sustainable. The crisis has magnified some of the inherent structural inequalities in our society. Some forms of progress have accelerated much more quickly than ever before; for example, we have been forced into a position in which SMEs around the country are adopting digital in a way that they never did previously.

However, unemployment figures will rise. The furlough scheme has kept the figures lower than they might have been, but we will have to take a very active interventionist approach in order to support people who are made redundant into new work and training, and to give them new skills opportunities.

That level of intervention will continue. We will look at all suggestions and proposals—nothing is off the table—but we will do so with a purpose in mind, and that purpose is to support families, communities and business, and, ultimately, to make Scotland a prosperous and fairer country.

The Convener: I have a final question. In evidence over the past few weeks, we have heard about the impact of Covid on particular sectors in Scotland and the difference between the impact

on Scotland and the impact on the rest of the UK—from the points of view, for example, of the oil and tourism sectors. Because of those impacts, we expect a bigger impact on the capacity for income-tax raising in Scotland. That is perhaps balanced—particularly in the context of pay levels—by the greater level of public sector involvement in Scotland.

I mentioned the tourism sector. Last week, we received welcome news from the Cabinet Secretary for Rural Economy and Tourism about the opening up—if everything goes well—of the tourism sector from 15 July, but all of us who are engaged in discussions with the tourism industry know that, even when that industry opens up, it will be hugely difficult for businesses to operate, given the physical distancing guidelines that are in place.

Can you provide an update on the discussions that I know Fergus Ewing has been having with the Treasury about provision of further help for the tourism industry in Scotland? We know that the sector will, because it will be slower in coming out of lockdown, need specific assistance to see it through the coming period.

Kate Forbes: That is right. Clearly, tourism will face a disproportionately harder impact, and perhaps for longer, having missed trading over the winter and given that it now faces a very delayed summer season. Even with the certainty of a new date, it is highly likely that there will continue to be challenges.

Fergus Ewing and I have written to the Chancellor of the Exchequer to ask him to consider providing additional funding—a significant injection of support to the tourism industry. That would include things such as reviewing VAT rates, which we cannot control, extending the job retention scheme to that sector, and any other business support that is needed. Countries including France are making pretty eye-watering investment in tourism, because it is such a critical industry for those countries. That is the kind of thing that we want.

We will do what we can. In relation to a completely different industry that also faces huge impacts—the oil and gas industry—Fiona Hyslop announced just before we started today's meeting that there would be a £62 million energy transition fund to help businesses with the transition. There is a case to be made for sector-specific forms of support. When it comes to tourism, that needs to be complemented by measures such as a cut to VAT rates and an injection of cash.

Subordinate Legislation

Budget (Scotland) Act 2020 Amendment Regulations 2020 [Draft]

The Convener: Item 2 is consideration of the motion on the summer budget revision. I invite the cabinet secretary to move motion S5M-21863.

Motion moved,

That the Finance and Constitution Committee recommends that the Budget (Scotland) Act 2020 Amendment Regulations 2020 [draft] be approved.—[*Kate Forbes*]

Motion agreed to.

The Convener: I thank the cabinet secretary and her officials for their evidence. The committee will publish in the coming days a short report to Parliament setting out our decision on the summer budget revision. As agreed last week, the clerks will also draft a letter to the cabinet secretary and the Chief Secretary to the Treasury highlighting issues that we have considered over the past few weeks in evidence regarding the impact of Covid-19.

As that was the last item on the agenda, I close the meeting and thank everyone who has been involved.

Meeting closed at 14:28.

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