

FINANCE COMMITTEE

Tuesday 24 June 2008

Session 3

£5.00

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FINANCE COMMITTEE

18th Meeting 2008, Session 3

CONVENER

*Andrew Welsh (Angus) (SNP)

DEPUTY CONVENER

*Elaine Murray (Dumfries) (Lab)

COMMITTEE MEMBERS

*Derek Brownlee (South of Scotland) (Con)

*Joe FitzPatrick (Dundee West) (SNP)

*James Kelly (Glasgow Rutherglen) (Lab)

*Liam McArthur (Orkney) (LD)

Tom McCabe (Hamilton South) (Lab)

*Alex Neil (Central Scotland) (SNP)

COMMITTEE SUBSTITUTES

Roseanna Cunningham (Perth) (SNP)

Ross Finnie (West of Scotland) (LD)

Murdo Fraser (Mid Scotland and Fife) (Con)

Peter Peacock (Highlands and Islands) (Lab)

*attended

THE FOLLOWING GAVE EVIDENCE:

John Swinney (Cabinet Secretary for Finance and Sustainable Growth)

CLERK TO THE COMMITTEE

Susan Duffy

SENIOR ASSISTANT CLERK

Mark Brough

ASSISTANT CLERK

Allan Campbell

LOCATION

Committee Room 1

Scottish Parliament

Finance Committee

Tuesday 24 June 2008

[THE CONVENER *opened the meeting at 14:00*]

Budget Process (Review)

The Convener (Andrew Welsh): Good afternoon and welcome to the 18th meeting of the Finance Committee in 2008, in the third session of the Scottish Parliament. I ask members, witnesses and members of the public to turn off mobile phones and pagers.

Agenda item 1 is to take further evidence on our review of the budget process. I welcome to the meeting John Swinney, the Cabinet Secretary for Finance and Sustainable Growth. He is accompanied by John Williams, the head of the Scottish Government's finance co-ordination branch. Cabinet secretary, do you want to make an opening statement?

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I have no opening remarks, but I am happy to answer questions from the committee.

The Convener: Thank you. I throw it open to committee members. Who wants to ask the first question?

Alex Neil (Central Scotland) (SNP): You are looking at me, convener.

The Convener: Yes.

Alex Neil: From the cabinet secretary's point of view, how can the existing process be improved to achieve greater scrutiny, more time—where appropriate—and greater accountability?

John Swinney: I am happy to answer that question. If I have followed correctly the evidence that the committee has taken in the inquiry so far, it is clear that the process that is in place in the Scottish Parliament is more thorough, detailed and open than processes in comparable situations. Although I had only one term in the House of Commons, which is far fewer than the convener had, I believe that the financial scrutiny of the budget process in the Scottish Parliament is infinitely more detailed and thorough than the House of Commons process ever was. That stands the Parliament and the budget process in good stead.

On the practical issue of timescales, during the budget process last year, we had to wrestle with the fact that we were dealing with a different

timescale because the comprehensive spending review was significantly later than the Administration, or our predecessors, could have imagined. Our predecessors were unable to set down an indicative budget for any later than 2007-08. Although last year's budget process was therefore hurried in some respects, one of my considerations throughout was to ensure that the committees retained a two-month block of time in which to undertake scrutiny of the Government's budget proposals before the Budget (Scotland) Bill was introduced.

We want the timescale to be acceptable to the committees. Obviously, I would work to seek agreement with the Finance Committee on the appropriate timescale to ensure that we maximised the time for scrutiny and dialogue. We must also consider whether we can do more to address the way in which information on budget details and components is presented to committees and to Scotland more widely.

In short, I think that the budget process is robust and that it gives a great deal more opportunity for scrutiny of the process than happens in other institutions. Further, the degree of scrutiny here is more significant than it is in other institutions.

Elaine Murray (Dumfries) (Lab): I have a supplementary question. You alluded to the particular problems of last year. By when will you be able to produce budgets in future years? How early in the next session will you be able to do that?

John Swinney: The existing arrangements are that the Government is obliged to lodge a budget with Parliament no later than 20 September. There is no reason why we will not operate to that timescale this year. I aim to lodge the budget for 2009-10 with Parliament before 20 September, which will give committees a significant amount of time to scrutinise the Government's budget.

In last year's budget process, because of the timescale, we went through the formalities—if I can describe them as such—of the passage of the budget bill much more swiftly than had been done previously in terms of the number of weeks available, although the process was longer than normal in debating hours. There is probably an opportunity to constrain the timescale in which the final parts of the budget process are undertaken: the stage 1 report, stage 2 consideration at committee and stage 3 final agreement. If memory serves me correctly, we did that work in the space of a fortnight. Financial completion was reached in the first week in February, which presented us with no problems in confirming financial information to Government portfolio departments, external bodies and local authorities before the start of the financial year.

If committees wanted a longer timescale for consideration of the budget's contents, we could probably deliver that, bearing in mind that the budget document will be lodged in September, rather than November, as happened last year. With a shortened timescale at the end of the process, we could extend the time available for scrutiny if committees felt that that was desirable.

Derek Brownlee (South of Scotland) (Con): We all learned a few things last year about how the current process operates in a non-coalition environment. If it is possible to draw out from the process one central theme on which there is some cross-party consensus, it is the consideration and formation of alternative budget proposals. I know that that was attempted once in the previous two sessions of Parliament, but it was not attempted seriously.

The issue of alternatives involves timescales and information. Under our general procedure, Opposition parties have a right of access to the civil service towards the end of a parliamentary session—a right that John Swinney availed himself of before the end of the previous session. However, it has been suggested that there might be a conflict of interests in allowing Opposition members access to civil servants for the purpose of producing alternatives to budget proposals. Will you comment on that? Would the Government have any objections to a parliamentary budget office of some sort? If such an entity were created, could the Government facilitate the information flow that would be needed without using civil service resource?

An adjunct to that, which has also been raised by committees, is the timescale. Even if a committee decides that an alternative is appropriate, it can formulate one only late in the process. Is there anything from the Government perspective that can be done to amend the system, relax the time constraint at the end of the process, when everything is fraught, and allow broader consideration at an earlier stage?

John Swinney: Your final point relates to what I was saying in my answer to Dr Murray. During last year's budget process, we reached consideration of the actual proposition in the stage 1 debate and then we discussed stage 2 propositions in the Finance Committee the next week and stage 3 amendments the week after that. I did not think that that posed anyone any problems. It seemed a pretty crisp process.

I considered propositions that emerged from the Finance Committee report on the budget. I gave an undertaking to Parliament at stage 1 to consider the issues, and I lodged amendments to the budget at stage 3 a fortnight later. From my point of view, there was no practical impediment to listening to the Finance Committee and

undertaking to make changes to the budget within a fortnight. It posed no difficulty, so if the committee wanted stages 1 to 3 to take place over a fortnight at the end of the process, I would be comfortable with that. That would open up the opportunity for much more consideration earlier in the process.

Some of the issues around access to information and civil servants lie in territory that is not really mine. If memory serves me correctly, the questions about access to civil servants that Nicol Stephen raised last year were dealt with by Sir John Elvidge in his capacity as the senior civil servant in Scotland. I will leave what Sir John said about timescale and access to sit on the record.

The proposition of a parliamentary budget office is not really an issue for me, but the Government would be happy to co-operate with any institution that the Parliament set up to advance budget scrutiny, in the same way as the Government and our officials respond frequently to requests for information from officials from the Scottish Parliament information centre. We do that outwith the normal conventions of parliamentary questions or freedom of information requests—we do it to be helpful, if that is not too much to believe. That approach would be appropriate should Parliament decide to form a specialist budget office for advising members. SPICe has been able to provide information to inform some of the choices that members have made and some of the points that they have advanced, and I have used that information extensively as an Opposition member. I am sure that such a model could be developed.

Liam McArthur (Orkney) (LD): I apologise for turning up late and missing your opening remarks, cabinet secretary. I return to the start of your response to the final part of Derek Brownlee's question. I do not wish to put words in his mouth, but committees have indicated that they are time constrained when it comes to interrogating the impact of alternative spending commitments. How to deal with the sentiment behind the amendments that were lodged—they were not specific alternative budget proposals as such—was left in the Government's court. I question the extent to which the process worked as smoothly as you seemed to indicate in your response to Derek Brownlee's question.

John Swinney: I do not think that there was any lack of opportunity for individuals to advance alternative budget propositions. As I recall, a number of subject committees considered alternative propositions, and the Finance Committee examined a number of them before it formulated its final report.

The Finance Committee proposed a couple of changes. As you correctly say, those proposals were left in the Government's court. From my point

of view, that is the right place for such amendments to be left; it should be up to the Government how to respond to the majority opinion of the Finance Committee, given that it is the Parliament's budget-monitoring committee.

In the timetable for the 2008-09 budget process, the committees had two months in which to undertake their scrutiny activity and formulate any alternative propositions. If my memory serves me right, that is about the same amount of time that committees had under previous budget processes—in fact, if my recollection is correct, the amount of time available was absolutely the same. The time that was available for preparation of the budget last year was significantly reduced, which put pressure on the Government and its officials. The lying time, if I may put it that way, for the budget was significantly curtailed. After the Finance Committee's proceedings, we went into a swift process of final confirmation.

In the scenario that I am talking about now, if the budget is presented in September and we do not move to final-close arrangements until, say, the middle of January, committees will have more opportunity for scrutiny and consideration of alternative propositions. I would be perfectly happy with such an arrangement.

14:15

Liam McArthur: I concede that you made strenuous efforts to protect the time that Parliament and committees had to consider the budget. The feeling from committees was that they took the process more seriously than they had in previous years, yet they found that when alternative spending proposals were presented to this committee, members of this committee did not necessarily feel that they had the evidence base to determine whether an alternative would use the resource better to achieve objectives. Perhaps that issue is for the Parliament rather than the Government.

John Swinney: I say with respect that the matter is for parliamentary committees to wrestle with. From looking at some of the material that emerged, I think that the difficulty with one or two propositions from subject committees was that those committees had not led evidence to substantiate their propositions. There is nothing wrong with making a proposition: a member has the right to advance a different budget choice. However, I have looked at some of the *Official Reports* of the committee meetings, and one argument that could be made against the different choices was that committees had not pursued lines of evidence that led to those conclusions. That is easily remedied by committees leading evidence and reaching conclusions accordingly. It would then be up to the Finance Committee to

resolve whether it wanted to support such amendments.

The Convener: All the ideas—a budget bureau, our advisers and so on—stem from the urge to equip committees better for the scrutiny task and to improve their ability to drill deeper into the budget. The aim is that the committees can better perform a challenge function. A balance must be achieved, because the committees cannot usurp the Government's role, but we wish to equip ourselves better by having the evidence base for scrutinising the budget.

John Swinney: Committees recruited a broad range of experts to support them through the budget process last year—I was conscious that more committees had budget advisers at their disposal. Deciding whether to proceed in that way is a matter for committees, but I think that that is a sensible way to meet some of the aspirations to which you referred, so that committees can fulfil their obligations.

Elaine Murray: My reflections result from the fact that I am on the other side of the fence for the first time. It strikes me that we want to perform two tasks in the budget process. One function, which the committees have, is to challenge the Government. We examine how the Government will spend resources and whether it will spend them in the best way to pursue its objectives. The subject committees have a role of challenging whether that spend is correct and considering whether it should be realigned within the relevant portfolio.

A role that is for the Opposition and which we in the Scottish Parliament have never secured is to propose alternative budgets. Last year, we tried to produce alternative budgets through the committees, but those attempts were foiled, because it was impossible to say that too much was being spent on one portfolio and that more should be spent on another portfolio. A large-scale transfer such as that which an Opposition might want to make in an alternative budget is impossible. We do not have a mechanism for that.

Last year, we mixed those two functions. It might be better to have a mechanism by which committees pursued their role in assessing whether the Government will achieve its objectives with its budgetary spend and an alternative platform for Opposition parties to say, "If we were in government, this is what we would do." It is anomalous that we have never achieved that in the Scottish Parliament, given that opposition parties in local authorities have the ability to present alternatives every year, although that does not mean that such alternatives will succeed. The point is about the political debate on how money should be spent. You were on the other side of the

fence, and now you have changed sides. What is your perspective?

John Swinney: With regard to Dr Murray's first point about whether the Government is spending the money appropriately, it has dawned on me only since I became a Government minister—it did not when I was on the other side of the fence—that I am never invited before the committee to explain outturn expenditure. We spend the money, and I come to the committee for the budget and for the spring and autumn budget revisions, but I am not asked to return to justify outturn expenditure.

Alex Neil: I think that you will get an invitation now.

John Swinney: I think that I will.

The Convener: Absolutely.

John Swinney: I have done nothing other than create another opportunity to experience the charm of the Finance Committee—there you have it. I am delighted to solve that problem for the committee in my usual helpful fashion.

We should examine outturn expenditure to be clear about the reality of the final outturn—it is a pretty legitimate part of scrutinising the Government's performance. That fits into some of the questions that we will address as we proceed through the remainder of the current session with regard to what matters to us, which is the outcomes that we deliver.

It is implicit in the Government's budget that we are moving the focus away from the management of inputs to the delivery of outcomes. Assessing outturn expenditure would paint part of the picture with regard to the achievement of outcomes. I will leave that for the committee to wrestle with in its already congested work programme. The consolidated accounts, which will show the outturn expenditure, are likely to be published at the end of September 2008, if that is helpful to the committee.

On Dr Murray's second point about alternative budgets, I have the benefit of being able to consider that question from both sides of the fence. I can only encourage Dr Murray to believe that, in the unfortunate—and unlikely—event that I am ever back on the other side of the fence, I would take the same view as I hold just now. In all honesty, I think that the final parts of the budget process—stage 2 and stage 3—are well structured. Ministers have to be in a position to put forward propositions that are part of a zero-sum game that delivers a balanced budget. I have thought about other possible scenarios, and I really cannot think of an alternative in which there would be sufficient order in the parliamentary process to allow that to be undertaken. I remind the committee of the completely unsatisfactory

situation that we got into in the previous session of Parliament during consideration of the Licensing (Scotland) Bill. As a Parliament, we had what was, in effect, an on-the-floor bidding process involving the bill's provisions. I cannot envisage an alternative budget process being any different from that.

It is perfectly possible for a political party to marshal an alternative budget. To be fair, the Labour Party attempted to do that in the budget amendments that were considered by the Finance Committee. The sums of money that were to be shifted around in all the amendments that Labour members put forward to the Finance Committee totalled—if I recall correctly—about £300 million. That is a reasonably significant alteration of priority within the budget process. Labour members were able to advance those propositions within the Finance Committee, and the committee, which is essentially the gatekeeper that tests whether budget propositions stand up to scrutiny and are desirable as alternative choices, judged that it did not want to proceed with those priorities.

The role of knowledgeable gatekeeper in relation to what an alternative proposition could look like is best undertaken by the Finance Committee. As I said last year, if the committee came up with an agreed proposition, as it did last year, the Government has to take that seriously. That is an imperative for an Administration, such as ours, that operates without a majority, but I would like to think that it would also be an imperative for a Government that operated with a majority.

The Convener: Thank you for those observations. It has been suggested that stage 1 has not worked particularly well. Do you agree? Do you have any suggestions for change?

John Swinney: I am sorry to come here as the voice of the status quo, but I think that the budget process works well. I concede that stage 1 was condensed last year, but we all agree that that was because of the circumstances that we were in. The stage 1 process gives committees the opportunity to take evidence. The timescale that I am offering will give them more time in which to take evidence. That will allow them to concentrate on the point that Mr McArthur raised and consider taking evidence on an alternative proposition. They could test whether option A would have a greater impact than option B. Committees can do that, and they can come to a conclusion. In any budget process, however, the choices ultimately have to be narrowed down to robust alternative propositions. The current process allows for that.

The Convener: I have a queue of members who want to ask questions. The first is Derek Brownlee.

Derek Brownlee: You will need to bear with me as I have only ever been on this side of the fence, which probably makes me unique in the committee. Whichever side we are on, we all wrestle with the issue of information. I do not have the papers in front of me, but I think that it was the Centre for Public Policy for Regions that raised the point about level 4 information. As I understand it, if we request level 4 information, it is routinely provided. Subject committees and advisers have found that it is provided, and on occasion it has been provided in answers to parliamentary questions. The Finance Committee has made the point that we do not want the budget documents to be longer than they are, but I presume that there is nothing to prevent the Government from routinely making level 4 information available electronically. Is there a specific reason—beyond the desire to avoid making the budget documents unwieldy—why level 4 information could not routinely be made available, perhaps electronically, when the rest of the budget documents are published?

John Swinney: Mr Brownlee is correct to say that the Government makes level 4 information available on occasion in response to requests from committees. The publication of level 3 information allows for a degree of strategic-level scrutiny of the distribution of public resources. With level 4 information, in some areas, we get down to relatively operational decision-making levels. Frankly, those are the levels at which ministers and senior civil servants perform their immediate functions in ensuring that appropriate choices are made within a wider strategic context. If we routinely went down to level 4 information, we would generate a colossal amount of information. I am not sure that that would enhance the strategic decision-making processes in which committees can and should be involved.

Derek Brownlee: You would not necessarily generate that information, because I presume that it already exists. The question is whether making it available would mean that people lost sight of the bigger picture.

14:30

John Swinney: That is my point. There is a level of information at which there can be meaningful debate about priorities and choices. That is largely level 3.

Of course, further information exists. We have sophisticated and comprehensive financial systems, so such information is available. I understand that the convener visited the Government's financial team during the past few weeks and saw much of that information. However, level 4 information tends to involve a degree of detail that is beyond the meaningful consideration of realistic alternative choices by

parliamentary committees. If we said that information at level 4 must be routinely available, we might find ourselves having to consider amendments to budgets at level 4, which I think would take us way beyond tangible intervention by parliamentary committees.

The Convener: We must keep a sense of perspective. Information is useful only if it illustrates and enlightens rather than confuses. We are all on a search for information that is useful in the task that is before us.

James Kelly (Glasgow Rutherglen) (Lab): How will the Scotland performs website, which you launched, provide information on outturns? How will such information link into the outcomes that you want to achieve from the budget that you steered through the Parliament?

John Swinney: The Scotland performs website demonstrates effectively and openly how successfully the Government—as well as other organisations, because not all issues are under the direct control of Government—is performing in making progress against the outcomes that we set out.

An advantage of the spending review document that we published in November was that it clearly set out the performance framework within which we are operating. We set out the Government's purpose, the targets that underpin that purpose, the 15 national outcomes and the 45 indicators of progress against the outcomes. The performance framework will not change; it will be in place for the duration of the Administration, which gives an opportunity for pretty wide scrutiny of the Government's effectiveness in achieving its outcomes. The information is available at all times on the Scotland performs website.

Alongside that, the approach to scrutiny of outturn expenditure that I proposed will enable the committee to consider how money has been spent across the piece, to measure progress against outcomes and to judge whether the Government's balance of expenditure is appropriate. If, as a result of its analysis of outturn expenditure and performance against outcomes, the committee considers that we are not making enough progress in a particular area, its conclusions might inform decisions about budget choices and how resources might be allocated to secure different outcomes. Surely the focal point of the whole process is the need to guarantee that we are deploying resources in a fashion that will deliver the best impact on outcomes.

The Convener: I commend the Scotland performs website to everyone. It gives public access to important information.

Alex Neil: The budget process that we have followed for the past nine years was designed for

a spend-only Parliament. By the time we have finished our review and reported to the Standards, Procedures and Public Appointments Committee, which in turn must report to the Parliament, I hope that we will be within a year or two of the Parliament gaining additional revenue-raising and perhaps borrowing powers—irrespective of which process generates such powers. Is the current budget process sufficiently robust to handle both the revenue-raising—and perhaps borrowing—element and the spending element of the accounts, or might having to undertake such work impact on turnaround times for each stage of the budget, the amount of information that is made available and so on?

John Swinney: The current budget process could adequately accommodate any consequence of acquiring wider revenue-raising powers. I realise that, given that the committee is reviewing the budget process, it has to ask these questions about its effectiveness but, as I said, I think that in the great scheme of things the process is strong. Of course, there will always be a hunger to improve it—and the Government is very happy to co-operate in that work—but I believe that the budget process could accommodate a more comprehensive volume of information on income generation. It would simply need to be adapted to show the other side of the balance sheet.

We would also be required to demonstrate some aspects of the Scottish public sector's long-term financial health, which would involve examining issues such as debt, existing borrowing and financial commitments implicit in private finance initiative contracts over the years. Such an approach would provide a more comprehensive assessment of Scotland's public finances, which should satisfy much of the appetite for ensuring that the Parliament was being tested on its effectiveness in exercising and delivering on a wider range of responsibilities. Finding a way of setting out the Government's ability to raise money as well as its ability to spend money is a challenge that we are very happy and prepared to meet. That move would significantly add to the Parliament's strength and effectiveness.

Liam McArthur: I want to return to a point that you made in response to Derek Brownlee a few minutes ago. In your letter to the convener dated 7 March, which makes some suggestions on the review of the budget process, you talk about moving away from setting out

“expenditure by individual portfolios or departments”

and propose

“the approval of a single Scottish Government budget figure in Parliamentary terms for net expenditure and one total income limit, supported by indicative Cabinet Secretary portfolio totals.”

Would that present further difficulties to subject committees in interrogating the budget and coming up with alternative proposals? Moreover, given that the total entity would be set out from the outset of the process, what would such a move mean for spring and autumn budget revisions?

John Swinney: In my letter to the convener, I simply set out a mechanism that would allow the Government to make maximum use of the available resources and minimise possible underspends. Indeed, I remind the member that, last Thursday, I made a statement to Parliament on the 2007-08 underspend.

At the moment, under its agreement with the Finance Committee, the Government is obliged to balance every budget item by portfolio. That is fine; the Government did so this year and will, under the agreement with the committee, continue to do so whenever required. However, such an approach constrains the Government's ability to minimise underspends, because the Government has to retain sufficient financial cushion, portfolio by portfolio, to guarantee that every number comes in under the budget total. We have to do that for every number under the eight budget headings, so we have to have eight cushions in place.

I have therefore proposed to the convener of the Finance Committee that the effectiveness of public sector spend would be improved if the Government had to deliver against only one budget number, and if we had flexibility between individual portfolios in how we arrived at that number. The advantage of that would be that the Government would be able to eliminate unnecessary financial planning—the cushioning, as I characterise it—thereby minimising underspends.

For the duration of this spending review period, every pound that we do not spend—and which is therefore recorded as underspend—will be locked away for the three-year period and we will not be able to access it. That does not strike to me as an especially effective approach when there is such a variety of issues requiring financial support.

Mr McArthur asked whether the new approach would have a negative effect on committees' ability to scrutinise the budget. I do not think that it would, bearing in mind what I have said about outturn expenditure. I will be happy to come to this or any other committee to report on outturn expenditure and be questioned on it. Committees will have that additional level of scrutiny of financial performance once the consolidated accounts have been produced.

The proposal is that we create a mechanism to improve financial efficiency and effectiveness.

Obviously, I remain happy to discuss such issues with the committee as part of this process.

The Convener: Will the cabinet secretary confirm that the proposed changes are changes to the budget act and not to the draft budget?

John Swinney: I do not think that there will be a requirement to change the budget act; I think that the requirement will be to change the written agreement between the Finance Committee and the Government. However, I would want to be sure that Audit Scotland was comfortable with the new arrangements and confident in them. The committee, Audit Scotland and the Government should properly explore that, if we decide to go ahead with the proposal.

The Convener: Liam, did you wish to say something?

Liam McArthur: It was only to say that the cabinet secretary thought me rather curmudgeonly at his statement last week; he said that I was not welcoming enough of the £42 million end-year flexibility. I would like to put on record that I thoroughly welcomed the announcement. It was only because the Presiding Officer limited me to one question that I did not say that.

James Kelly: I understand what the cabinet secretary is saying about trying to limit underspend, but I am interested in the possible impact on the consideration of amendments to the budget, which we discussed earlier. We will be moving away from the current situation in which Parliament approves 13 separate totals, to a new situation in which Parliament will approve only one total. What will be the impact of that on the consideration of possible alternative spending proposals?

John Swinney: Obviously, some of the 13 budget headings are outwith my control. They are under the control of different office-holders but are still part of the Scottish Administration.

As for the impact on amendments to the budget, we are talking about numbers at the very margins of the financial performance over the year. Last year, underspend was £42 million, which is getting down to the smallest possible level of underspend.

Budget amendments or alternative propositions advanced by other parties or committees would have to be set out at the start of the financial year, and financial performance would have to be monitored against those changes. The approach that I have described would not have a significant impact. Essentially, I am proposing an efficient technical mechanism for avoiding unnecessary underspend by allowing a bit of leeway between different indicators right at the end of the financial year.

14:45

Mr McArthur asked what impact the mechanism would have on the autumn and spring budget revisions; I apologise for failing to answer that question. The mechanism would have no impact on the autumn and spring budget revisions, as they have a life of their own and involve specific explained changes to the original budget propositions. The revisions create new totals for the Government to balance against at the end of the financial year. The purpose of the spring budget revision in January this year was to create a new and final set of budget totals for the Government to perform against. The £42 million underspend relates to those totals.

The Convener: Members have no further questions. Does the cabinet secretary have any further comments?

John Swinney: I have nothing to add.

The Convener: I thank the cabinet secretary and Mr Williams for their attendance and for the evidence that they have given today.

Sexual Offences (Scotland) Bill: Financial Memorandum

14:47

The Convener: Item 2 is consideration of the committee's approach to the Sexual Offences (Scotland) Bill. The clerks' paper suggests that we adopt level 1 scrutiny, which would involve seeking written evidence from the Crown Office and Procurator Fiscal Service, the Scottish Court Service, the Scottish Prison Service, the Scottish Legal Aid Board, the Scottish Children's Reporter Administration, the Association of Chief Police Officers in Scotland and the Convention of Scottish Local Authorities, and forwarding any submissions that we received to the lead committee. Is that agreed?

Members *indicated agreement.*

The Convener: As previously agreed, we now move into private session to consider our work programme.

14:47

Meeting continued in private until 15:18.

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