



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

### FINANCE COMMITTEE

Tuesday 1 March 2011

Session 3

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**Tuesday 1 March 2011**

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**FINANCE COMMITTEE**  
**8<sup>th</sup> Meeting 2011, Session 3**

**CONVENER**

\*Andrew Welsh (Angus) (SNP)

**DEPUTY CONVENER**

\*Tom McCabe (Hamilton South) (Lab)

**COMMITTEE MEMBERS**

\*Derek Brownlee (South of Scotland) (Con)

\*Malcolm Chisholm (Edinburgh North and Leith) (Lab)

\*Linda Fabiani (Central Scotland) (SNP)

\*Joe FitzPatrick (Dundee West) (SNP)

\*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

\*David Whitton (Strathkelvin and Bearsden) (Lab)

**COMMITTEE SUBSTITUTES**

Gavin Brown (Lothians) (Con)

Lewis Macdonald (Aberdeen Central) (Lab)

Stewart Maxwell (West of Scotland) (SNP)

Liam McArthur (Orkney) (LD)

\*attended

**THE FOLLOWING GAVE EVIDENCE:**

John Swinney (Cabinet Secretary for Finance and Sustainable Growth)

**CLERK TO THE COMMITTEE**

James Johnston

**LOCATION**

Committee Room 2



# Scottish Parliament

## Finance Committee

*Tuesday 1 March 2011*

[The Convener *opened the meeting at 14:01*]

## Subordinate Legislation

### Budget (Scotland) Act 2010 Amendment Order 2011 (Draft)

**The Convener (Andrew Welsh):** Good afternoon and welcome to the eighth meeting of the Finance Committee in 2011, in the third session of the Scottish Parliament. Agenda item 1 is to consider the Scottish statutory instrument that provides for the spring revision of the 2010-11 budget.

The draft Budget (Scotland) Act 2010 Amendment Order 2011 is subject to affirmative procedure, which means that the Parliament must approve the order before it can be made and come into force.

A motion in the name of the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, invites the committee to recommend to Parliament that the draft order be approved. Before we come to the debate on the motion under item 2, we will have an evidence session to clarify any technical matters or to allow explanation of detail.

I welcome to the committee the cabinet secretary, John Swinney, who is accompanied by John Williams and Stuart Dickson, from finance co-ordination. I invite the cabinet secretary to make an opening statement.

**The Cabinet Secretary for Finance and Sustainable Growth (John Swinney):** Thank you, convener.

This is our last opportunity to amend the budgets for the current 2010-11 financial year and, therefore, to include a number of transfers between budget lines to align them with predicted spend for the rest of the year in accordance with the Government's priorities.

The changes that are proposed in the spring budget revision result in an increase in the approved budget of approximately £126 million, from £34,720 million to £34,846 million. Table 1.3 on page 5 of the supporting document shows the latest budget that was agreed in the autumn budget revision and the changes that are sought in the spring budget revision.

There are two main elements to the revision: increases in mainly non-cash annually managed expenditure budgets of £260 million to match the most up-to-date forecasts, which are offset by a departmental expenditure limit reduction of £130 million.

The United Kingdom Government has agreed that if we underspend our DEL by £130 million in 2010-11 on a planned basis, we can produce a corresponding carry forward in 2011-12 to help offset our budget reduction in that financial year. That underspend will be met from across several of the portfolios. The biggest part of the underspend, at £45 million, is due to delays in transport projects, including the Edinburgh trams.

Members of the committee will recall that our original budget plans for 2011-12 as set out in the draft budget included a carry-forward of £100 million to support planned capital spending. I kept that under review, and in discussion with Her Majesty's Treasury I have secured agreement to an increase of £30 million in the carry-forward that is available. The full reduction of £130 million in 2010-11 is reflected in the supporting document and further details have been provided in the brief guide to the revision that my officials have provided to the committee.

The main increases in the budget include additional annually managed expenditure funding of £106 million for provisions across several of the portfolios, which is due to a change in revised budgeting treatment of provisions. The initial set-up of provisions now scores in AME rather than DEL. An example of that is in the health budget, which has received nearly £40 million additional annually managed expenditure funding for provisions. We have also received additional funding of £67 million to cover impairments and guarantees. Again, health was the main beneficiary, with an additional £45 million to cover those impairments. Other funding adjustments include revisions to annually managed expenditure to reflect revised estimates for national health service and teacher pensions of £23.6 million. Full budget cover for that net increase is provided by HM Treasury. There is a further non-cash DEL increase of £28.7 million from HMT in respect of the student loans subsidy.

The remaining changes to the budget are just the routine transfers that are normally made at this time of year. Significant changes include a transfer of £25.5 million from justice to roads for roads depreciation and maintenance as a result of the damage that was caused to the roads by the extreme weather conditions that we experienced in November and December. Local government also received a capital transfer from the justice budget of £19.4 million as part of the £1.25 billion schools investment programme.

What appears to be a net transfer from within the Scottish block of -£3.8 million mainly reflects the transfer of budget provision to support non-departmental public body capital charges, primarily in relation to the Scottish agricultural and biological research institutes. The committee will recall that, under current budget arrangements, NDPB budgets must be presented for parliamentary approval simply in cash terms. Details of their non-cash costs are provided in table 1.1 on page 3 of the supporting document. There are further technical adjustments of £35 million for the international financial reporting standards, which are spending-power neutral and are largely non-cash adjustments or transfers from resource to capital, reflecting the different budgeting and accounting treatment of certain transactions under the IFRS.

Details of all significant changes in the revision were sent to the committee by Scottish Government officials prior to the meeting. Following the preparation of the revision, we continue to monitor carefully against all budgets and will wherever possible seek to utilise any further emerging underspends to ensure that we maximise use of the resources that are available to us in 2010-11. That proactive approach to budget management has served us well in recent years and has ensured that we minimise underspend. It also enabled me to announce, in the final debate on the Budget (Scotland) Bill, additional funding for 2010-11 for college bursaries and housing investment.

I am happy to answer questions from the committee.

**The Convener:** Thank you for your detailed and succinct opening statement. I invite questions from members.

**Malcolm Chisholm (Edinburgh North and Leith) (Lab):** I will start with a couple of questions about the £130 million, although other members might have more questions about it. The first is about the actual amount. When you first announced the measure, the amount was £100 million. Also, it was presented as a transfer from resource to capital—or, the impression was given that it was a way of increasing capital spend at a time when that was being heavily reduced. However, in fact, a lot of that £130 million seems to be reprofiling of capital expenditure. We have a table that shows that £50 million of the £130 million is capital. There is also the £45 million from the transport agency. Most people normally regard that money as capital. The cabinet secretary referred to the Edinburgh tram money, which I would have thought would be regarded as capital spending. I do not know whether other money is included in that £45 million.

**John Swinney:** I am happy to go through the contents of the £130 million with the committee. Mr Chisholm is absolutely correct that I originally stated that I would make provision for £100 million of carryover. As the financial year has taken its course, I have kept that under review—as I told the committee I would do—and I have identified and agreed with the Treasury a carryover of £130 million. The committee will be familiar with the reason for that, which is that we face the sharpest of adjustments in our budget between this financial year and the next one. I told the committee that I would look to identify any ways of smoothing the impact of the difference between 2010-11 and 2011-12.

In budgeting terms, all the transfer will show as capital expenditure in 2011-12. How we show expenditure on the trams involves a slight technical issue. For budgeting purposes, that is shown as capital, but for accounting purposes, it is shown as revenue from the Government's point of view, because the trams will be added to the asset balance sheet of the City of Edinburgh Council and not of the Government.

The purpose of what I have done was to ensure that we have available capital expenditure to support provisions in 2011-12.

**Malcolm Chisholm:** Is it fair to say that, basically, your primary task has been to reprofile capital expenditure rather than transfer much money from resource to capital, which you flagged up when you announced a carryover of what was then £100 million?

**John Swinney:** I said that I would make every endeavour to identify resource expenditure that could be converted into capital, but I also made it clear that I would seek opportunities to maximise the capital budget in 2011-12 because, on budget plans, it would be £800 million lower than in 2010-11. The objective was to boost the capital budget as far as possible.

**Malcolm Chisholm:** So, the only resource budget of more than £10 million that has been genuinely affected is that for police and fire pensions. It is reasonable to ask how you have managed to reduce that budget and what impact that will have on scheme members.

**John Swinney:** Under arrangements, we must estimate how police pension costs will crystallise. The estimate was higher than what materialised, so we can realise a saving. That will have no impact on scheme members.

**Tom McCabe (Hamilton South) (Lab):** I am afraid that my questions are on a similar theme. The brief guide to the spring budget revision tells me that the

"Underspend contributing to corporate budget reduction in Transport"

was £51 million and that the underspend on Scottish Water was £34 million. Are those figures right?

**John Swinney:** Yes, they are.

**Tom McCabe:** In effect, we are moving the pain. Those figures show that about £85 million of work did not take place in this financial year, which you hope to move into the next financial year. Is that right?

**John Swinney:** Not quite. The Scottish Water provision recognises that Scottish Water has—without changing its capital programme—not required to use £34 million of borrowing capability in this financial year.

For the 2010 to 2015 period, we will have to honour the commitment to support Scottish Water's capital programme to the tune of £700 million. That will have a further implication in later years. However, as Mr McCabe will recall from the 2011-12 budget process, Scottish Water does not require to draw down the facility in 2011-12.

A £45 million underspend has arisen on the Edinburgh trams project, but it is clear that expenditure on that project will require to be supported in future years. The remaining £6 million of the underspend to which Mr McCabe referred involves savings in unitary charge payments for the M74 and the M77. Those costs will not materialise again later.

**Tom McCabe:** You can see how a member of the public might think that the way in which we use those figures is all smoke and mirrors. Are you saying that you have given the Treasury your best estimate of what is going to come in under this year, and it has agreed to a carryover of £130 million?

14:15

**John Swinney:** That is correct.

I should point out that, if I had not undertaken that discussion with the Treasury, had allowed expenditure patterns to take their course, and had generated that £130 million as a formal underspend, under the new financial arrangements I would have lost access to that £130 million and, as the rules are currently constructed, there would have been no basis for me to recover access to that funding at any stage in the future.

**Tom McCabe:** That is what I was coming to next. It has not exactly been clear what the arrangements are with regard to what was

traditionally called end-year flexibility, although I suppose that phrase is quite old now.

What do you understand the system to be from now on? I know that in the past you have succumbed to temptation and criticised other people for not spending every penny of the budget, but we are all aware that that is never going to be possible in any financial year. In the years to come, how will we deal with that situation to make sure that we are not disadvantaged?

**John Swinney:** I have learned a lot from the questions I have been asked in parliamentary committees, and I assure Mr McCabe that I have every intention of remaining alive to those lessons. As I said to Mr McCabe, the end-year flexibility arrangements that existed until 2010-11 were such that it was possible to carry over and gain access to funds on a managed basis and as agreed with the Treasury. There was not unrestricted access to the EYF facility, but certainly at my negotiations with the Treasury at the spending review in 2007, we obtained an entirely satisfactory approach to access to the EYF facility for the duration of the spending review.

The arrangements are not absolutely clarified, but I expect that we will end up with a facility that is not dissimilar to the approach that we have taken this year. The Treasury made it clear to us that we could, in advance of the spring supplementaries in Westminster, identify potential underspends that we could carry over into the future year on a year-by-year basis. As long as we could identify those underspends and seek Treasury agreement, we could work to that level. I initially flagged up to the Treasury that I expected to have a facility of approximately £100 million, and the Treasury agreed that. As the financial year progressed, I became confident that that figure could be £130 million. We should bear in mind the point that I made to Mr Chisholm that there is such a sharp decline in our capital budget from 2010-11 to 2011-12 that I was seeking to maximise that figure where I could. The £130 million was then made available.

That is my understanding of the current arrangements, although an active debate is under way about EYF arrangements, principally involving the Welsh and Northern Irish Administrations because they are seeking access to EYF resources to which they currently do not have access. That debate is about historical sums of money, which is not an issue that affects this Administration.

**Tom McCabe:** I have a few reservations about what you have said, cabinet secretary, but my main one is that at least under the old system we eventually got to a point at which we could quantify the EYF. We knew what was lying in the Treasury and we had to go into negotiations to try

to get it back. You seem to be in a position where you are trying to make a best guess—please do not misunderstand me—at as late a point as possible about what you might underspend. It is not entirely impossible that you could get as far as you could possibly go, make a prediction to the Treasury, get an agreement, then find that the figure is out, possibly by as much as £20 million. What would happen to the money in those circumstances?

**John Swinney:** The premise of Mr McCabe's question is absolutely correct. The advantage of the previous arrangement was that, in a sense, people could underspend in the knowledge that the resources would be available at some stage in the future—of course, nobody would underspend without being careful to ensure that that was the appropriate thing to do. Now, I have to plan as effectively as I can what the level of underspend is going to be and agree that with the Treasury—in this instance, I have no issue with the Treasury's position on the agreement that we required, as it has been entirely satisfactory and helpful.

We will underspend in 2010-11. We have to underspend so that I can bring the budget in on the right side. As Mr McCabe will appreciate, I cannot overspend, so I have to underspend. My current understanding is that the amount of money by which I underspend will be lost to future public expenditure in Scotland. There is a loss to public expenditure because the carryover arrangements with which Mr McCabe will have been familiar in his term in office no longer exist.

**Tom McCabe:** I assume that that is an area that you continue to discuss with the Treasury.

**John Swinney:** It is a material point of our discussion with the Treasury.

**Derek Brownlee (South of Scotland) (Con):** I was reading the *Official Report* of the evidence that we heard on 25 November from the Chief Secretary to the Treasury around the changes to what was EYF. He said that the Scottish Parliament would be “treated differently” from Whitehall departments and talked about two additional flexibilities for the Scottish Government and the other devolved Administrations. He said:

“First, underspends can be carried forward without Treasury permission. Secondly, although for UK Government departments the current system will end at the end of this financial year—there will be a hard end and then the new system will start—the Scottish Government and the other devolved Administrations will be able to carry forward underspends at the end of this financial year into next year.”—[*Official Report, Finance Committee*, 25 November 2010; c 2805.]

That does not seem to be quite the same as the situation that you have just described. Are you suggesting that money could be lost in 2010-11 and 2011-12?

**John Swinney:** In my answer to Mr McCabe, I should have added that the Treasury has indicated that details of a replacement for end-year flexibility will be announced around the time of this year's budget later in March. However, what I said represents my current best understanding of the arrangements. If there is an arrangement of the type that Mr Brownlee has set out, that will be a better arrangement than the one that I expect.

**Derek Brownlee:** So, your understanding is not based on what the Chief Secretary to the Treasury has told the Finance Committee but on something else.

**John Swinney:** It is based on the dialogue that my officials are having with the Treasury.

**Derek Brownlee:** This might be difficult for you to answer but, in that dialogue, do you think that Treasury officials are aware of what the Chief Secretary to the Treasury told the Finance Committee?

**John Swinney:** That is not a question that I can answer.

**Derek Brownlee:** It might be quite helpful if you could.

**John Swinney:** There is a proposal for a quadrilateral meeting between all the finance ministers, which will have to be before the budget, because it must take place before the Scottish Parliament is dissolved on 22 March. The issue that you raise will be a material issue in those discussions.

**Derek Brownlee:** We have had a relatively explicit statement from the chief secretary, who was pretty clear about the situation, although he also said that the position on EYF was not settled. If it turns out that what we were told is not what actually happens, that would rather negate the point of having the chief secretary speak to the committee. I do not know whether there has been a misunderstanding.

**John Swinney:** I am simply sitting here giving the committee the best information that I have. If the information is overtaken by events, I will happily confirm that to the committee. However, I am sharing with the committee the best information that I have at my disposal.

**Derek Brownlee:** I have a couple of questions about the detail of the revision. A significant underspend has been redeployed, which is not significant for the revision but for the budget for the Accountant in Bankruptcy. If memory serves me correctly, the Accountant in Bankruptcy previously had a significant increase in its budget, but it now seems not to be spending it. What exactly is going on in that institution?



**John Swinney:** I do not have in front of me the long-term pattern in the Accountant in Bankruptcy budget, but the explanation of the £2.5 million contribution that has been made by that organisation is that it is a product of an increase in receipts to that service, which is of course an offsetting item in terms of its performance as an organisation and reduced operating costs. We estimate that there is the potential for similar levels of savings to be made in 2011-12.

Clearly, public bodies are going through a process of change in their financial focus. The work that we are undertaking is designed to free up resources where we can, in order to afford other priorities. What has emerged from the Accountant in Bankruptcy is helpful in the process that we are wrestling with just now. If Mr Brownlee wishes a breakdown on the longer-term pattern of the Accountant in Bankruptcy's budget and the position on the balance of receipts and costs, I am happy to provide that to the committee, if that would be helpful.

**Derek Brownlee:** It would be helpful because I do not want to dwell on the issue too much. However, I would be particularly concerned if we were relying on receipts that were a consequence of the current economic circumstances and that might not occur in the future.

I have a question on another change. If I read it correctly, £4.3 million is going from other portfolios into social advertising. What exactly are you advertising socially?

**John Swinney:** Essentially, what is happening there is the transfer of resources from portfolio budgets in order to support the central provision of advertising activity. The campaigns that are being supported through this are the zero waste campaign, the road safety campaign, the take life on campaign, the alcohol awareness work and the work on early years activity.

**Derek Brownlee:** Is that in effect additional advertising spend, or is it reclassification in that advertising money in portfolios is now being classified centrally?

**John Swinney:** I cannot recall whether it was in a parliamentary answer to Mr Brownlee or to one of his colleagues, but I set out the basis on which we were delivering our commitment to reduce spending on advertising by 50 per cent. I set out a pattern in which advertising expenditure was a combination of two elements of budgeting. One was a core marketing budget held within the Government centrally in the administration budget, and the other was pockets of money within portfolios that were spent on advertising. When that was all tallied up, it came to a total—the numbers are not crystal clear in my mind, so I would probably give the committee the wrong

numbers. However, we gave a commitment to reduce the spend on advertising by 50 per cent.

In the social advertising budget we are corraling resources to allow us to monitor that spend so that we do not have a situation—I think that this is the point that Mr Brownlee is concerned about—whereby we have a commitment to spend a sum of money that is 50 per cent of what we were spending but we just supplement that by spending in a host of other areas. Our purpose is therefore to reinforce the point that Mr Brownlee and his colleagues have made in the past about defining a core cost of advertising activity.

**Derek Brownlee:** I will chance one final question. How do you ascertain whether advertising is spent on social media, rather than on the more traditional media? Is some assessment of value for money carried out within the Government?

**John Swinney:** Mr Brownlee is perhaps misinterpreting what this is about. It is not about social media; it is about advertising on social issues. Perhaps we could have explained that more clearly.

**The Convener:** We now move to the debate on motion S3M-7799.

*Motion moved,*

That the Finance Committee recommends that the draft Budget (Scotland) Act 2010 Amendment Order 2011 be approved.—[*John Swinney.*]

*Motion agreed to.*

**The Convener:** The committee will formally communicate its decision on the draft order to Parliament, by way of a short report, providing a link to the *Official Report* for this debate. Are members content with that approach?

**Members indicated agreement.**

14:31

*Meeting suspended.*

14:32

*On resuming—*

## Public Bodies Bill

**The Convener:** Item 3 is to take evidence on the legislative consent memorandum to the UK Public Bodies Bill. Accompanying the Cabinet Secretary for Finance and Sustainable Growth for this evidence session are Keith Connal and Colin Miller from the Scottish Government's public bodies policy team. Welcome. I invite the cabinet secretary to make an opening statement.

**John Swinney:** The UK Government's Public Bodies Bill provides order-making powers for UK ministers in respect of the bodies and offices that are listed in the various schedules to the bill. The powers are designed to allow UK ministers to implement the proposals that the UK Government announced last year for the abolition, reform or restructuring of public bodies that operate either in England and Wales or on a UK-wide basis.

The bill is an enabling bill, which means that it will not of itself make any changes to public bodies when it comes into effect. Instead, it provides a series of order-making powers for UK ministers in respect of the bodies and offices that are listed in schedules 1 to 6. They include powers to abolish, merge or modify the constitutional or funding arrangements of those bodies, or to modify or transfer the functions of the bodies that are listed in each schedule. Schedule 7 to the bill as introduced contains a list of bodies that may be added by order to any of the principal schedules and therefore brought within the scope of one or other of the bill's substantive powers. However, I understand that the United Kingdom Government announced yesterday that it would be removing schedule 7 from the bill altogether.

Orders under clauses 1 to 6 will be subject to affirmative resolution procedure at Westminster, together with additional procedural safeguards. I was interested to note that the United Kingdom Government is proposing further safeguards, and that some of them appear to have been taken from the Public Services Reform (Scotland) Act 2010, and so they will be familiar to members of the committee.

As I have mentioned, all the bodies that are listed in the schedules to the Public Bodies Bill operate either in England and Wales or on a UK-wide basis. They do not include any devolved public bodies for which the Scottish Government and the Scottish Parliament are responsible. However, orders made by UK ministers under the powers contained in schedules 1 to 6 could affect bodies that exercise devolved functions in Scotland or affect the executive competence of Scottish ministers.

Following constructive discussions between ministers in all four Administrations, the UK Government has agreed to table amendments to the bill on those matters and has provided various assurances. Taken as a whole, the package of alterations fully protects Scottish interests and the Parliament's position in relation to devolved matters.

I will outline the main elements of the package of amendments. The UK Government will shortly table amendments to replace the requirement for the Scottish ministers' consent in clause 9 of the bill with a requirement for the Scottish Parliament's consent. That is more appropriate and was recommended by the House of Lords Constitution Committee, which considered the bill. The amendments will provide that an order under clauses 1 to 6 to make any provision that is within this Parliament's legislative competence will require this Parliament's consent. The amendments will also require this Parliament's consent to any other provision that modifies a function of the Scottish ministers, except when that function relates to a body that is being abolished.

The UK Government has provided a written assurance that, if a proposal falls within the scope of order-making powers in the Scotland Act 1998 that are subject to parliamentary procedure in this Parliament, it will—as far as is practicable and proportionate—be introduced under the relevant order-making power in the 1998 act and not by an order under the bill. That is designed to ensure the primacy of the powers and associated procedural safeguards in the 1998 act.

When costs arise as a result of proposals that UK ministers have made, the statement of funding policy will apply. That means that the UK Government will meet the costs of decisions that UK ministers take. Of course, any proposals that relate to devolved functions or the executive competence of the Scottish ministers will in any event be subject to the Scottish Parliament's consent, which could take into consideration any costs or savings involved.

The package of amendments that we have agreed with the UK Government will ensure that any proposals that UK ministers introduce under the bill will be subject to scrutiny by the Parliament and will require the Parliament's consent, to the extent that they relate to devolved matters. I will of course send the committee the text of the amendments as soon as they have been tabled.

That is an entirely appropriate and satisfactory outcome that fully reflects and respects the boundaries between devolved and reserved matters. On that basis, I invite the committee to lend its support to the legislative consent memorandum that the Government has lodged.

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** I have one brief question. Will the cabinet secretary confirm that the Scottish Government has no difficulty with how the statement of funding policy will operate in relation to the bill?

**John Swinney:** Provided that the details that I have described to the committee are followed—provided that the details in the statement of funding policy apply to the costs that arise from proposals that UK ministers make, so that the UK Government is required to meet the costs of decisions that UK ministers take—I will be satisfied with the policy's operation.

**Malcolm Chisholm:** Various environmental bodies were concerned about schedule 7's implications for the Committee on Climate Change, but I imagine that the situation has improved because of what happened in the House of Lords yesterday. However, it is still legitimate to ask whether the Scottish Government made any representations on that matter. It is important that that committee should remain as an independent and impartial body to give advice on climate change to the UK and Scottish Governments.

**John Swinney:** The Scottish Government has been involved in ensuring that we have in place the proper arrangements to protect the Scottish Parliament's interests fully. The Committee on Climate Change is referred to and has a central place in the statute of this Parliament for its role in providing the Scottish Government with advice on climate change matters. We made no specific representations on any provisions in schedule 7, because we knew from our discussions that that schedule's contents were being debated in the UK Government.

For completeness, I point out that, although schedule 7 is proposed to be removed and will no longer appear in the bill, the UK Government has identified several bodies that are mentioned in schedule 7 that will be put in other schedules, so those bodies might be open to revision. For example, the Sea Fish Industry Authority is mentioned in schedule 7. Actually, I have chosen a bad example, because it has not been proposed what schedule it will go into. Let me take another example. The Competition Commission is mentioned in schedule 7, but the UK Government has said that it will put it into schedule 2, with the possibility that it will merge with the Office of Fair Trading. Around 15 bodies have been identified in schedule 7 to be put into other schedules, but the Committee on Climate Change is not one of them.

**Malcolm Chisholm:** Is that the Government's final statement on the matter, as far as you understand?

**John Swinney:** I do not think that that could be judged to be the final statement. The announcement on the decision to remove schedule 7 was made only yesterday, and the information that I have shared with the committee and which I am happy to give it—actually, I have just been told that it is not in the public domain. There we are. We will somehow resolve what we will do with that. However, there is a list of 15 bodies. I presume that further announcements will be made on where the process will go, but I would certainly be happy to keep the committee advised. I expect that the amendments will be published fairly shortly. We thought that the amendments to which I have referred would have been published in advance of today, but they have not. As soon as they are, I will share them with the committee.

**Malcolm Chisholm:** What would the Scottish Government's attitude be if the Committee on Climate Change were to appear in one of the other schedules? I suppose that that is a hypothetical question.

**John Swinney:** It is clear that we have attached a significant role to the Committee on Climate Change in providing advice to the Scottish Government and Parliament on issues relating to climate change targets. As Mr Chisholm will recall, during the passage of the Climate Change (Scotland) Act 2009, the question whether we should have a separate climate change committee was debated in Parliament, and the judgment that Parliament settled on was that the UK provisions were perfectly adequate and appropriate. It is clear that we will need an organisation of that type. We would try to persuade the UK Government of the merits of retaining the Committee on Climate Change and resist not retaining it, but obviously, if that was unsuccessful, we would have to take other steps and make other provisions.

**The Convener:** Members have no more questions. The committee has to make a report to Parliament on its views on the LCM. It appears that there are no particular issues that members want to raise in the report, so are members content for a short report to be drafted that refers to the *Official Report* of this evidence session?

**Members indicated agreement.**

## Decision on Taking Business in Private

14:43

**The Convener:** The final item is to decide whether to consider our legacy paper and annual report in private at our next meeting. I propose that we do so. Do members agree?

**Members** *indicated agreement.*

**The Convener:** I now close the meeting.

**Tom McCabe:** No you don't. We would like to record the fact that this is your final meeting in public in this parliamentary session. People are aware that you have decided not to contest the next election and that you have decided to give yourself a bit more time for other things. We want to take this opportunity to thank you very much for all the work that you have done in the committee, Parliament and public life in general. [*Applause.*]

**The Convener:** That was the nicest way of being overruled.

I thank Tom McCabe, who has been an excellent deputy convener with vast experience, and all the other committee members. We have produced major reports on a consensus basis that have been very helpful to Parliament and people outside Parliament. I thank all of you for your excellent contributions. There is great expertise around the table, which we have managed to use to maximum effect.

*Meeting closed at 14:44.*

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