

Draft Budget Guidance to other Committees

1. This paper sets out initial guidance to other committees on the draft budget process for 2014-15.

Timetable

2. Under the terms of the written agreement the Scottish Government (SG) is due to publish its draft budget for 2014-15 by 20 September 2013. The UK Government is due to publish a Spending Review on 26 June which is expected to include indicative figures for 2015-16 as well as the allocations for 2014-15.

3. Scrutiny of the draft budget 2014-15 will take the same form and use the timetable as normal. This means the following—

- By 20 September - Scottish Government publishes its draft budget 2014-15
- Mid-November - subject committees report to the Finance Committee
- Early December – Finance Committee publishes report on draft budget
- Week prior to Christmas recess – debate on Finance Committee report
- 20 January – Scottish Government publishes budget bill
- End of January – Stage 1 debate
- Prior to February recess – Stage 2 and Stage 3

Budget Adviser

4. The Committee has appointed a new budget adviser, Angela Scott, who is head of CIPFA regions. Angela will take up the post from 1 July.

5. It is expected that the new adviser will produce an analysis of the draft budget for the Finance Committee shortly after it is published. As in previous years it is also likely that the new adviser will present the analysis to both Members of other committees and parliament officials and advisers.

Draft Budget Reports

6. Other committees are requested to submit draft budget reports to the Finance Committee by **Friday 15 November**. While these reports will still remain confidential until the publication of the Finance Committee report, subject committees will be responsible for publishing their reports on their committee websites (which will be linked to the Finance Committee report). As usual, in addition to highlighting issues and making recommendations to the Finance Committee, other committees are invited to direct recommendations and findings to their respective ministers, to supply their ministers with a copy of the report on publication and to seek a formal response from their individual ministers.

7. Other committees are asked to provide an executive summary including highlighting any priority issues which they would like the Finance Committee to consider in its draft budget report.

Budget Strategy Phase (BSP)

8. The aim of the BSP as set out in the Written Agreement is to:

“allow the Parliament to scrutinise the progress which the SG is making in delivering its own targets through its spending priorities and to take a strategic overview of the public finances around the mid-point of the current Parliament.”

1. The SG has agreed to provide performance information alongside the publication of draft budget 2014-15. The Cabinet Secretary stated in a letter to the Convener that:

“I am also content to agree that the Scottish Government will provide supporting information in the Autumn to assist in the scrutiny process. In considering the form that information should best take, I will take into account the central role that *Scotland Performs* plays in providing up to date information on performance.”

2. The SG introduced an outcomes based approach to performance as part of its 2007 Spending Review. This included a National Performance Framework (NPF) which underpins delivery of the Scottish Government’s agenda. Spending decisions would be taken with the aim of achieving a single, overarching purpose:

“To focus government and public services on creating a more successful country with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.”

3. This Purpose is supported by five strategic objectives and sixteen national outcomes which describe what the Government wants to achieve over a ten year period. Progress towards the achievement of these national outcomes is measured by 50 national indicators which are available on the Scotland Performs website: <http://www.scotland.gov.uk/About/Performance/scotPerforms>

4. The Committee has consulted with other committees and provided a submission to the SG identifying a number of issues where performance information would be useful.

5. The Committee has also published a call for evidence inviting views on the Scottish Government’s National Performance Framework (NPF). The call for evidence is available on the Finance Committee’s web pages: <http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/59291.aspx>

6. It is intended that this information will assist the Parliament in its scrutiny of the draft budget in the Autumn.

7. **Other Committees are invited to scrutinise the progress which the SG is making in delivering its own targets through its spending priorities**

including scrutiny of relevant national indicators and purpose targets on the Scotland Performs website.

Climate Change

8. The Rural Affairs and Climate Change and Environment Committee have written to subject committees in relation to climate change issues. Subject committees are invited to include in their reports to the Finance Committee, an assessment of how spending in the particular portfolio has taken account of climate change issues, and will help the Scottish Government meet the targets set out in the 2009 Act.

Equalities

9. The Equal Opportunities Committee has provided guidance on mainstreaming equalities issues within budget scrutiny and this is attached as **Annexe A**.

Welfare Reform

10. The Welfare Reform Committee have written to subject committees highlighting where it is felt that welfare reform may have a budgetary impact in each budget portfolio.

Alternative spending proposals

9. As set out in the Written Agreement between the Finance Committee and the Scottish Government, the Finance Committee can propose alternative spending plans in its report on the draft budget. Whilst the Finance Committee will consider its own position and possible recommendations, it must also consider any proposals put forward by subject committees and will set out whether it agrees or disagrees with any such proposals in its report.

10. It should be borne in mind that any changes must keep within the overall spending limit set by the Draft Budget and therefore, any proposed increases should be offset by proposals for decreases elsewhere. The Finance Committee would expect that subject committees would propose additional spend within their remit and that they would take money from another budget line within their remit, since they will have built up an evidence base for this during their scrutiny of the Draft Budget.

11. **Subject committees, the EOC and the EERC are asked to consider whether they wish to make any alternative spending proposals within the appropriate portfolio.**

Annexe A

Equal Opportunities Committee - Budget Scrutiny: Mainstreaming Equalities Guidance to Other Committees

1. Committee scrutiny of the budget should include the impact of budget decisions on equality groups. What steps committees take to include equalities considerations in their draft budget scrutiny and their findings should be set out in their reports to the Finance Committee. The Equal Opportunities Committee will then take a cross-cutting view of the impact of budget decisions on equalities groups and report accordingly to the Finance Committee. This undertaking will also help to raise awareness of committees' equalities work generally, as well as assisting the Equal Opportunities Committee in fulfilling its wider responsibility to report to the Parliament on the observance of equal opportunities in the Parliament.

1. Committees are encouraged to bear the following questions in mind when planning and undertaking their draft budget scrutiny and to use them as a structure for a specific section on equalities in their reports—

- What budget decisions (to increase, maintain, decrease or refocus funding) will have the most significant impact on equality groups? On what evidence is this finding based?
- To what extent are these budget decisions also identified in the Scottish Government's accompanying Equality Statement?
- Overall, which equalities groups/strands are most likely to be adversely affected (and/or best protected) by budget decisions? What led the Committee to reach this conclusion?

2. For background, the Equality Act 2010 places a general duty on public authorities to—

- Eliminate discrimination, harassment and victimisation;
- Advance equality of opportunity between different groups;
- Foster good relations between different groups.

3. The new general equality duty, which came into force on 5 April 2011, requires public authorities (including the Scottish Ministers), and any organisation carrying out functions of a public nature, to consider the needs of protected groups, for example, when delivering services. The general equality duty has been in force since 5 April 2011 and replaces the previous equality duties on race, gender and disability. In addition, the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 came into force on 27 May 2012. The specific duties regulations aim to assist public authorities in meeting the general duty. Under the specific duties, listed public authorities were required to publish their mainstreaming reports, equality outcomes; and, for those with 150 employees or more, gender pay gap information and an equal pay statement, by 30 April 2013.

4. The Equal Opportunities Committee's specific emphasis this year is on disabled people, and it would be particularly helpful to hear evidence about the impact of the budget on this group. Bearing in mind the characteristics protected under the Equality Act 2010 and the definition of equal opportunities contained in the Scotland Act 1998, it may also be helpful to consider the impact of budget decisions in terms of the following—

- Age;
- Sex (including gender reassignment and pregnancy/maternity);
- Race and religion/belief;
- Sexual orientation;
- Socio-economic status.