

Public Audit Committee
Thursday 7 November 2024
27th Meeting, 2024 (Session 6)

The 2023/24 audit of the Scottish Government Consolidated Accounts

Introduction

1. At its meeting today, the Public Audit Committee will take evidence from the Auditor General for Scotland (AGS) and Audit Scotland on the section 22 report, [The 2023/24 audit of the Scottish Government Consolidated Accounts](#), which was published on 10 October 2024.
2. The AGS has prepared a briefing paper on the key messages and recommendations from the report, which can be found at **Annexe A**. A copy of the report can be found at **Annexe B**.
3. The Scottish Government has recently written to the Committee to provide an update on the progress it has made regarding additional financial reporting on the Scottish public sector. A copy of this correspondence can be found at **Annexe C**.
4. The Committee will decide any further action it wishes to take following the evidence session today.

Clerks to the Committee
November 2024

Annexe A: Briefing Paper by the Auditor General for Scotland

1. The Auditor General's report on the 2023/24 audit of the Scottish Government Consolidated Accounts was laid in the Parliament on 10 October 2024. The report is made under section 22 of the Public Finance and Accountability (Scotland) Act 2000. The Consolidated Accounts are a key component of the Scottish Government's accountability to the Scottish Parliament and the public. The report is presented to support the Parliament's scrutiny of public finances in Scotland. The audit opinion on the 2023/24 Consolidated Accounts is unqualified.
2. The Scottish Government's Consolidated Accounts for 2023/24 show that total net expenditure during 2023/24 was £53,980 million, £277 million less than budget. The resource budget was underspent by £193 million (0.4 per cent)

against a budget of £51,766 million. Capital was underspent by £84 million (3.4 per cent) against a budget of £2,491 million. The Scottish Government has reported the reasons for significant variances in the Consolidated Accounts.

3. Progress has been made in preparing a more complete picture of the financial position associated with the financial powers and responsibilities devolved to the Scottish Parliament. The Scottish Government are engaging with interested parties, including Parliamentary committees, to gather insights on its usefulness as a basis for further development.
4. In recent years, the Scottish Government has taken a direct role in providing financial support to private companies. These interventions have had a significant financial consequence for the Scottish Government. In May 2023 the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy issued a written authority for the completion of MV Glen Rosa, as the AO assessment had concluded that value for money could not be secured. At this point the cost to complete both vessels was £203 million. In February 2024, following detailed review by FMPG, the cost of completing both vessels increased to £299.1 million, however the necessary due diligence on this increased cost has not yet been concluded.
5. The Scottish Government responded to the emerging financial pressures during 2023/24 by implementing short-term solutions, including central Accountable Officer spending controls and an increased focus on workforce, with recruitment controls in place. Further, finding a path to balance for 2024/25 has been challenging and a range of measures were announced in September 2024 to support the achievement of a balanced outturn position.
6. The Scottish Government needs to make changes to the design and delivery of services, including the size of the public sector workforce, to make them affordable. Public service reform will take time and there is a need to balance short term efficiencies, to assist with the challenging immediate financial situation, with the longer-term reform of service delivery.
7. Following the significant issues identified in the Water Industry Commission for Scotland the Scottish Government initiated an internal independent review of the sponsorship arrangements in place. Each Director-General has also completed a deep dive exercise to assess the sponsorship arrangements within their portfolio. The Scottish Government needs to remain focused on improving the quality and consistency of sponsorship arrangements for public bodies.
8. The implementation of Oracle Cloud was delayed from April 2024 to October 2024 as the Scottish Government could not see a clear and safe path on the previous timeline. Project implementation costs are estimated to be £66 million, up from £22 million at the start of the project in April 2022, although a VAT recovery of £7.6 million is anticipated. The system is now live for the

Scottish Government and over 30 other public bodies and should be beginning to provide better data to support decision making and deliver the expected efficiencies.

9. The complicated landscape of priorities means it is difficult to measure the achievement of outcomes. The revision of the National Performance Framework is critical to ensure that the agreed National Outcomes are supported by measurable indicators that can demonstrate the progress being made over associated timescales.
10. The Annual Audit Report has been fully agreed with the Scottish Government and includes an agreed action plan with responses and provides responsible officer and timescale. The report is available to the Committee and has been provided for their interest.

**Annexe B: The 2023/24 audit of the Scottish
Government Consolidated Accounts**

The 2023/24 audit of the Scottish Government Consolidated Accounts



AUDITOR GENERAL 

**Prepared for the Public Audit Committee by the Auditor General for Scotland
Made under section 22 of the Public Finance and Accountability (Scotland) Act 2000
October 2024**

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Accessibility

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Key messages

- 1** My independent audit opinion is unqualified. This means, in my opinion, I am content the Scottish Government Consolidated Accounts show a true and fair view, follow accounting standards, and that the income and expenditure for the year is lawful.
- 2** The Scottish Government continues to respond to emerging financial pressures to balance the budget. The options being applied provide short-term relief, but their one-off nature means they do not address the overall unsustainable financial position for the Scottish public sector.
- 3** It is critical that the Scottish Government increases the pace of reforming the design and delivery of services, including the size of the public sector workforce, to make them affordable. There has not yet been enough progress with the reform of public services.
- 4** The cost of completing MV Glen Sannox and MV Glen Rosa increased to £299.1 million in February 2024. Due diligence has commenced but until it is concluded there is no clear value for money assessment for the increased cost.
- 5** Following the significant issues identified in the Water Industry Commission for Scotland it is vital that the Scottish Government remains focused on improving the quality and consistency of sponsorship arrangements for public bodies.
- 6** Oracle Cloud went live in October 2024, following earlier delays and cost overruns. In order to achieve its ultimate objective, the system must provide better data to support decision-making and deliver efficiencies.
- 7** The revision of the National Performance Framework has progressed throughout 2024, and it is critical that the agreed National Outcomes are supported by measurable indicators which can demonstrate the progress being made. We cannot continue to be a position where indicators do not progress beyond development.

Introduction

1. I am submitting the Scottish Government Consolidated Accounts and auditor's report for 2023/24 under section 22(4) of the Public Finance and Accountability (Scotland) Act 2000, together with this report that I have prepared under section 22(3) of the Act.

2. My report is intended to support the Scottish Parliament in its important scrutiny role of the Scottish Government. The report contains key information from the 2023/24 Consolidated Accounts and explains what they show about the Scottish Government's management of its budget. It also provides information on financial management, sustainability, governance and performance reporting.

Background

3. The accounting boundary for the Consolidated Accounts reflects the areas for which the Scottish Government has direct responsibility and accountability, including the core portfolios, supporting administration, executive agencies and NHS bodies. It does not include bodies where the Scottish Government holds significant shareholdings such as Ferguson Marine (Port Glasgow) Holdings Limited, Caledonian Maritime Assets Limited (CMAL), Scottish Futures Trust, Glasgow Prestwick Airport or the Scottish National Investment Bank. These are reflected as investments within the Consolidated Accounts. Other public bodies such as local authorities, and areas of expenditure such as public sector pension schemes, are also out with the accounting boundary.

4. The Scottish Government Consolidated Accounts:

- cover around 90 per cent of the budget approved by the Scottish Parliament
- report the amounts spent against each main budget heading, and the reasons for any significant differences
- show the amounts distributed to other public bodies including local government
- report the assets, liabilities and other financial commitments of the bodies within the consolidated boundary, that are carried forward to future years
- contain a performance report, in which the government gives an account of its performance during the year.

Financial management

My audit opinions on the annual report and accounts are unqualified

5. My independent auditor's report is set out at pages 98-101 of the Consolidated Accounts. My opinions on the 2023/24 financial statements are unqualified. This means, in my opinion, I am content the Scottish Government Consolidated Accounts show a true and fair view and have been properly prepared to follow accounting standards and that the income and expenditure for the year is lawful.

6. The Consolidated Accounts show that total net expenditure during 2023/24 was £53,980 million, £277 million less than budget. The resource budget was underspent by £193 million (0.4 per cent) against a budget of £51,766 million. Capital was underspent by £84 million (3.4 per cent) against a budget of £2,491 million.

7. High-level reasons for significant variances between actual and budgeted spend are included in the Consolidated Accounts.

8. For 2023/24 the net spend on NHS Recovery, Health and Social Care was £19,138 million (£18,674 million resource and £464 million capital). The net spend on Social Security was £5,686 million (£5,602 million revenue and £84 million capital). These two areas account for 46 per cent of the total Scottish Government spend in Scotland in 2023/24. These areas feature on my forward work programme and I intend to report to Parliament on these key areas of public spending over the coming year.

The auditor of Social Security Scotland continues to qualify their regularity opinion

9. Social Security Scotland is now well established and, as an executive agency, is included in the Consolidated Accounts.

10. The 2023/24 annual accounts of Social Security Scotland include total benefit expenditure of £5,163 million of which £3,238 million (63 per cent) was administered by the Department for Work and Pensions (DWP) under an agency agreement with Scottish Ministers. Due to these delivery arrangements, Social Security Scotland cannot directly assess the levels of fraud and error in these benefits and is instead reliant on the DWP's annually published estimates.

11. The estimated overpayments as a result of fraud and error in the benefits delivered by the DWP, ranged from 0.4 to 5.2 per cent of expenditure. This means an estimated £42.4 million of overpayments were made in Scotland. This has reduced from £60.7 million last year. By the end of 2025/26, it is anticipated that the administration of all devolved benefits will have transferred from the DWP to Social Security Scotland.

12. The auditor qualified their regularity opinion as these overpayments were not incurred in accordance with relevant legislation and regulations. Further details can be found in the 2023/24 Annual Audit Report of Social Security Scotland.

13. As a component audit of the Consolidated Accounts, the qualified regularity audit opinion for Social Security Scotland requires me to assess the potential impact of its inclusion within the Scottish Government's Consolidated Accounts. As in previous years, I concluded that the likely amount of error and fraud incurred is not significant enough to influence the economic decisions of the users of the Consolidated Accounts and therefore I have not qualified my opinion in respect of this matter.

14. I have produced a range of reports looking at the implementation of the Scottish social security system in recent years. During 2025, I intend to publish a report focused on the Adult Disability Payment which currently accounts for just under half of the benefits expenditure processed by Social Security Scotland.

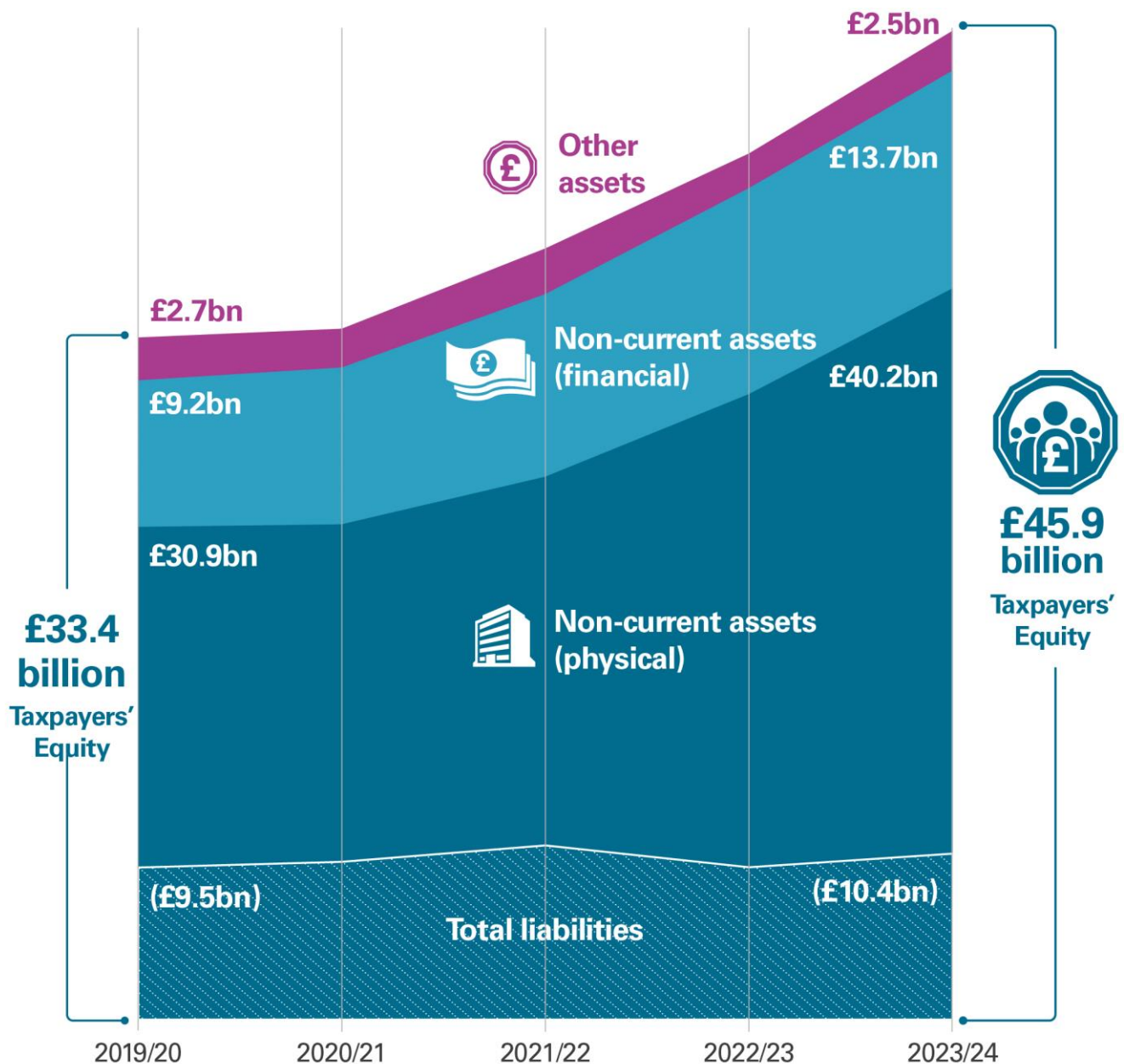
Progress has been made in preparing a fuller picture of what the Scottish public sector owns and owes

15. The Consolidated Statement of Financial Position is one of the primary financial statements in the Consolidated Accounts. It summarises what is owned and owed by the core Scottish Government and those public bodies within the consolidated boundary. This shows taxpayers' equity – an accounting measurement of the amount of taxpayers' money applied that has continuing public benefit. It shows how much of this has arisen from the application of parliamentary funding (arising from the Scottish Block Grant, borrowing and devolved taxes) and how much resulted from changes in the value of physical assets over time.

16. As detailed in [Exhibit 1](#), taxpayers' equity has increased in each of the last five years from £33.4 billion to £45.9 billion, largely due to an increase in physical assets (such as property and roads) and financial assets (such as loans and investments). Total liabilities (such as payments for private-financed projects) have also increased from £9.5 billion in 2019/20 to £10.4 billion in 2023/24.

17. It is important to note that this position does not reflect all the assets and liabilities of the Scottish public sector. These accounts do not include resource and capital borrowing, local government assets and liabilities and all public sector pension assets and liabilities.

Exhibit 1 Financial position



Source: Audit Scotland

18. In 2016, the Scottish Government committed to producing a consolidated account to cover the devolved public sector in Scotland. I am pleased to report that progress has been made during 2023/24 in collating financial information across the Scottish public sector.

19. The Scottish Government has prepared financial information, based on 2022/23 assets and liabilities, to provide a more complete picture of the financial position associated with the financial powers and responsibilities devolved to the Scottish Parliament. They are engaging with interested parties, including Parliamentary committees, to gather insights on its usefulness as a basis for further development. Following completion of the

2023/24 public sector audit process, this financial information will be updated to provide timely insight on the assets and liabilities of the Scottish public sector.

The Scottish Government continues to manage the risks associated with financial interventions

20. The financial interventions are managed by the Strategic Commercial Assets Division (SCAD) which has five units covering initial assessment through to potential exit strategy.

21. SCAD has developed a range of guidance covering areas such as restructuring and insolvency and due diligence checklists. All these strands will be included within a 'playbook', a repository for guidance across possible phases of the interventions lifecycle. I welcome the fact that a monitoring framework is in development to report on the performance of each asset utilising industry specific indicators.

22. [Exhibit 2](#) outlines the financial support that has been made to private companies that are now being managed by SCAD. I have asked the audit team to continue to monitor and report on these financial interventions.

Exhibit 2

Financial interventions to private companies

| Financial intervention | Incurred in 2023/24 | Total financial investment | Value in Consolidated Accounts |
|---|---------------------|----------------------------|--|
| <p>Prestwick Airport</p> <p>Purchased by the Scottish Government in November 2013 with the stated aim of protecting jobs and safeguarding the asset. Responsibility transferred from Transport Scotland to the Scottish Government in January 2023.</p> <p>An assessment of the recoverability of the loans was undertaken resulting in the partial reversal of previous loan impairments of £9.6 million.</p> <p>Total investment consists of capital (£43.4 million) and interest (£12.1 million).</p> | £3 million | £55.5 million | £21.2 million |
| | | | Increase in loan recoverability of £9.6 million. |

| Financial intervention | Incurred in 2023/24 | Total financial investment | Value in Consolidated Accounts |
|--|----------------------------------|----------------------------|---|
| <p>Ferguson Marine (Port Glasgow) Holdings Limited</p> <p>Established by the Scottish Government in December 2019 after Ferguson Marine Engineering Limited (FMEL) went into administration. The existing voted loans (£97.7 million) were terminated and the difference between the valuation of the ferry vessels (£74.8 million) and the valuation of the outstanding loans (£22.9 million) was written-off in 2020/21.</p> <p>The vessels are valued based on the original contract price (plus inflation uplift) and subsequent expenditure, less an estimation of impairment. The impairment in 2023/24 was £55.2 million.</p> | £67.2 million | £304.7 million | <p>£94.6 million</p> <p>Increase in value of £12 million.</p> |
| <p>Lochaber Aluminium Smelter – Liberty Group</p> <p>In December 2016, the Scottish Government issued a 25-year financial guarantee contract to SIMEC Lochaber Hydropower Limited. The Scottish Government receives an annual fee in return for the guarantee. The annual exposure to the Scottish Government is between £14 million and £32 million, over the lifetime of the contract.</p> <p>In March 2021, Greensill Capital (UK) Limited, the majority provider of working capital to GF Alliance (the holding company), went into administration. There continues to be uncertainty regarding the financial stability of the GFG Alliance Group.</p> <p>In 2023/24, the Scottish Government reviewed the level of provision required for their guarantee and decreased it by £5 million to £130 million. This has been reviewed and assessed as reasonable.</p> | £5 million decrease in provision | Nil | Provision of £130 million |

| Financial intervention | Incurred in 2023/24 | Total financial investment | Value in Consolidated Accounts |
|------------------------|---------------------|----------------------------|--------------------------------|
|------------------------|---------------------|----------------------------|--------------------------------|

Burrtisland Fabrications Limited (BiFab)

Nil

£50.9 million

Nil

In 2018/19, the Scottish Government converted £37.4 million commercial loans into equity representing a total equity stake of 32 per cent. BiFab were placed into administration in December 2020 and the Scottish Government is now pursuing a return through the administration process.

Source: Audit Scotland

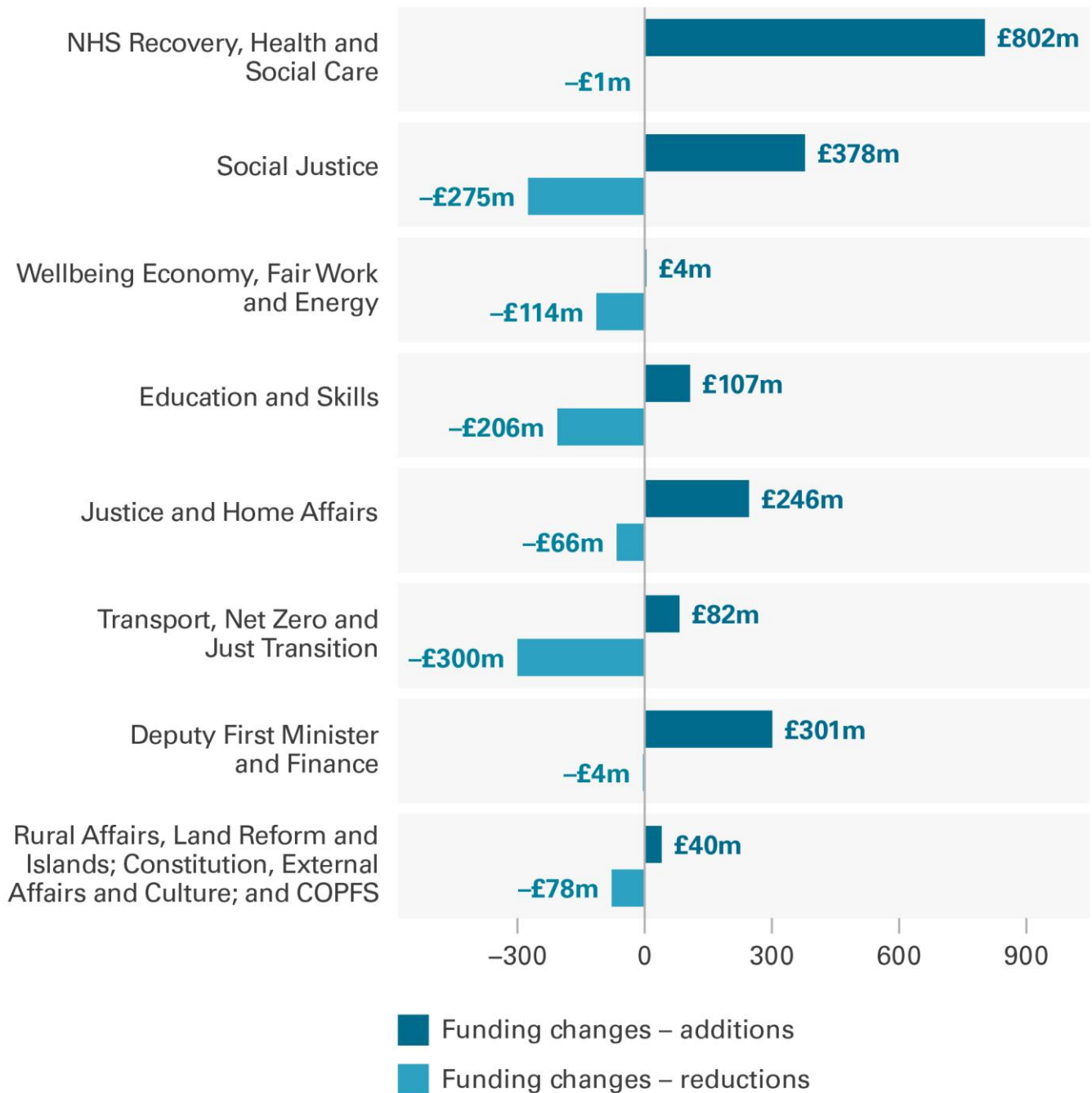
The Scottish Government responded to the emerging financial pressures during 2023/24 by implementing short-term solutions

23. The Scottish Government budget decreased as part of the Autumn ([ABR](#)) and Spring ([SBR](#)) Budget revisions (total decrease £1.19 billion). The decrease was largely due to a technical accounting adjustment at the SBR in relation to future NHS and teachers' pension costs which has no impact on discretionary spend. At each budget revision a range of amendments are processed, including funding adjustments, technical adjustments, Whitehall transfers and transfers within the Scottish Block. A number of deductions were made at ABR (£84.4 million) and SBR (£959.1 million) whereby funding was returned to the centre for redeployment elsewhere.

24. In between the publication of ABR and SBR, in November 2023, the Deputy First Minister advised Parliament that additional costs had arisen and a range of savings were required to balance the Scottish Government budget. Many of these were included within the ABR and SBR. The main pressures arising were public sector pay deals and on cost of living due to inflationary pressures.

25. [Exhibit 3](#) highlights the impact of funding adjustments on each of the portfolios. The main provider of funding was Transport, Net Zero and Just Transition, and Education and Skills. The reduction in these portfolios is a reaction to addressing the immediate funding pressures without clear consideration of the potential impact on key priorities of the Scottish Government.

Exhibit 3 Scottish Government 2023/24 budget changes



Source: Audit Scotland analysis of ABR and SBR

26. Savings of £680.3 million were identified, split across portfolio resource savings of £296.6 million, capital savings of £226.8 million and consequential funding received from the UK Treasury as part of the UK Spring Statement Main Estimates (resource £94.8 million and capital

£62.1 million). The challenge was lower than in 2022/23 when two emergency budget reviews were undertaken.

27. In addition to the above, the Scottish Government continued the central Accountable Officer spending control process which requires proposals to be agreed via Director-General Accountable Officer, the Chief Financial Officer, the Permanent Secretary, and Ministers as appropriate before proceeding. There was also an increased focus on workforce, with recruitment controls in place.

28. While I recognise that these spending and recruitment controls were considered necessary by the Scottish Government to manage the budget pressures, this approach is not sustainable.

Sustainability

Finding a path to balance for 2024/25 has been challenging and the outlook remains difficult

29. The 2024/25 Scottish Government Budget was passed by Parliament in February 2024 and was set at £59.3 billion. As noted in [paragraphs 24-27](#), achieving financial balance in 2023/24 required a reprioritisation of spending plans, increasing the pressure for future years.

30. In recognition of the deteriorating financial position during the year, emergency spending controls were introduced in August 2024 whereby only expenditure which was essential or unavoidable could be undertaken. In addition, all discretionary expenditure was stopped. Recruitment other than for frontline or critical workers was paused.

31. In September 2024, a range of measures were announced in order to achieve a balanced outturn position in addition to the above emergency spending controls. These measures included:

- ending the off-peak rail fare pilot and not proceeding with the asylum seekers' concessionary bus pass pilot, and allowing local government to use existing programmes to fund pay deals (£65 million)
- means testing the winter fuel payments (up to £160 million)
- emergency spending controls (£100 million)
- using ScotWind revenue (up to £460 million).

32. As a consequence of the action taken, the Scottish Government is more assured of achieving financial balance in 2024/25 but substantial risks remain. The majority of the savings continue to be non-recurring in nature but are being used to fund recurring expenditure. The Scottish Government recognises that further work is required to ensure a credible path to balance is maintained. Financial management has been a core element of the assurance and governance arrangements with the budget being closely managed.

33. Tackling the climate emergency remains a key priority for the Scottish Government. I note the Cabinet Secretary for Finance and Local Government confirmed to Parliament that they will look to reduce the use of ScotWind in 2024/25 as far as possible. The decision to use the remaining ScotWind revenue to balance the 2024/25 budget is

inconsistent with earlier intentions, expressed throughout 2022, for this money to be invested in addressing the climate and biodiversity crises.

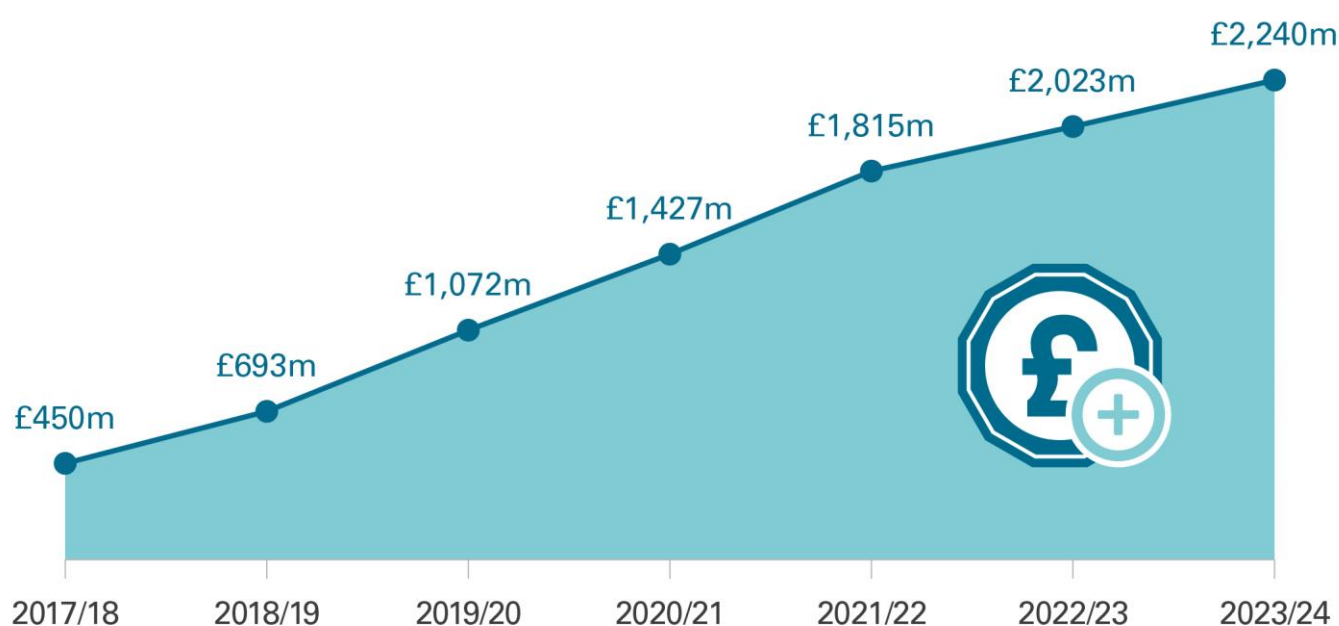
Repayments on borrowing continue to grow and will need to be managed within overall spending limits

34. In 2023/24, the Scottish Government borrowed £300 million to support the overall capital programme, less than the £450 million that was outlined by Scottish Ministers in the budget. The loans will be repaid to the National Loans Fund over ten years, in line with the timescales outlined in the Fiscal Framework.

35. In 2023/24, the Scottish Government borrowed to fund resource expenditure, as it has done in the previous three years. During the year it borrowed £104 million from the National Loans Fund to be repaid over five years. The resource borrowing was £63 million greater than budgeted.

36. As at 31 March 2024, the total principal amount of capital borrowing outstanding was £1,763.8 million, with interest of £296.0 million applying over its remaining life, up to 25 years. Resource borrowing outstanding at 31 March 2024 was £476.3 million with interest of £25.2 million accruing over the five-year repayment period. [Exhibit 4](#) highlights the growth in principal outstanding at each year end (capital and resource).

Exhibit 4 Outstanding principal



Source: Audit Scotland analysis

37. Due to the accumulation of annual borrowing in recent years, loan repayments are increasing and totalled £217 million in 2023/24 (£160 million in 2022/23). Any increase in borrowing, particularly resource borrowing which is repaid over a shorter period and with higher interest rates, will still fall to be met alongside all other financial pressures.

38. The Scottish Government will need to continue to manage the pressure of repayments alongside all other financial pressures in the years ahead. This therefore restricts its future spending choices.

The Scottish Government needs to make changes to the design and delivery of services, including the size of the public sector workforce, to make them affordable

39. Both the Resource Spending Review in May 2022 and the Medium-Term Financial Strategy in May 2023 set out public service reform as an essential tool to provide effective service delivery, reduce duplication and reduce costs. The Scottish Government has set out a ten-year programme of public service reform overseen by the Director-General Communities.

40. In addition to significant pressures on public finances, the use of non-recurring savings to fund recurring expenditure has further exacerbated the problem and the need to reform public services is crucial to achieving a sustainable future. While there have been some changes to the funding and delivery of public services there is, as yet, no clear plan for what reform will achieve or the associated timescale. I will be reporting in November 2024 on the Scottish Government's approach to fiscal sustainability and reform.

41. Public service reform will take time and there is a need to balance short term efficiencies, to assist the challenging immediate financial situation, with the longer-term reform of service delivery.

42. Since the new UK Chancellor of the Exchequer announced the acceptance of the recommendations from the pay review bodies in July 2024 the Scottish pay offers have exceeded the public sector pay policy. Scotland has a relatively larger public sector workforce than the rest of the UK with a higher average salary.

43. As highlighted in my report '[The Scottish Government's Workforce Challenges](#)' (October 2023), pay costs for NHS, central government, police and fire services, and further education were £13.4 billion in 2021/22. With recent pay deals exceeding the Scottish Government's public sector pay policy, £1.7 billion more than initially planned was agreed in pay deals for 2022/23 and 2023/24. These rises are locked into future budgets and are making it harder for the Scottish Government to manage pay costs over time.

44. Workforce reform needs to be a core part of public service reform. Since devolution, the Scottish Budget and workforce numbers have grown significantly. The Scottish Government's projections suggest that it cannot afford to pay for public services in their current form. Reform is urgently needed to address budget shortfalls of more than £1 billion over the coming years.

45. Difficult decisions need to be made to secure a sustainable future for public services in Scotland.

Governance

The Governance Statement within the Consolidated Accounts provides insight into the arrangements in place

46. A Governance Statement prepared by the Permanent Secretary is a key feature of the Consolidated Accounts (pages 57-75). It forms part of the wider accountability report and summarises how the Scottish Government is controlled and directed. The statement highlights the main risks and opportunities and any significant internal control issues in 2023/24. I am content that the Governance Statement is consistent with the financial statements and has been prepared in accordance with guidance issued by the Scottish Ministers.

Governance arrangements were recently reviewed and the planned changes should be embedded moving forward

47. The Scottish Government has well established governance and assurance arrangements in place, involving both Senior Management Team and Non-Executive Directors.

48. During 2023/24, alternative approaches were piloted at Assurance Group meetings which have since been rolled out. There has been a welcome move towards reducing the number and length of papers provided for each meeting, the time involved in attending each meeting and more focus on the key assurance areas.

49. In addition, a review of governance arrangements was undertaken by the Scottish Government in 2023/24 and the findings are being implemented. The review covered for example: a standard Terms of Reference for boards, the extension of the Director-General Assurance pilot referred to above, and further clarification of roles and responsibilities. The impact of these changes should be assessed going forward.

The increased costs for MV Glen Rosa have not been subject to sufficient due diligence

50. I reported last year that appropriate processes were followed when assessing the value for money of MV Glen Sannox and MV Glen Rosa. The due diligence review resulted in a written authority being issued, on 14 May 2023, by the Cabinet Secretary for Wellbeing Economy, Fair Work and Energy for the completion of MV Glen Rosa.

51. Since then, the cost of completing both vessels has continued to rise and now seems to have stabilised at £299.1 million. The previous due diligence exercise was based on a total cost of completion for both vessels of £203 million.

52. In March 2024, following the cost projections increasing to £299.1 million, the Cabinet Secretary for Wellbeing Economy, Net Zero and Energy advised Parliament that due diligence had commenced to ensure the increased costs were accurate and justifiable. Although a review of the cost projections has been completed, it is disappointing that the accompanying value for money assessment has not been updated. To satisfy the requirements of the Scottish Public Finance Manual this should be concluded as a matter of urgency. Its absence means that the Accountable Officer, Ministers and the Scottish Parliament cannot be assured that the £96 million increase in expenditure on the vessels represents value for the taxpayer.

Improving the quality and consistency of sponsorship arrangements for public bodies must remain a priority area

53. I previously reported that the Scottish Government had implemented the recommendations set out in the independent review of its relationships with public bodies. I noted, however, that it would take time for the Scottish Government to demonstrate the impact of these actions including the necessary cultural and behavioural change.

54. In December 2023, I drew Parliament's attention to significant weaknesses in the governance and financial management arrangements within the Water Industry Commission for Scotland (WICS) including concerns around the achievement of value for money in the use of public funds.

55. The Scottish Government responded to my findings by initiating an independent review of WICS together with an internal review of the sponsorship arrangements in place. Alongside this, over summer 2024, each Director-General completed a deep dive into the sponsorship arrangements within their portfolios.

56. It is critical that the quality and consistency of sponsorship arrangements within the Scottish Government is improved. I have asked the audit team to continue to monitor the action taken and advise me of any concerns.

Oracle Cloud went live in October 2024, following earlier delays and cost overruns, but must now be used to provide better data to support decision making and deliver efficiencies

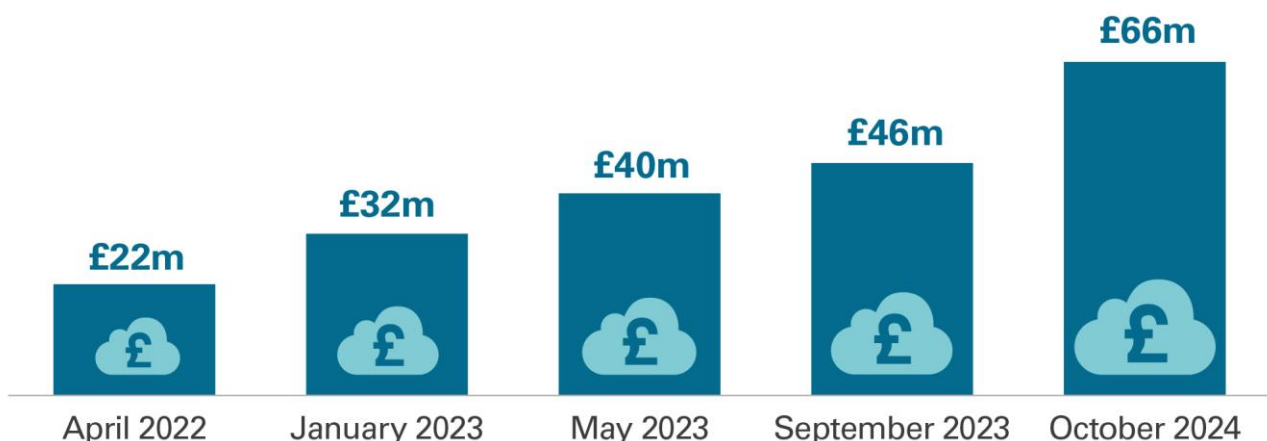
57. Last year I reported that there was an expected go-live date for the new Oracle Cloud, HR and Finance system, of 1 April 2024. In

December 2023 the Scottish Government decided to delay implementation as they could not see a clear and safe path to implement on that timeline. Plans moved to an October 2024 go-live. To support this the project team spent time assessing organisational readiness, both within the Scottish Government and in the other public sector bodies.

58. Project implementation costs are currently estimated to be £66 million up from £22 million at the start of the project in April 2022. The Scottish Government is anticipating a VAT recovery of £7.6 million, which would reduce the project cost to £58 million. The increased cost can be attributed to a combination of an underestimation of the scale and complexity of the programme and associated restated timelines. Each month of delay has resulted in an additional cost of £3 million to maintain the legacy systems. The costs are shown in [Exhibit 5](#).

Exhibit 5

Oracle implementation costs



Source: Audit Scotland

59. The system went live in October 2024; however successful implementation is more than just the new system being in place. It requires each of the bodies to be accessing and using better data to support decision making, delivering efficiencies and improving cyber security arrangements. I have asked the audit team to monitor and assess the planned post implementation review. I will report on the implementation of Oracle Cloud during 2025.

Performance reporting

The Performance Report within the Consolidated Accounts has improved but there remains opportunities for further development

60. The 2023/24 Consolidated Accounts include a performance report (pages 4-55) and an accountability report (pages 56-97) in line with the requirements of the Government Financial Reporting Manual (FReM).

61. The performance overview section (pages 5-21) sets out the National Performance Framework (NPF) together with progress towards the eleven National Outcomes. Eighty-one national performance indicators have been assessed with 21 improving, 35 maintaining, and 14 worsening. No performance was reported against 11 indicators as they were either in development (6) or the data could not be calculated due to changes in the methodology (5).

62. The performance analysis section (pages 22-55) has been redesigned to focus on the three missions set out in the Policy Prospectus and sets out actions taken during the year to deliver on them. This is a welcome change to the narrative from prior years where the analysis tended to focus on the performance of Director-General portfolios. The narrative provides the reader with a range of performance detail set against the missions together with some trend information.

63. While we recognise improvements have been made to the reporting in 2023/24, the performance report needs to be more transparent with a golden thread linking all aspects of performance and providing an overall view of progress. Without clear targets against which activity can be measured, it remains difficult to form an overall picture of the performance of the Scottish Government.

The complicated landscape of priorities is hindering the achievement of outcomes

64. During 2023/24, the Scottish Government published the Policy Prospectus (in April 2023) and the Programme for Government 2023/24 in September 2023. The Policy Prospectus set out three interdependent missions:

- equality – tackling poverty and protecting people from harm
- opportunity – a fair, green and growing economy

- community – prioritising public services.

65. Since then, the 2024/25 Programme for Government has been issued by the new First Minister and sets out the Scottish Government's commitments for the year within four key priorities. It outlines key actions to be taken during the year against the four priorities of:

- Eradicating child poverty
- Growing the economy
- Tackling the climate emergency
- Ensuring high-quality and sustainable public services.

66. There are also a number of major programmes currently being progressed by the Scottish Government, each with their own objectives, targets and policies. Aligning funding to priorities is essential for effective decision making. The continuing revisions and development of policy, limits the ability to be transparent, provide continuity and report achievement across the key priorities. There is an absence of clearly defined performance measures with measurable targets for all priority areas.

67. The revision of the NPF has progressed throughout 2024 and it is critical that the agreed National Outcomes are supported by measurable indicators which can demonstrate the progress being made over the associated timescales. It is unacceptable that six indicators for the previous NPF remain in development.

Conclusion

68. The Consolidated Accounts remain a critical component of the Scottish Government's accountability to the Scottish Parliament and the public. The recent, regular requirement to implement in-year savings to balance the budget demonstrates the unsustainable financial position for the Scottish public sector. The Scottish Government needs to better link spending decisions with the achievement of priorities and outcomes and demonstrate this transparently to the people of Scotland.

The 2023/24 audit of the Scottish Government Consolidated Accounts



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit.scot
www.audit.scot

Annexe C: Correspondence from the Chief Financial Officer, Scottish Government, 29 October 2024

Financial Management Directorate

CFO Unit

E: cfo@gov.scot

Richard Leonard, MSP
Convener
Public Audit Committee

By email: publicaudit.committee@Parliament.Scot

29 October 2024

Dear Mr Leonard

Scottish Public Sector Financial Reporting

I am writing in connection with the Committee's interest in additional financial reporting on the Scottish public sector: to update members on our progress and the approach now agreed with Audit Scotland, and to share and invite comments on a draft report that was discussed with Audit Scotland and is the basis for our proposed way forward.

We will be very happy to discuss this further as part of the Committee's consideration of the Scottish Government's Consolidated Accounts 2023-24¹ and the Auditor General's report on "The 2023/24 audit of the Scottish Government Consolidated Accounts".²

Background

At the Committee session on 18 January on the audit of the Scottish Government's Consolidated Accounts 2022-23, we talked about the revised approach we were discussing with Audit Scotland, to move from the production of additional accounts (which would come with accounting and audit requirements) to producing an additional financial report that would build a picture of useful financial information across the sectors.

We progressed our work on this "pilot" report with financial year 2022-23 information, to complement the reporting to Parliament on final outturn. Unfortunately, the 2022-23 Final Outturn Report³ was delayed due to the late reporting of some annual accounts. We shared our draft with Audit Scotland in May 2024. This was then discussed with Audit Scotland in September 2024. Positive engagement did allow the Auditor General to report in the annual audit report:

- I am pleased to report that progress has been made during 2023/24 in collating financial information across the Scottish public sector.

¹ [Financial reports and accounts - Government finance - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/financial-reports-and-accounts-2023-24/pages/introduction.aspx)

² [The 2023/24 audit of the Scottish Government Consolidated Accounts | Audit Scotland](https://www.audit-scotland.gov.uk/audit-scotland/audit-scotland-reports/2023-24-audit-of-the-scottish-government-consolidated-accounts)

³ [Scottish Budget 2022 to 2023: final outturn report - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/scottish-budget-2022-to-2023-final-outturn-report/pages/introduction.aspx)

- The Scottish Government has prepared financial information, based on 2022/23 assets and liabilities, to provide a more complete picture of the financial position associated with the financial powers and responsibilities devolved to the Scottish Parliament. They are engaging with interested parties, including Parliamentary committees, to gather insights on its usefulness as a basis for further development. Following completion of the 2023/24 public sector audit process, this financial information will be updated to provide timely insight on the assets and liabilities of the Scottish public sector.

Next Steps

I attach the “pilot” report which will be the basis for development of future reporting. Designed to complement the reporting on final outturn for the financial year, it draws together information on matters of specific interest, such as borrowing by Ministers and movements in the Scotland Reserve, and collates information from the annual accounts of public bodies to report balance sheet information in a way that is intended to help readers in providing a picture of the assets and liabilities across the public sector in Scotland. Annex A to this letter and the report itself provide more detailed explanation of the context and methodology.

I will just highlight that the pilot report covers the “stage 1” categories that we talked about previously, thereby giving a full overview of the “Scottish Budget” and it also includes a preliminary summary of “stage 2” information, bringing in the wider sector of public bodies and Local Authorities.

Our next step is to use this as the starting point for a 2023-24 equivalent. Annex A highlights the areas where information-gathering and presentation may be developed. Further views are invited on what might be useful information and analysis, including but not limited to the prompts for consideration set out in the Annex.

This letter is copied to the Convener of the Finance and Public Audit Committee which has also expressed an interest in this work. The material will also be shared via the Scottish Government website. I will be very happy to discuss any aspect of this with Members.

Your sincerely

JACKIE McALLISTER

Chief Financial Officer
Scottish Government

Scottish Public Sector Financial Reporting “Pilot” 2022-23 Report

This report:

- is intended to link the reporting on Financial Outturn and the Statement of Financial Position.
- develops a clearer picture of movements in the Scottish Reserve, on Borrowing by ministers and in respect of pension liabilities funded within the Scottish Budget.
- provides “balance sheet” information across the categories of public body funded within and by the Scottish Budget. This is provided by sector, moving out from the Scottish Government to include non ministerial and other public bodies and finally, bringing in the Local Government sector.
- is not a further set of consolidated accounts. It has been discussed with Audit Scotland that the value that would be derived from a full set of accounts would not reflect the efforts required to deliver it. There is value in collating and presenting Balance sheet information, showing where assets and liabilities lie, and, in time, providing trend analysis across financial years.
- is by no means a finished product in terms of presentation and format. It is a challenge to present complex tables of information in a report format. We will consider presentation and format for the next iteration.

Planned developments 2023-24

- now that the Scottish Government Consolidated Accounts 2023-24 are laid and published, data collection will proceed in line with the annual reporting of public bodies and submissions to UK WGA.
- the initial data analysis in respect of Local Government was a high level one, extracting information from annual accounts on a consistent basis. This will be developed to draw out, for example, borrowing by Local Authorities.

Questions for consideration/ Invitations to comment

- In relation to the reporting on financial outturn and the related reporting on Borrowing and the Scotland Reserve, this report duplicates some information made public in other financial reporting. This is fine if helpful to readers. It will be for consideration whether this report should complement or merge with the existing annual Final Outturn report.

- In relation to the Balance Sheet reporting, we are trying to balance complexity with readability. We are keen to hear views on the categorisation used and the depth of analysis provided.
- Are there categories of asset and liability where it would be helpful to have more detail?
- Does the sectoral analysis work? Where would more detail be useful?
- Are there elements which are not clear or where additional explanations would be useful (for example, in respect of pension schemes)?
- In parallel with this work, we will also consider whether there are other ways of holding and presenting this data.

Additional Report in Respect of the Scottish Budget 2022-23

As the Scottish Government assumes increasing fiscal responsibility, we must ensure we continue providing a clear picture of our financial position in any given year. . We are working to improve our financial reporting outputs, in tandem with the ongoing implementation of the Budget Process Review Group recommendations. As part of this process, I am pleased to introduce this new report, which will form an important, additional part of the reporting on the stewardship of the Scottish Budget as approved by the Scottish Parliament

This overview provides a summary for the financial year 2022-23 of the Revenue and Expenditure for the year and the Financial Position at 31 March 2023 of The Scottish Administration, and its associated bodies. The key driver for this report is to enable a clearer view of the financial position, i.e. of the assets and liabilities, at the reporting date. This report recognises interest in information which reports on spending, assets and liabilities related to the Scottish Budget.

This report supplements the suite of reporting which is produced for each financial year in accordance with the statutory requirements (a comprehensive list is provided with appropriate links for financial year 2022-23). It brings together the revenue-raising and spending elements of the Scottish Budget and provides a more complete picture of the financial position associated with the financial powers and responsibilities devolved to the Scottish Parliament.

This report is not a full set of annual accounts, which would have been a lengthy document repeating disclosures which are already in the component sets of accounts. Instead, the form and content are tailored to the purpose set out above. The reports are reviewed by Audit Scotland on behalf of the Auditor General, but a formal opinion is not issued.

This is the first time such a report has been produced and it is intended as a basis from which to develop information that users will find useful, while maintaining the integrity of the underlying audited accounts.

There is an acknowledged challenge in terms of timeliness. Further information can only be prepared when information is available for all relevant bodies, and the impact of the pandemic on financial reporting timelines continues, although work is being done and progress is being made to improve timeliness of reporting.

Your views are invited at ScottishPublicSectorAccounts@gov.scot

Jackie McAllister
Chief Financial Officer
29 October 2024

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Background Information

1. There are several sources of funding to support the expenditure planned and approved by the Scottish Parliament through the Scottish Budget Act. These flow through the Scottish Consolidated Fund which was set up following devolution in 1999 and received its statutory powers under the Scotland Act 1998. A separate account is prepared each year reporting the payments into and out of the Scottish Consolidated Fund.
2. The primary receipts to the Scottish Consolidated Fund are: the “block grant” from HM Treasury; income tax revenues collected by HMRC from the earned income of Scottish Taxpayers assigned to the Scottish Administration (Scottish Income Tax); and receipts from the collection of devolved taxes.
3. The “block grant” from UK Government is allocated to the Secretary of State for Scotland through the approval of the UK Parliament, and forms part of the UK public expenditure control regime. This requires the Scottish Government to plan, monitor and report its spending against the control aggregates set by the UK Parliament and HM Treasury alongside those set by the Scottish Parliament
4. The Scotland Act 2016 empowered the Scottish Parliament to set Scottish Income Tax rates and bands. Identification of Scottish taxpayers and administering the tax are matters for the UK Government and His Majesty’s Revenue and Customs. Under devolved powers from the 2012 Scotland Act, Land and Buildings Transactions and Landfill Tax have been managed in Scotland. The block grant is adjusted to take account of these locally raised tax receipts.
5. Revenue Scotland was established by the Revenue Scotland and Tax Powers Act 2014 to administer and collect both fully devolved taxes. Revenue Scotland is responsible for preparing an account of the devolved taxes (The Devolved Taxes Account). The taxes collected by Revenue Scotland are paid to the Scottish Consolidated Fund

6. Funding is drawn down from the Scottish Consolidated Fund by the Scottish Administration and directly funded bodies to support the spending plans laid out in the Budget. Each of these bodies produces annual accounts.
7. A separate statement to Parliament brings together the Financial Outturn of the bodies within the Scottish Administration, together with the other bodies funded from the Scottish Budget, to report against the statutory limits authorised by the Scottish Parliament.
8. The Fiscal Framework Outturn Report is an annual report which provides information in relation to devolved taxes, the use of borrowing powers and the operation of the Scotland Reserve.

Accountability

9. The Scottish Government is accountable to the Scottish Parliament and the people in Scotland for its use of public money and this is reported in annual accounts, which are audited by or on behalf of the Auditor General for Scotland. The audited annual accounts produced by the Scottish Government and public bodies accountable to the Scottish Parliament fulfil the accounting and auditing requirements, are laid in Parliament and are publicly available.
10. A primary purpose of annual accounts produced in accordance with the Public Finance and Accountability (Scotland) Act 2000 ¹ is to report on the spending authorised by the annual Scottish Budget.
11. The annual Scottish Government Consolidated accounts are, therefore, one of a suite of reports reporting on the spend authorised by the annual Scottish Budget; separate annual accounts are produced in respect of the other elements of the Scottish Budget.
12. There is also an additional report to Parliament which brings together the separately reported elements of the Scottish Budget to report against the Budget authorisations for that financial year. The most recent report, published in May 2024, is in respect of financial year 2022-23².
13. This report builds on the reporting available from annual accounts to complement the outturn reporting in the Final Outturn report; primarily, therefore, showing the information from the Statements of Financial position or “balance sheet” in accounts, i.e. the assets and liabilities funded from and arising from the Scottish Budget.

¹ [Public Finance and Accountability \(Scotland\) Act 2000 \(legislation.gov.uk\)](https://legislation.gov.uk)

² [Scottish Budget 2022 to 2023: final outturn report - gov.scot \(www.gov.scot\)](https://www.gov.scot)

Information covered in this report

14. This overview provides financial summaries for the financial year 2022-23. Future iterations will be able to build reporting across financial years.
15. The first level is the Scottish Government Consolidated Accounts which reflect the consolidated assets and liabilities and the financial position of all entities within the Scottish Government consolidation accounting boundary as required by and defined in the Government Financial Reporting Manual (FReM). This consists of:
- Nine Scottish Government Portfolios
 - Eight Executive Agencies (each linked to a specific portfolio)
 - The Crown Office and Procurator Fiscal Service and
 - The NHS Bodies responsible for the planning, promotion, commissioning and delivery of healthcare.
16. This level includes the elimination of intra-body transactions and balances, and is prepared on a consistent set of accounting policies as specified in the consolidated accounts. [Consolidated Accounts: year ended 31 March 2023 - gov.scot \(www.gov.scot\)](http://www.gov.scot)
17. The second level incorporates the activity and year end position of the Non-Ministerial Departments and the Pension Schemes within the Scottish Administration (more information regarding pensions can be found on page 25).
18. There has not been elimination of intra-body transactions at this level, but all financial statements will comply with the FReM.
19. The third level brings in the Direct Funded bodies: Audit Scotland and Scottish Parliamentary Corporate Body. This tier represents all the bodies falling within

the scope of the Scottish Budget Act and brings together activity supported through the Scottish Consolidated Fund including borrowing undertaken by the Scottish Ministers under the terms of the Scotland Act 2012 and amended by the Scotland Act 2016. In the following tables, this is “the Scottish Budget total”. Level three is the same as level two in terms of process.

20. A further section is provided to bring the Scottish Budget balance sheet information together with the balance sheet information of the Scottish public bodies who are funded via the Scottish Government:

- Executive NDPBs and public corporations
- Local Authorities (not directly accountable to the Scottish Parliament)

21. This provides a view of the assets and liabilities across the devolved public sector in Scotland.

22. No work has been undertaken to eliminate intra-body transactions at this level, and some accounting policies differ in some key valuation areas such as infrastructure assets and pension liabilities. This does not diminish the value of the analysis as it is intended to provide an insight and enable trends over time.

23. A full list of the bodies is provided at Annex A.

Methodology

24. For the Scottish Budget level reporting:

The information in this report has been collated from the audited accounts of the individual bodies.

The information from the individual annual accounts is collated to a uniform format to present an overall summary.

The balances in respect of the devolved pension schemes have been kept separate from the other assets and liabilities because these are ring-fenced and separately funded (this is explained in the separate note on page 22)

Each body is funded by “parliamentary funding” drawn down from the Scottish Consolidated Fund, which is in the Taxpayers’ Equity section of the Statement of Financial Position. This funding has not been removed as a “consolidation adjustment” but it has been matched to the funding drawn down from the Scottish Consolidated Fund.

The annual Scottish Consolidated Fund account is a cash account reflecting the flows into and out of the Scottish Consolidated Fund to fund the spending plans authorised in the annual Scottish Budget. The revenues from devolved taxes and the borrowing by Scottish Ministers flow into the fund and are drawn down as part of the drawdown of parliamentary funding by bodies.

This report reflects the amount of outstanding borrowing as a liability of Scottish Ministers at the level of the Scottish Budget.

25. For the wider sector high-level summary:

The Scottish Government does not hold annual accounting information centrally for these bodies. The accounts of executive NDPBs and public corporations follow a similar format and can be compiled relatively easily. The annual accounts of Local Authorities follow a very particular format for the sector but there is a read-across to consistent balance sheet categories at this high-level.

Executive NDPBs are funded by grant in aid from the Scottish Government and Local Authorities receive Revenue Support Grant and Non-Domestic Rates income from the Scottish Government. There may be other transactions between some of these bodies and those within the Scottish Budget level. It has been assumed that there are no significant balances at the year-end and no adjustments have been made to the assets and liabilities presented in this report.

26. The financial information collated to produce the summaries reported here is taken from final accounts which hold the data at the level of the individual bodies. This is too detailed to reproduce in a report but is useful information for further analysis of certain areas or in respect of certain sectors and there will be further consideration of how this data can be held and made available.

How the Scottish Budget is funded and reported

27. There are a number of sources of funding to support the expenditure planned and approved by the Scottish Parliament through the annual Scottish Budget Acts. These flow through the Scottish Consolidated Fund which was set up following devolution in 1999 and received its statutory powers under the Scotland Act 1998. A separate account is prepared each year reporting the payments into and out of the Scottish Consolidated Fund.
28. The primary receipts to the Scottish Consolidated Fund^[1] are:
the “block grant” from UK Government;
income tax revenues collected by HMRC from the earned income of Scottish Tax payers assigned to the Scottish Administration (Scottish Income Tax);
and
receipts from the collection of devolved taxes.
29. The “block grant” from UK Government is allocated to the Secretary of State for Scotland through the approval processes of the UK Parliament, and forms part of the UK public expenditure control regime. This requires the Scottish Government to plan, monitor and report its spending against the control aggregates set by the UK Parliament and HM Treasury alongside those set by the Scottish Parliament.
30. The Scotland Act 2016 empowered the Scottish Parliament to set Scottish Income Tax rates and bands. Identification of Scottish taxpayers and administering the tax are matters for the UK Government and His Majesty’s Revenue and Customs (HMRC).
31. Under devolved powers from the 2012 Scotland Act, Land and Buildings Transactions and Landfill Tax have been managed in Scotland. The block grant is adjusted to take account of these locally raised tax receipts.

32. Revenue Scotland was established by the Revenue Scotland and Tax Powers Act 2014 to administer and collect both fully devolved taxes. Revenue Scotland produces annual accounts of Revenue Scotland and is also responsible for preparing a separate account of the devolved taxes (The Devolved Taxes Account)^[2]. The taxes collected by Revenue Scotland are paid to the Scottish Consolidated Fund.
33. Funding is drawn down from the Scottish Consolidated Fund by the Scottish Administration and directly funded bodies to support the spending plans laid out in the Budget. Each of these bodies produces annual accounts. A separate statement to Parliament brings together the Financial Outturn of the bodies within the Scottish Administration, together with the other bodies funded from the Scottish Budget, to report against the statutory limits authorised by the Scottish Parliament.

^[1] [Government finance - gov.scot \(www.gov.scot\)](http://www.gov.scot)

^[2] [Annual Report and Accounts 2022-23 - Devolved Taxes Accounts | Revenue Scotland](#)

Financial Reporting: Final Outturn 2022-23³

The Final Outturn Report for 2022-23 reports against the Budget Act for the financial year:

| 2022-23 Scottish Government Consolidated Accounts | Final Outturn | Budget as at Spring Budget Revision | Over / (Under) |
|--|----------------------|--|-----------------------|
| | £million | £million | £million |
| Finance and Economy | 1,456 | 1,496 | (40) |
| Health and Social Care | 17,634 | 17,895 | (261) |
| Education and Skills | 3,948 | 4,004 | (56) |
| Net Zero Energy and Transport | 4,031 | 4,141 | (110) |
| Constitution External Affairs and Culture | 267 | 271 | (4) |
| Justice and Veterans | 3,298 | 3,329 | (31) |
| Rural Affairs and Islands | 895 | 898 | (3) |
| Social Justice Housing and Local Government | 18,007 | 18,002 | 5 |
| Deputy First Minister and Cabinet Secretary for Covid Recovery | 40 | 45 | (5) |
| The Crown Office and Procurator Fiscal | 191 | 195 | (4) |
| Total Scottish Government as per Consolidated Accounts | 49,767 | 50,276 | (509) |
| Environmental Standards Scotland | 2 | 2 | 0 |
| Food Standards Scotland | 26 | 26 | 0 |
| National Records of Scotland | 62 | 63 | (1) |
| NHS & Teachers Pension Schemes | 7,141 | 6,966 | 175 |
| Office of the Scottish Charity Regulator | 3 | 3 | 0 |
| Registers of Scotland | 7 | 13 | (6) |
| Revenue Scotland | 8 | 8 | 0 |
| Scottish Courts and Tribunal Service | 183 | 186 | (3) |
| Scottish Fiscal Commission | 2 | 2 | 0 |
| Scottish Housing Regulator | 5 | 5 | 0 |
| Total Scottish Administration | 57,206 | 57,550 | (344) |
| Scottish Parliament | 128 | 130 | (2) |
| Audit Scotland | 16 | 17 | (1) |
| Total Scottish Budget | 57,350 | 57,697 | (347) |

34. The total underspend of £347 million does not represent a loss of spending power to the Scottish Government.

³ [Final Outturn Report for the Scottish Budget 2022-2023 \(www.gov.scot\)](http://www.gov.scot)

35. Full details of the Scottish Government Consolidated Accounts underspends which make up the £509 million underspend are outlined in the Outturn statements within the Scottish Government Consolidated Accounts⁴
36. Of the remaining figures over and above the Consolidated Accounts position, the most material variance (a £175 million overspend) relates to NHS and Teacher pension schemes. The pension schemes fall under Annually Managed Expenditure (AME) budgets which are ring-fenced budgets set by HM Treasury. Any under/overspends shown against UK-funded Annually Managed Expenditure cannot be deposited in the Scotland Reserve and have no subsequent impact on the Scottish Budget. These budgets are not available for general public services.
37. The Final Outturn report also reports against the HM Treasury budgetary limits to show the resultant position in respect of the Scotland Reserve. The final 2022-23 fiscal outturn confirmed with HM Treasury in December was £46.8 billion against a budget of £47.1 billion, resulting in an underspend of £326 million. This is just under 1% of the total budget (Table 2 in the report provides full details and an Annex shows the reconciliation from the Scottish Budget base to the HM Treasury basis).

⁴ [Consolidated Accounts: year ended 31 March 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot/Consolidated-Accounts-year-ended-31-March-2023)

The Scotland Reserve

38. The Scotland Reserve, introduced by the Scotland Act 2016, is a mechanism within the Fiscal Framework that provides the Scottish Government limited ability to manage spending across financial years. It is not a balance within annual accounts but the balance on the Reserve and planned consumption of the Reserve to support spending plans are fully reported within annual Budget documentation and Fiscal Framework reporting.⁵
39. Chapter 3 of Scotland's Fiscal Outlook: The Scottish Government's Medium-Term Financial Strategy⁶ from May 2023 sets out the principles and policies that guide the use of the Scottish Government's fiscal powers, including the use of the Scotland Reserve. As part of the updated Fiscal Framework Review, the reserve drawdown limits of £250m for resource and £100m for capital have been abolished. The overall reserve limit of £700m is now indexed to inflation.
40. The Fiscal Framework Outturn Report 2023⁷ published by the Scottish Government on the 29 September provides information in relation to Scottish Income Tax, fully devolved taxes, the use of borrowing powers and the operation of the Scotland Reserve. The Fiscal Framework Outturn Report sets out the position as reported in the Provisional Outturn statement to Parliament in June 2023; the Final Outturn Report updates that position and explains the key movements between Provisional and Final Outturn.
41. The opening balance in the Scotland Reserve at the start of 2022-23 was £700 million. The closing balance on the Reserve for 2022-23 was anticipated as £245 million at Provisional Outturn in June 2023. As reported in the Final Outturn report the fiscal outturn was confirmed as £46.7 billion against a budget of £47.1 billion, resulting in an underspend of £326 million, just under 1% of the total budget and a movement of £82 million from the £245 million underspend reported in June 2023 in the Provisional Outturn Statement.

⁵ [Fiscal framework technical note: October 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fiscal-framework-technical-note-2023-10/pages/introduction.aspx)

⁶ [The Scottish Government's Medium-Term Financial Strategy - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/mftfs-2023/pages/introduction.aspx)

⁷ [Fiscal framework outturn report: 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fiscal-framework-outturn-report-2023/pages/introduction.aspx)

42. The changes between Provisional and Final Outturn were a result of accounting adjustments which occurred as part of the year-end process. The main driver of the change is within the Health and Social Care portfolio and relates to a timing difference between years arising from a different audit interpretation of how income from a contract for treatment of patients from other boards areas by Glasgow should be recorded (£68 million).

| Scotland Reserve Forecast as at 2022-23 Provisional Outturn (£million) | | | | |
|---|-----------------|----------------|----------------------------------|--------------|
| | Resource | Capital | Financial Transaction | Total |
| 2022-23 Opening Balance | 605 | 81 | 14 | 700 |
| 2022-23 Drawdowns | -605 | -81 | -14 | -700 |
| 2022-23 Additions to reserve | 181 | 25 | 39 | 245 |
| 2022-23 Closing Balance (Provisional) | 181 | 25 | 39 | 245 |
| Movement | 69 | 7 | 5 | 81 |
| Final Outturn | 250 | 32 | 44 | 326 |

43. The £326 million underspend is carried forward in full in the Scotland Reserve.

44. The majority of this carry forward had already been pro-actively anticipated, and the final 2023-24 spending plans, approved by the Scottish Parliament reflected full drawdown of the balances brought forward. This included the £39 millions of Financial Transactions anticipated within the 2023-24 Budget (published in December 2022), and £115 million of additional funding announced (at stage 3 of the Budget Bill on 21 February 2023) by the Deputy First Minister to further support Local Government, and the inter-islands ferry network. The remainder has been fully allocated during 2023-24 as part of the Autumn and Spring Budget Revision processes.

45. The following table shows the annual Reserve movements since 2019-20, with drawdowns in year to support spending plans and additions at the financial year end being the fiscal underspend which can be deposited in the Reserve. As mentioned above, the pension schemes fall under Annually Managed Expenditure (AME) budgets which are ring-fenced budgets set by HM Treasury. Any under/overspends shown against UK-funded Annually Managed Expenditure cannot be deposited in the Scotland Reserve and have

no subsequent impact on the Scottish Budget. These budgets are not available for general public services.

T

| Scotland Reserve | Resource | Capital | Fiscal Transactions | Total |
|--------------------------------|-----------------|-----------------|----------------------------|-----------------|
| | £million | £million | £million | £million |
| 2019-20 Opening balance | 381.1 | 65.3 | 158.6 | 605.0 |
| 2019-20 Drawdowns | -248.8 | -60 | -120 | -428.8 |
| 2019-20 Additions | 85.1 | 74.3 | 96.9 | 256.3 |
| 2019-20 Closing balance | 217.4 | 79.6 | 135.5 | 432.5 |
| | | | | |
| 2020-21 Opening balance | 217.4 | 79.6 | 135.5 | 432.5 |
| 2020-21 Drawdowns | -170.6 | -79.6 | 0 | -250.2 |
| 2020-21 Additions | 357.9 | 6.8 | 61.4 | 426.1 |
| 2020-21 Closing balance | 404.7 | 6.8 | 196.9 | 608.4 |
| | | | | |
| 2021-22 Opening balance | 404.7 | 6.8 | 196.9 | 608.4 |
| 2021-22 Drawdowns | -404.7 | -6.8 | -196.9 | -608.4 |
| 2021-22 Additions | 605.0 | 81.0 | 14.0 | 700.0 |
| 2021-22 Closing balance | 605.0 | 81.0 | 14.0 | 700.0 |
| | | | | |
| 2022-23 Opening balance | 605.0 | 81.0 | 14.0 | 700.0 |
| 2022-23 Drawdowns | -605.0 | -81.0 | -14.0 | -700.0 |
| 2022-23 Additions | 249.7 | 32.2 | 44.5 | 326.4 |
| 2022-23 Closing balance | 249.7 | 32.2 | 44.5 | 326.4 |

Financial Reporting: Statements of Financial Position Scottish Budget

46. The Statement of Financial Position reflects assets held and liabilities arising from the exercise of devolved powers. For the Scottish Government, this means assets and liabilities arising from the spending plans which support policy choices. Assets are held not for their income generation capability or their inherent value but for their service potential or as a direct consequence of particular policies, for example providing healthcare in hospitals and the provision of funding to students in the form of loans. Similarly, liabilities arise as a consequence of the timing of commitments relating to spending and policy choices and in respect of borrowing by Scottish Ministers to fund spending plans.
47. This report summarises what is “owned and owed” by the Scottish Government. The table on page 17 provide balance sheet information for the Total Scottish Budget. This is supplemented by an analysis of the movements in Taxpayers Equity which reports parliamentary funding and a note demonstrating the read across from the resource outturn in the accounts, plus capital outturn to give the total outturn reported on page 10.
48. This table is then expanded on page 19 to show the elements within the Scottish Budget as described in the introductory section – i.e. the Scottish Consolidated Accounts, the NHS and Teachers Pensions Schemes, Non-Ministerial Departments and Direct Funded bodies. At the Scottish Budget level, with the significant exception of the devolved pension schemes administered by SPPA, the majority of these are those reported within the Scottish Government Consolidated Accounts. Detailed financial and narrative information on the major assets and liabilities, for example the road network, is available in the accounts and related reports of the relevant body - Transport Scotland. This report signposts where the more detailed information can be found.
49. A more detailed note on borrowing by Scottish Ministers, and a note on pension scheme liabilities follows.

**Consolidated Statement of Financial Position
as at 31 March 2023**

**Total Scottish Budget
£000s**

Non-Current Assets

| | |
|---------------------------------|-------------------|
| Property Plant and Equipment | 39,266,085 |
| Right of Use Assets | 603,561 |
| Intangible Assets | 482,084 |
| Other Non-Current Assets | 13,046,252 |
| Total Non-Current Assets | 53,397,982 |

| | |
|---|-----------|
| Current Assets, other than pension assets | 2,116,865 |
|---|-----------|

| | |
|--|---------|
| Pension scheme contributions due within one year | 254,800 |
|--|---------|

| | |
|---------------------|-------------------|
| Total Assets | 55,769,647 |
|---------------------|-------------------|

| | |
|--|------------|
| Current Liabilities, other than pension scheme liabilities | -5,169,306 |
|--|------------|

| | |
|---------------------------------------|---------|
| Current Liabilities, pensions schemes | -87,700 |
|---------------------------------------|---------|

| | |
|--|-------------------|
| Total Assets less Current Liabilities | 50,600,341 |
|--|-------------------|

| | |
|--------------------------------|-------------|
| Net Pension Scheme Liabilities | -85,994,514 |
|--------------------------------|-------------|

| | |
|-------------------------------|------------|
| Other Non-Current Liabilities | -4,712,970 |
|-------------------------------|------------|

| | |
|------------|-------------|
| Net Assets | -40,107,143 |
|------------|-------------|

| | |
|---------------------------------|------------|
| Borrowing by Scottish Ministers | -2,026,381 |
|---------------------------------|------------|

-42,133,524

Taxpayers' Equity

| | |
|--------------|-------|
| Capital Loan | 1,328 |
|--------------|-------|

| | |
|--------------|-------------|
| General Fund | -57,875,589 |
|--------------|-------------|

| | |
|--|------------|
| Net liability from Scottish Consolidated Accounts balances | -2,026,381 |
|--|------------|

| | |
|---------------------|------------|
| Revaluation Reserve | 17,761,418 |
|---------------------|------------|

| | |
|-----------------|-------|
| Pension Reserve | 5,700 |
|-----------------|-------|

| | |
|--------------|--------------------|
| Total | -42,133,524 |
|--------------|--------------------|

| Analysis of taxpayer's equity | Total Scottish Budget £'000 |
|---|--|
| Opening balance on taxpayers' equity | -110,071,142 |
| Net resource outturn | -55,260,989 |
| Net gain/loss on revaluation | 74,614,823 |
| Total Comprehensive Expenditure | 19,353,834 |
| Non-cash charges | 28,392 |
| Other reserve movements | 49,894 |
| Funding: parliamentary | 49,819,670 |
| less funding to pension schemes | -105,000 |
| Net Parliamentary draw down | 49,658,589 |
| Movement on balance with SCF | 642,000 |
| Net funding position | 50,177,000 |
| Balance per Statement of Financial Position | -40,107,144 |
| Borrowing | -2,026,381 |
| | -42,133,525 |
| Outturn as per final outturn report and agreed to published accounts | |
| Resource Outturn as per accounts | 55,260,989 |
| Capital outturn | 2,086,743 |
| Total Outturn | 57,347,732 |

| | SG Consolidated Group | NHS and Teachers pension schemes | Other Scottish Administration | Total Scottish Administration | Total Direct Funded Bodies | Total Scottish Budget |
|--|-----------------------|----------------------------------|-------------------------------|-------------------------------|----------------------------|-----------------------|
| | £000s | £000s | £000s | £000s | £000s | £000s |
| Consolidated Statement of Financial Position | | | | | | |
| as at 31 March 2023 | | | | | | |
| Property Plant and Equipment | 38,294,000 | | 591,386 | 38,885,386 | 380,699 | 39,266,085 |
| Right of Use Assets | 539,000 | | 63,385 | 602,385 | 1,176 | 603,561 |
| Intangible Assets | 443,000 | | 38,776 | 481,776 | 308 | 482,084 |
| Other Non-Current Assets | 13,045,000 | | 852 | 13,045,852 | 400 | 13,046,252 |
| Total Non-Current Assets | 52,321,000 | | 694,399 | 53,015,399 | 382,583 | 53,397,982 |
| Current Assets, other than pension assets | 2,062,000 | | 45,537 | 2,107,537 | 9,328 | 2,116,865 |
| Pension scheme contributions due within one year | | 254,800 | | 254,800 | | 254,800 |
| Total Assets | 54,383,000 | 254,800 | 739,936 | 55,377,736 | 391,911 | 55,769,647 |
| Current Liabilities, other than pension scheme liabilities | -4,978,000 | | -86,057 | -5,064,057 | -17,549 | -5,169,306 |
| Current liabilities, pensions schemes | | -87,700 | | -87,700 | | -87,700 |
| Total Assets less Current Liabilities | 49,405,000 | 167,100 | 653,879 | 50,225,979 | 374,362 | 50,600,341 |
| Net Pension Scheme Liabilities | | -86,000,000 | | -86,000,000 | 5,700 | -85,994,514 |
| Other Non-Current Liabilities | -4,585,000 | -59,600 | -65,833 | -4,710,433 | -2,751 | -4,712,970 |
| Net Assets | 44,820,000 | -85,892,500 | 588,046 | -40,484,454 | 377,311 | -40,107,143 |
| Borrowing by Scottish Ministers | | | | | | -2,026,381 |
| Total Net assets after borrowing | | | | | | -42,133,524 |
| Taxpayers' Equity | | | | | | |
| Capital Loan | 0 | 0 | 1,328 | 1,328 | 0 | 1,328 |
| General Fund | 27,493,000 | -85,892,500 | 334,500 | -58,065,000 | 189,411 | -57,875,589 |
| Net liability from Scottish Consolidated Accounts balances | | | | | | -2,026,381 |
| Revaluation Reserve | 17,327,000 | 0 | 252,218 | 17,579,218 | 182,200 | 17,761,418 |
| Pension Reserve | 0 | 0 | 0 | 0 | 5,700 | 5,700 |
| Total Taxpayers' Equity | 44,820,000 | -85,892,500 | 588,046 | -40,484,454 | 377,311 | -42,133,524 |

| | SG Consolidated Group £000s | NHS and Teachers pension schemes £000s | Other Scottish Administration £000s | Total Scottish Administration £000s | Total Direct Funded Bodies £000s | Total Scottish Budget £000s |
|--|---|--|---|---|--|---|
| Analysis of taxpayer's equity | | | | | | |
| Opening balance on taxpayers' equity | 37,574,000 | -148,498,90 | 557,612 | -110,367,288 | 296,146 | -110,071,142 |
| Net resource outturn | -47,707,000 | -7,141,000 | -270,141 | -55,118,141 | -142,848 | -55,260,989 |
| Net gain/loss on revaluation | 4,588,000 | 69,946,600 | 7,544 | 74,542,144 | 72,679 | 74,614,823 |
| Total Comprehensive Expenditure | -43,119,000 | 62,805,600 | -262,597 | 19,424,003 | -70,169 | 19,353,834 |
| Non-cash charges | -2,000 | | 492 | -1,508 | 29,900 | 28,392 |
| Other reserve movements | 50,000 | | -106 | 49,894 | | 49,894 |
| Funding: parliamentary less funding to pension schemes | 49,640,000 -105,000 | -199,200 | 257,436 | 49,698,236 -105,000 | 121,434 | 49,819,670 -105,000 |
| Net Parliamentary draw down | 49,535,000 | | 2,155 | 49,537,155 | 121,434 | 49,658,589 |
| Movement on balance with SCF | 642,000 | | | 642,000 | | 642,000 |
| Net funding position | 50,177,000 | | | 50,177,000 | | 50,177,000 |
| Balance per Statement of Financial Position | 44,820,000 | -85,892,500 | 588,045 | -40,484,455 | 377,311 | -40,107,144 |
| Borrowing | | | | | | -2,026,381 |
| | | | | | | -42,133,525 |
| Outturn as per final outturn report and agreed to published accounts | | | | | | |
| Resource Outturn as per accounts | 47,707,000 | 7,141,000 | 270,141 | 55,118,141 | 142,848 | 55,260,989 |
| Capital outturn | 2,060,000 | 0 | 25,440 | 2,085,440 | 1,303 | 2,086,743 |
| Total Outturn | 49,767,000 | 7,141,000 | 295,581 | 57,203,581 | 144,151 | 57,347,732 |

Borrowing by Scottish Ministers

50. Under section 32 of the Scotland Act 2012, as amended by Scotland Act 2016 section 20, additional borrowing powers were conferred on Scottish Ministers with effect from 1 April 2015. The first sums borrowed from the National Loans Fund under these powers were received by the Scottish Consolidated Fund in 2017-18. A summary of the borrowing position is set out as follows:

| At 31 March 2023 | Principal £'000 | Accrued Interest £'000 | Total £'000 |
|-------------------------|----------------------------|-----------------------------------|------------------------|
| At 1 April 2022 | 1,815,295 | 2,703 | 1,817,998 |
| New borrowing | 347,000 | - | 347,000 |
| Interest incurred | - | 20,983 | 20,983 |
| Repayments | (139,282) | (20319) | (159,601) |
| At 31 March 2023 | 2,023,014 | 3,367 | 2,026,381 |

| At 31 March 2022 | Principal £'000 | Accrued Interest £'000 | Total £'000 |
|-------------------------|----------------------------|-----------------------------------|------------------------|
| At 1 April 2021 | 1,426,690 | 2,153 | 1,428,843 |
| New borrowing | 469,000 | - | 469,000 |
| Interest incurred | - | 15,180 | 15,180 |
| Repayments | (80,395) | (14,630) | (95,025) |
| At 31 March 2022 | 1,815,295 | 2,703 | 1,817,998 |

51. The repayment of borrowing is scheduled as follows:

| At 31 March 2023 | Principal £'000 | Interest £'000 | Total £'000 |
|-------------------------|----------------------------|---------------------------|------------------------|
| Less than 1 year | 186,977 | 29,750 | 216,727 |
| 1 – 5 years | 726,942 | 99,965 | 826,907 |
| More than 5 years | 1,109,095 | 137,031 | 1,246,126 |
| TOTAL | 2,023,014 | 266,746 | 2,289,760 |

| At 31 March 2022 | Principal £'000 | Interest £'000 | Total £'000 |
|-------------------------|----------------------------|---------------------------|------------------------|
| Less than 1 year | 139,282 | 20,318 | 159,600 |
| 1 – 5 years | 690,171 | 66,779 | 756,950 |
| More than 5 years | 985,843 | 103,286 | 1,089,129 |
| TOTAL | 1,426,690 | 165,924 | 1,592,614 |

52. Details of loans taken out are as follows:

At 31 March 2023

| Financial year | Category | Term (years) | Amount borrowed | | Amount outstanding | |
|----------------|----------|-----------------|-----------------|------------------|--------------------|------------------|
| | | | Principal | £'000 | Principal | £'000 |
| 2017-18 | Capital | 25 | | 450,000 | | 413,957 |
| 2018-19 | Capital | 10 | | 250,000 | | 213,993 |
| 2019-20 | Capital | 20 | | 200,000 | | 190,559 |
| 2019-20 | Capital | 25 | | 190,000 | | 186,454 |
| 2019-20 | Capital | 25 | | 15,000 | | 14,727 |
| 2020-21 | Capital | 25 | | 150,000 | | 150,000 |
| 2020-21 | Resource | 5 | | 207,000 | | 207,000 |
| 2020-21 | Capital | 25 | | 50,000 | | 50,000 |
| 2021-22 | Capital | 20 | | 150,000 | | 150,000 |
| 2021-22 | Resource | 5 | | 319,000 | | 319,000 |
| 2022-23 | Capital | 15 | | 300,000 | | 300,000 |
| 2022-23 | Resource | 5 | | 47,000 | | 47,000 |
| TOTAL | | | | 2,328,000 | | 2,023,014 |

53. Capital borrowing funds the capital programme as a whole and is not attributed to individual assets or individual bodies.

54. More details on Scottish Government borrowing can be found in the Fiscal Framework Outturn⁸ Report most recently published in September 2023.

⁸ [Fiscal framework outturn report: 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fiscal-framework-outturn-reports/2023-2024/pages/2023-2024-fiscal-framework-outturn-report-2023-2024.aspx)

Pension Schemes and Pension Liabilities

55. These accounts only include pension schemes which are administered within devolved competence and do not include the operation of the state pension in Scotland, or in respect of the pension arrangements of civil servants in Scotland (which are covered by the Principal Civil Service Pension Scheme). There is no estimate of liability for pensions of Scottish civil servants who are members of the UK civil service pension scheme because there is no actuarial valuation available.

56. The Scottish Administration includes the devolved pension schemes administered by the Scottish Public Pensions Agency (SPPA):

- the NHS Pension Scheme (Scotland)
- the Scottish Teachers' Pension Scheme (STPS)

57. The NHS and Teachers' Pension Schemes are statutory defined benefit schemes and, as reflected in the summary table, the scheme accounts record significant provisions for future pension liabilities, based on full actuarial valuations. The schemes are unfunded, and there are no investments to match the pension liabilities. The pension liability is the net present value of pensions which have been earned to date but will be paid in future years.

58. The funding to meet pension payments as they fall due under the schemes' regulations is from a ring-fenced budget Annually Managed Expenditure (AME) budget set by HM Treasury. These budgets are not available for general public services and any underspend compared to budget is not available for the Scottish Budget or Scotland Reserve.

Additional “wider” Reporting

59. This section brings the Scottish Budget balance sheet information together with the balance sheet information of the Scottish public bodies who are funded via the Scottish Government:

- Executive NDPBs and public corporations
- Local Authorities (not directly accountable to the Scottish Parliament)

60. This provides a view of the assets and liabilities across the devolved public sector in Scotland. There are some technical matters to note:

- there are some key differences in Local Authority accounting: IFRS 16 on leases has not yet been adopted (the absence of any right of use assets) and the accounting policy for roads is not consistent with the SG policy for the road network.
- Local Authority accounts follow a different format, and some pertinent detail is lost on converting to the Scottish Government format. More work is required to show analysis of borrowing and of reserves.

| | Total Scottish Budget £000s | Exec NDPBs and other £000s | Public corps £000s | Local Authorities £000s | Total £000s |
|--|-----------------------------------|-------------------------------|-----------------------|----------------------------|-----------------------|
| Consolidated Statement of Financial Position | | | | | |
| as at 31 March 2023 | | | | | |
| Property Plant and Equipment | 39,266,085 | 2,870,459 | 7,566,078 | 52,623,934 | 102,326,566 |
| Right of Use Assets | 603,561 | 183,736 | 30,804 | | 818,101 |
| Intangible Assets | 482,084 | 54,032 | 21,500 | 114,506 | 672,122 |
| Other Non-Current Assets | 13,046,252 | 1,917,324 | 691,615 | 4,960,002 | 20,615,193 |
| Total Non-Current Assets | 53,397,982 | 5,025,551 | 8,309,997 | 57,698,442 | 124,431,972 |
| Current Assets, other than pension assets | 2,116,865 | 1,529,079 | 1,695,433 | 4,303,579 | 9,644,956 |
| Pension scheme contributions due within one year | 254,800 | | | | 254,800 |
| Total Assets | 55,769,647 | 6,554,630 | 10,005,430 | 62,002,021 | 134,331,728 |
| Current Liabilities, other than pension scheme liabilities | -5,169,306 | -814,728 | -713,998 | -6,117,657 | -12,815,689 |
| Total Assets less Current Liabilities | 50,600,341 | 5,739,902 | 9,291,432 | 55,884,364 | 121,428,339 |
| Net Pension Scheme Liabilities | -85,994,514 | -16,504,267 | | -714,077 | -103,212,858 |
| Other Non-Current Liabilities | -4,712,970 | -1,047,171 | -1,884,479 | -17,736,117 | -25,380,737 |
| Net Assets | -40,107,143 | -11,811,536 | 7,406,953 | 37,434,170 | -7,165,256 |
| Borrowing by Scottish Ministers | -2,026,381 | | | | -2,026,381 |
| Total Net assets/ liabilities after borrowing | -42,133,524 | -11,811,536 | 7,406,953 | 37,434,170 | 9,103,937 |
| Taxpayers' Equity | | | | | |
| Capital Loan | 1,328 | | | | 1,328 |
| General Fund | -57,875,589 | 2,648,968 | | 2,855,176 | -54,106,614 |
| Other Reserve | | 761,125 | 7,315,884 | 14,383,087 | 22,427,270 |
| Net liability from Scottish Consolidated Accounts balances | -2,026,381 | | | | -2,026,381 |
| Revaluation Reserve | 17,761,418 | 994,216 | 91,069 | 18,693,213 | 37,128,690 |
| Pension Reserve | 5,700 | -16,215,845 | | 1,502,694 | 1,577,330 |
| Total Taxpayers' Equity | -42,133,524 | -11,811,536 | 7,406,953 | 37,434,170 | 9,103,937 |

List of Bodies Within this summary

Bodies within the Budget Act

Scottish Government

Core portfolios

Executive Agencies

Scottish Public Pensions Agency
Accountant in Bankruptcy
Disclosure Scotland
Education Scotland
Student Awards Agency Scotland
Scottish Prison Service
Social Security Scotland
Transport Scotland
Scottish Forestry

Other bodies

Crown Office and Procurator Fiscal
The NHS bodies in Scotland
NHS pension scheme
Scottish Teachers Pension Scheme

Non Ministerial Departments

Registers of Scotland
Scottish Courts and Tribunal Service
National Records of Scotland
Revenue Scotland
Food Standards Scotland
Office of Scottish Charity Regulator
Scottish Fiscal Commission
Scottish Housing Regulator
Environmental Standards Scotland

Direct Funded bodies

Scottish Parliamentary Corporate Body
Audit Scotland

Executive NDPBs

Architecture and Design Scotland
Bòrd na Gàidhlig

Cairngorms National Park Authority
Care Inspectorate
Children's Hearings Scotland
Community Justice Scotland
Creative Scotland
Crofting Commission
David MacBrayne Ltd
Ferguson Marine (Port Glasgow) Holdings Ltd
Highlands and Islands Airports
Highlands and Islands Enterprise
Historic Environment Scotland
Loch Lomond and The Trossachs National Park Authority
National Galleries of Scotland
National Library of Scotland
National Museums Scotland
NatureScot
Police Investigations and Review Commissioner
Quality Meat Scotland
Redress Scotland
Risk Management Authority
Royal Botanic Garden Edinburgh
Scottish Canals
Scottish Children's Reporter Administration
Scottish Criminal Cases Review Commission
Scottish Enterprise
Scottish Environment Protection Agency
Scottish Fire and Rescue
Scottish Funding Council
Scottish Futures Trust
Scottish Land Commission
Scottish Legal Aid Board
Scottish Legal Complaints Commission
Scottish National Investment Bank
Scottish Police Authority
Scottish Qualification Authority
Scottish Social Services Council
Skills Development Scotland
South of Scotland Enterprise
Sport Scotland
VisitScotland
Water Industry Commission for Scotland

Public Corporations

Caledonian Maritime Assets Ltd
Crown Estate Scotland
Glasgow Prestwick Airport
Scottish Water

Local Authorities

Aberdeen City Council
Aberdeenshire Council
Angus Council
Argyll and Bute Council
City of Edinburgh Council
Clackmannanshire Council
Comhairle nan Eilan Siar
Dumfries and Galloway Council
Dundee City Council
East Ayrshire Council
East Dunbartonshire Council
East Lothian Council
East Renfrewshire Council
Falkirk Council
Fife Council
Glasgow City Council
Inverclyde Council
Midlothian Council
North Ayrshire Council
North Lanarkshire Council
Orkney Island Council
Perth and Kinross Council
Renfrewshire Council
Scottish Borders Council
Shetlands Islands Council
South Ayrshire Council
South Lanarkshire Council
Stirling Council
The Highland Council
The Moray Council
West Dunbartonshire Council
West Lothian Council