

Public Audit Committee
Wednesday 22 January 2025
3rd 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 Permanent Secretary to the Scottish Government on the Auditor General for Scotland's (AGS) section 22 report [The 2023/24 audit of the Scottish Government Consolidated Accounts](#), which was published on 10 October 2024. A copy of the report can be found at **Annexe A**.
2. The Committee previously heard evidence from the AGS on the section 22 report on 7 November 2024. Papers and the Official Report from the meeting can be found [here](#).
3. Following this evidence session, the Committee wrote to the AGS to ask whether Audit Scotland holds any additional information on the interest rates applied to the Scottish Government's resource and capital borrowing. A response was received on 27 November 2024 and is included at **Annexe B**.
4. On 27 September 2024, the Committee [wrote](#) to Fiona Hyslop, Cabinet Secretary for Transport in relation to the report [New Vessels for the Clyde and Hebrides: Arrangements to deliver vessels 801 and 802](#). The letter sought clarification of whether the process for Shareholder Authorisation, similar to that included in the FMPG Framework Agreement, will be included in the forthcoming revised Framework Agreement between the Scottish Government and CMAL.
5. A response to the letter was received from Fiona Hyslop, Cabinet Secretary for Transport on 15 October 2024 and is included at **Annexe C**.
6. On 27 September 2024, the Committee also [wrote](#) to the Permanent Secretary seeking an update on the discussion he had with the First Minister following the [Conveners Group meeting on 18 September 2024](#). The letter also sought and update on progress with the transparency review of the Scottish Government's portfolio of commercial assets and further clarity on the publication of Shareholder Authorisations
7. A [response](#) to the letter was received from Gregor Irwin, DG Economy on 25 October 2024 and is included at **Annexe D**. An additional response from the DG Economy was received on 17 January 2025, which provides a further update on the transparency review and can be found at **Annexe E**.

8. On 29 October 2024, the Chief Financial Officer wrote to the Committee to provide further information in connection with the Committee's interest in additional financial reporting on the Scottish public sector. The letter is included at **Annexe F**.

Next steps

9. The Public Audit Committee will decide any further action it wishes to take following the evidence session today.

**Clerks to the Committee,
January 2025**

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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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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.

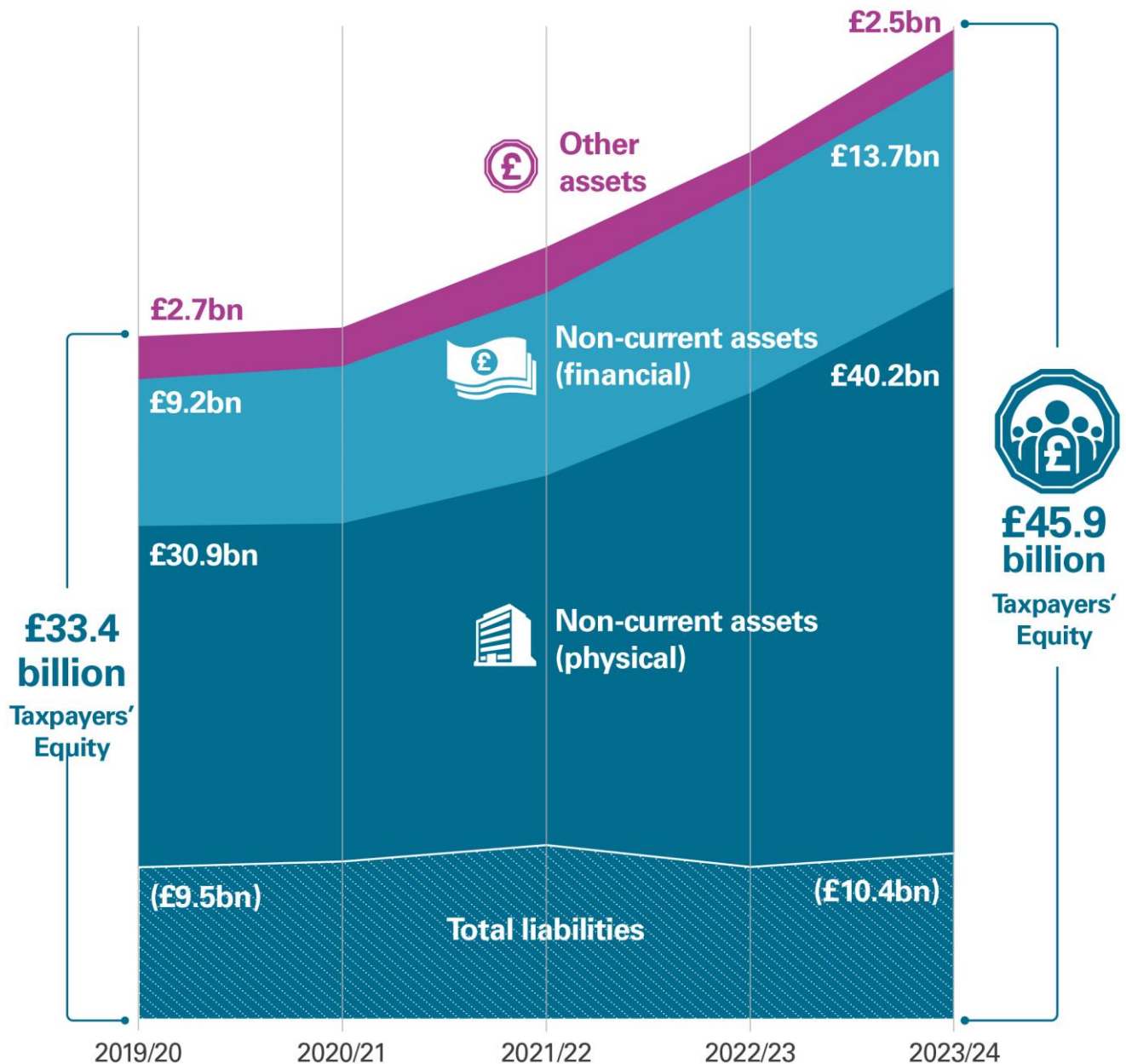
Progress has been made in preparing a fuller picture of what the Scottish public sector owns and owes

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
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Burntisland 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

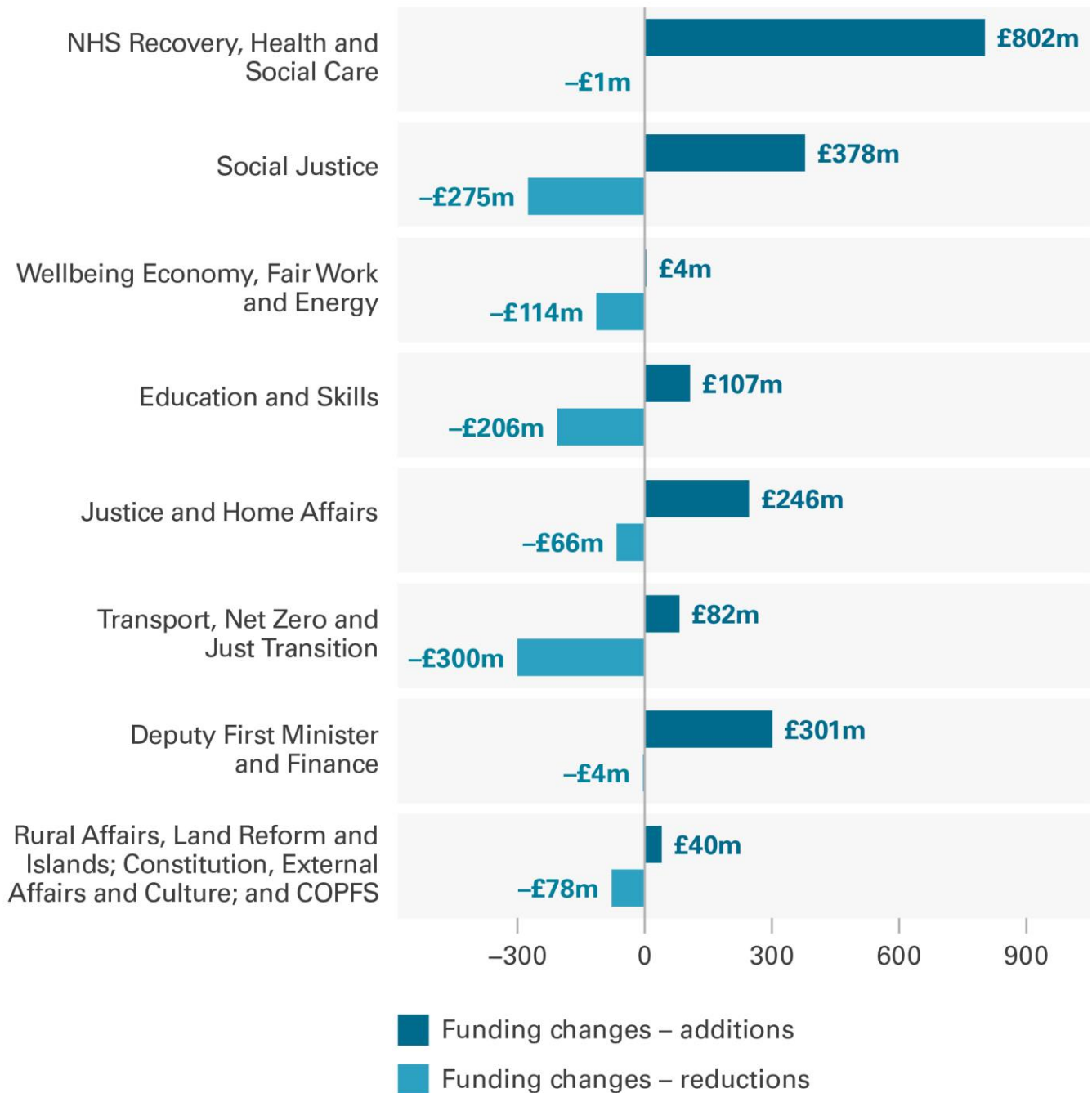
The Scottish Government responded to the emerging financial pressures during 2023/24 by implementing short-term solutions

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.

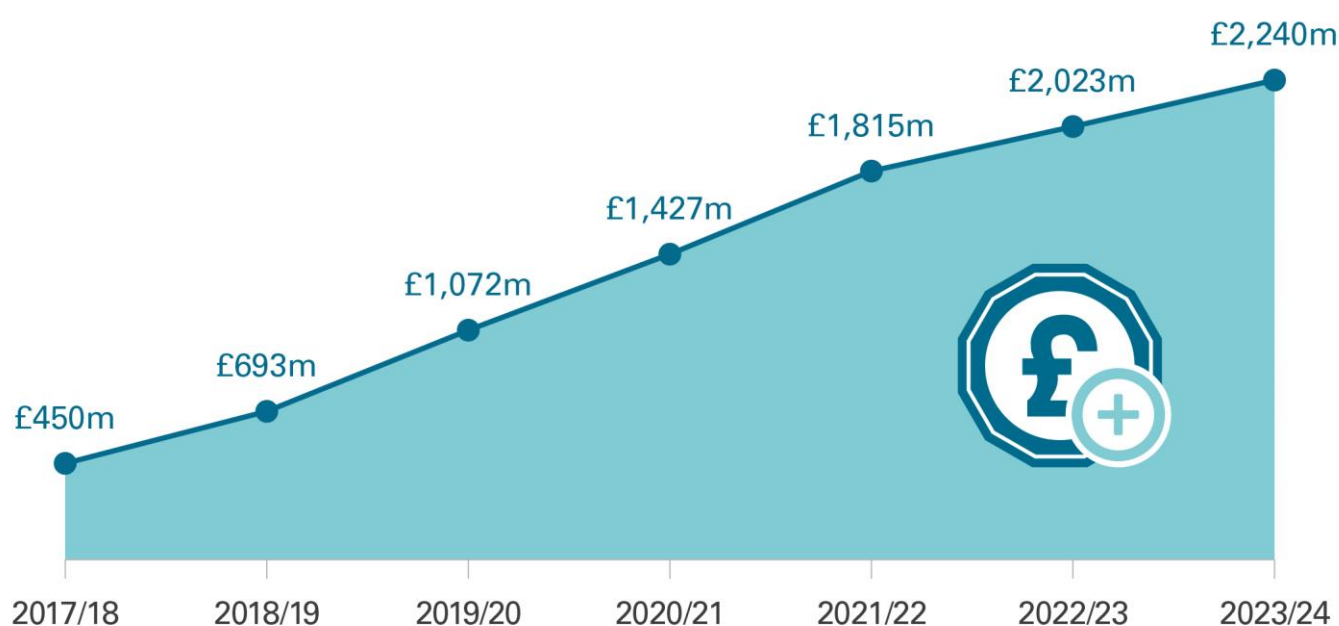
Repayments on borrowing continue to grow and will need to be managed within overall spending limits

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

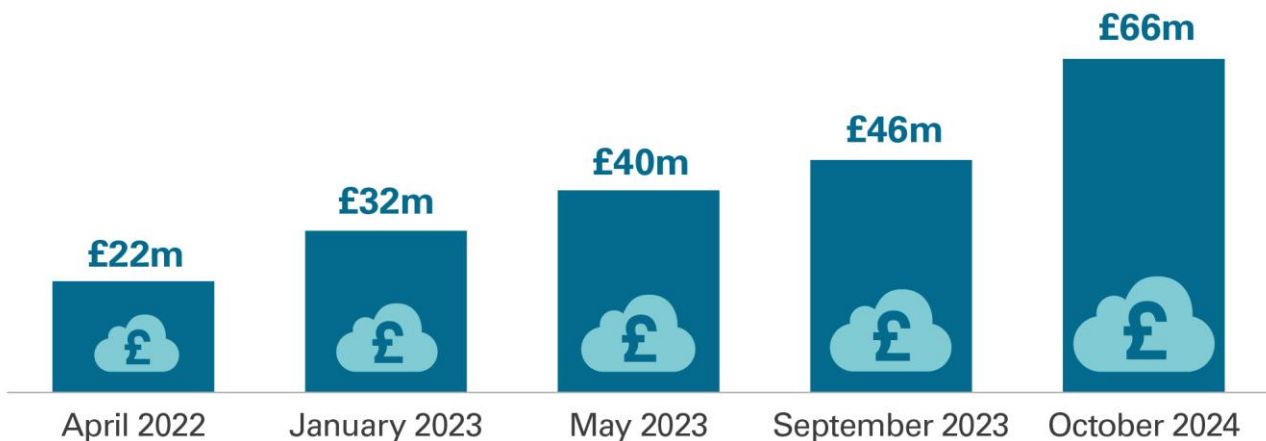
57. Last year I reported that there was an expected go-live date for the new Oracle Cloud, HR and Finance system, of 1 April 2024. In

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

27 November 2024

Richard Leonard MSP
Convener
Public Audit Committee
Scottish Parliament

Dear Convener

The 2023/24 Audit of the Scottish Government Consolidated Accounts

On 7 November 2024, I gave evidence to the Committee on my s22 report on the audit of the Scottish Government's Consolidated Accounts. I agreed to check if Audit Scotland holds any additional information on the interest rates applied to the Scottish Government's resource and capital borrowing.

The Committee was interested in understanding the interest rates on resource borrowing given that they are shorter term, increasing in value and are subject to market volatility. Our report does not provide that information, but our records indicate that the interest rates applied over the period 2020/21 – 2023/24 ranged from 0.26% to 4.23% across the total resource borrowing of £677,000,000.

Total capital borrowing of £2,055,000,000 has been taken out over the period 2017/18 to 2023/24. Loan values range from £15,000,000 to £450,000,000, over 10 to 25 year periods with interest rates ranging from 0.56% to 3.95%.

We do not hold any information around whether additional interest rates are applied over the course of the loan or whether there are any trigger events. The Committee may wish to follow up on this matter with the Scottish Government.

Yours sincerely

Stephen Boyle
Auditor General for Scotland

I can confirm that, if appropriate and required, Transport Scotland officials will take forward any actions that may emerge from the DG Economy's work to ensure CMAL's alignment with other public bodies.

I hope this helps to clarify matters. Please let me know if the Committee requires anything further.

Yours sincerely,

FIONA HYSLOP
Cabinet Secretary for Transport

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

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E: DGEEconomy@gov.scot

Richard Leonard MSP
Convener
Public Audit Committee
Room T3.60
The Scottish Parliament
EDINBURGH EH99 1SP

25 October 2024

Dear Richard

New Vessels for the Clyde and Hebrides: Arrangements to Deliver Vessels 801 and 802

Thank you for your letter dated 27 September to the Permanent Secretary detailing matters of transparency in relation to the above entitled report. I have addressed the specific points raised by the Committee.

The Committee seeks an update on the progress of this transparency review, including when you expect the findings to be published.

A review of our approach to transparency regarding the Scottish Government's portfolio of commercial assets managed by the Strategic Commercial Assets Division (SCAD) is underway but has yet to report its findings to myself and the Permanent Secretary.

The review is centred on the two public bodies sponsored by SCAD: Ferguson Marine Port Glasgow Ltd. and Glasgow Prestwick Airport Ltd. These assets are unique and have specific considerations regarding commercial confidentiality that may not be applicable more broadly.

The review is examining ways to sustain an initiative-taking publication scheme that strikes the appropriate balance between facilitating our duties on access to information, promoting openness and scrutiny, and protecting commercial interests and contractual rights and privileges.

Regarding timescales for the review, it is not yet possible to be specific beyond noting a progress report is scheduled for discussion at the next meeting of the Strategic Assets Review Group, which I chair and the Permanent Secretary attends, on 8 November.

The Committee also asks whether the review will provide much needed clarity as to the Scottish Government's position on whether it will publish details of all Shareholder Authorisations in the future.

Transparency of shareholder authorisations as far as they relate to the two public bodies mentioned above – Ferguson Marine and Glasgow Prestwick Airport – is within the scope of the SCAD review but I cannot prejudge the review's findings or Ministers' position.

The First Minister made a commitment to consider the questions put to him during the Conveners Group meeting. The Committee asks what discussion you have had with the First Minister on these matters, recognising the Public Audit Committee's firm view that there is scope to improve the transparency of Shareholder Authorisation.

Both the Permanent Secretary and myself, speak regularly with the First Minister about matters of transparency and opportunities to advance Ministers' commitment to open government. The First Minister is aware of the transparency review taking place in DG Economy and looks forward to receiving its findings and recommendations.

Best wishes,

GREGOR IRWIN

Director-General Economy
Scottish Government



E: DGEconomy@gov.scot

Richard Leonard MSP
Convener
Public Audit Committee
Room T3.60
The Scottish Parliament
EDINBURGH
EH99 1SP

17 January 2025

Dear Mr Leonard,

Strategic Commercial Assets: Transparency Review

My letter to you of 25 October 2024 gave details of the transparency review of the Scottish Government's portfolio of commercial assets managed by the Strategic Commercial Assets Division. A key element of the review is examining the potential for a publication scheme that strikes the appropriate balance between facilitating access to information and protection of commercial interests.

Given the particular interest your Committee has shown in the written authority granted by Scottish Ministers on 14 May 2023 for the continuation of funding for the construction of MV Glen Rosa at Ferguson Marine, we have prioritised consideration of the advice commissioned from external consultants that informed the decision. This focussed exercise is part of a broader review of reports commissioned from external consultants on the Government's strategic commercial assets.

With the review making good progress, I am pleased to advise that an information pack containing six due diligence reports preceding the decision to continue public investment in construction of MV Glen Rosa at Ferguson Marine will be provided to the Committee by 7 February 2025. Sharing this initial output of the transparency review will complete our response to the Committee's request for a public record covering the written authority.

The annex to this letter provides fuller details of the six reports relating to Ferguson Marine that will be included in the information pack.

We will also be sharing with the Committee a further report prepared by external consultants, which does not concern Ferguson Marine. This report is an evaluation of the Scottish Government's intervention concerning the BiFab business prior to its administration and the acquisition of the Scottish sites by Harland & Wolff.

The material in the shared information pack will include necessary redactions to protect commercial interests, personal information and contractual rights and legal privileges.

Through extensive consultations and careful review, we are seeking to strike the appropriate balance that facilitates openness while protecting the ability of Ferguson Marine to operate in a highly competitive market and the secure the future contracts on which many jobs and livelihoods depend. With those protections in place the Committee will be free to publish the information pack in full.

When the information pack is shared with your Committee it will be accompanied by a fuller narrative that outlines the nature of the redacted material and its commercial sensitivity.

The Committee will be aware that a publication scheme already operates for the Ferguson Marine business with progress reports, risk registers, action logs and other material published monthly. Moreover, the Government's Consolidated Annual Accounts offers transparent insights into the financial risks associated with government interventions, and significant contingent liabilities.

The transparency review of our strategic commercial assets, which includes the review of consultancy reports, is designed to produce an effective transparency policy for the management of our portfolio of commercial assets. As other elements of the review mature, and are ready to be shared, I will provide further updates to your Committee.

Yours sincerely,

Gregor Irwin
Director-General Economy

ANNEX – INFORMATION PACK CONTENTS

Reference	Product Date	Product Name	Author Organisation
1	24 November 2022	Workstream 1 – Financial review	Teneo
	This commission provides a comprehensive examination of FMPG’s baseline financial forecasts for completion of Hulls 801 and 802. Assumptions are articulated to inform forecast costs to complete. Professional opinion is offered around the underlying drivers of cost estimation.		
2	12 December 2022	Discussion document: Workstream 2 – Options analysis	Teneo
	Workstream 2 develops scenario testing with information from Workstream 1, input from the business (FMPG) and other partners. Judgements upon the strength and weaknesses of data and information used to build scenarios is a significant element of this product.		
3	18 April 2022	Discussion document: Workstream 2 – Options analysis Update	Teneo
	This commission provides an update on Workstream 2 covering delays to Hulls 801 and 802 respectively and highlights changes in the cost comparison of the options caused by programme delays.		
4	23 January 2023	FMPG Potential Improvements Study	First Marine International
	This commission builds upon a benchmarking assessment commissioned by FMPG directly with FMI. This commission is densely populated with commercially sensitive information, which remains highly sensitive today.		
5	February 2023	Economic Impact Assessment	Teneo
	Economic impact assessment produced in accordance with the Treasury’s Green Book principles to ascertain the value measured in GDP created by FMPG in their current state and in certain scenarios with varying assumptions.		
6	March 2023	Economic Impact Assessment: Scenario Update	Teneo
	This commission develops a number of additional scenarios in the lifecycle and future of the Port Glasgow shipyard.		
7	September 2024	Scottish Government Intervention Analysis Evaluation of BiFab Intervention	Ernst & Young

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Financial Management Directorate

CFO Unit

a b c
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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/summary.aspx)

² [The 2023/24 audit of the Scottish Government Consolidated Accounts | Audit Scotland](https://www.audit-scotland.gov.uk/audit-scotland/the-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/summary.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 \(www.gov.scot\)](https://www.gov.scot/publications/consolidated-accounts-2023-24/pages/introduction.aspx)
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/publications/consolidated-accounts-2023-24/pages/14.aspx)

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/10.aspx)

⁶ [The Scottish Government's Medium-Term Financial Strategy - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/mftfs-2023/pages/1.aspx)

⁷ [Fiscal framework outturn report: 2023 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/fiscal-framework-outturn-report-2023/pages/1.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.

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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
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Pension scheme contributions due within one year	254,800
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Total Assets	55,769,647
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Current Liabilities, other than pension scheme liabilities	-5,169,306
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Current Liabilities, pensions schemes	-87,700
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Total Assets less Current Liabilities	50,600,341
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Net Pension Scheme Liabilities	-85,994,514
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Other Non-Current Liabilities	-4,712,970
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Net Assets	-40,107,143
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Borrowing by Scottish Ministers	-2,026,381
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-42,133,524

Taxpayers' Equity

Capital Loan	1,328
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General Fund	-57,875,589
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Net liability from Scottish Consolidated Accounts balances	-2,026,381
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Revaluation Reserve	17,761,418
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Pension Reserve	5,700
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Total	-42,133,524
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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	49,640,000	-199,200	257,436	49,698,236	121,434	49,819,670
less funding to pension schemes	-105,000			-105,000		-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:

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