



House of Commons
Scottish Affairs Committee

Work of the Committee in 2004

First Report of Session 2004–05



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Report, together with formal minutes

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The Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the office of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)).

Current membership

Mrs Irene Adams MP (*Labour, Paisley North*) (Chairman)
Mr Alistair Carmichael MP (*Liberal Democrat, Orkney and Shetland*)
Mr Peter Duncan MP (*Conservative, Galloway and Upper Nithsdale*)
Mr David Hamilton MP (*Labour, Midlothian*)
Mr Ian Liddell-Grainger MP (*Conservative, Bridgwater*)
Mr John Lyons MP (*Labour, Strathkelvin and Bearsden*)
Mr John MacDougall MP (*Labour, Fife Central*)
Ann McKeichin MP (*Labour, Glasgow Maryhill*)
John Robertson MP (*Labour, Glasgow Anniesland*)
Mr Mohammed Sarwar MP (*Labour, Glasgow Govan*)
Mr Michael Weir MP (*SNP, Angus*)

Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/parliamentary_committees/scottish_affairs_committee.cfm

Committee staff

The current staff of the Committee are Mike Clark (Clerk), Diane Nelson (Committee Assistant) and Camilla Brace (Secretary).

Contacts

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1 Introduction

1. The Scottish Affairs Committee's concentration during this Parliament on short, sharp inquiries of a wide and varied nature has continued to prove successful, with interest expressed by both the public and the media. For example, the Committee was pleased to note that, on successive Saturdays in July, BBC Parliament broadcast in full the oral evidence sessions with Ministers on the *Scotland Office Annual Report 2004* and with the Joint Trade Unions at BP Grangemouth and BP's Executive Director on the inquiry into the *Implications for Grangemouth of BP's plans for its petrochemicals business*.

2. Devolution has resulted in many responsibilities of the former Scottish Office being transferred to the Scottish Executive; consequently, many of the objectives and tasks for departmental select committees set by the Liaison Committee do not apply to this Committee. Our Report is therefore not structured by reference to the 10 "core tasks",¹ but we do seek to reflect the overarching objectives identified by the Liaison Committee. Nonetheless, as this Report shows, we have conducted effective scrutiny of proposed legislation, taxation and expenditure.

2 Reports

3. During Session 2003–04 we produced three Reports, all of which were published during calendar year 2004. In addition, the Committee published one set of evidence on a free-standing basis, as it was not thought necessary to produce a Report on that particular inquiry.²

4. Last year we reported that the previously unacceptable situation concerning the delay in the Government responding to the Committee's Reports seemed to have been rectified.³ We are pleased to confirm that this improvement has continued. The Committee published its Report on the *Coincidence of Parliamentary Constituency Boundaries and the Consequences of Change* on 3 February, and we received the Government's response on 29 March. Our Report on *The Proposed Whisky Strip Stamp* was published on 26 April, with the Government response being received on 22 June. Our other Report, *Work of the Committee in 2003*, did not require a response.

3 Inquiries

5. During 2004, the Committee undertook, wholly or partly, three major inquiries; into the *Coincidence of Parliamentary Constituency Boundaries and the Consequences of Change*, with evidence being taken in 2003 and the Committee reporting in 2004; into *The Proposed Whisky Strip Stamp*, which was both started and concluded during the year; and into the

1 See Liaison Committee, First Report, Session 2002–03, *Annual Report 2002–03*, HC (2002–03) 558, Appendix 3.

2 Details can be found in Annex 1, p. 11.

3 Scottish Affairs Committee, Second Report, Session 2003–04, *Work of the Committee in 2003*, HC (2003–04) 344, para 8.

Implications for Grangemouth of BP's plans for its petrochemicals business, which started in 2004 but which will continue into 2005. In 2004 the Committee held 18 meetings; 11 of these were deliberative, in private, and 7 were oral evidence sessions, held in public.⁴

6. As stated in paragraph 5 above, at the start of the year, the Committee concluded its inquiry into the *Coincidence of Parliamentary Constituency Boundaries and the Consequences of Change*. Following the provisional proposals of the Boundary Commission for Scotland to reduce the number of Scottish Westminster constituencies from 72 to 59, and the Government's announcement that it would seek to amend the Scotland Act 1998, so that the number of Members of the Scottish Parliament would not as a consequence be reduced *pro rata*, the Committee announced in September 2003 that it would be undertaking an inquiry into this subject.

7. The oral evidence sessions were concluded in December,⁵ with the intention of the Committee producing its Report early in 2004 in time for the second reading of the Scottish Parliament (Constituencies) Bill.⁶ In this respect the Committee conducted a timely inquiry into a change of Government policy, so that our conclusions were available before the House considered the Bill implementing that policy.

8. The Committee duly published its Report on 3 February 2004,⁷ prior to the Bill's second reading on 9 February; the Government's response to the Committee's Report was received on 29 March and published on 7 April.⁸

9. The Committee did not consider that any good case was made for the current number of MSPs to be either reduced or increased, and was satisfied, therefore, that the number of MSPs should remain, for the time being, at 129. The Government agreed with this recommendation.

10. The Committee recommended that, in order to avoid possible confusion amongst the electorate, the constituency boundaries in Scotland for elections to the United Kingdom and to the Scottish Parliament should remain coterminous. The Government said that this would be an issue for the independent commission on boundary differences and voting systems to consider. The commission would examine, *inter alia*, the consequences of having different boundaries between Westminster and Scottish Parliament constituencies for voter participation and representation of constituents by different tiers of elected members.

11. The Committee expected the Electoral Commission to produce proposals in time for the election to the Scottish Parliament in 2007 to be conducted under the new arrangements. The Commission should start work without delay, and present its findings

4 6 public evidence sessions were held at Westminster and 1 was held on Islay.

5 Scottish Affairs Committee, Second Report, Session 2003–04, *Work of the Committee in 2003*, HC (2003–04) 344, para 13.

6 Bill 4, introduced 27 November 2003.

7 Scottish Affairs Committee, First Report, Session 2003–04, *Coincidence of Parliamentary Constituency Boundaries in Scotland and the Consequences of Change*, HC (2003–04) 77.

8 Scottish Affairs Committee, First Special Report, Session 2003–04, *Response by the Government to the First Report (Session 2003–04) on the Coincidence of Parliamentary Constituency Boundaries in Scotland and the Consequences of Change*, HC (2003–04) 514.

to the Secretary of State for Scotland, who should then take the final decision based on all available information. The Government wished to see the review of boundary differences and voting systems starting as soon as possible. The Commission would be required to report as quickly as it reasonably can, subject to having sufficient time fully to address its remit.

12. The Committee considered that the Electoral Commission should look also at the implications for the electoral process of Scotland having four different voting systems. The Committee was not convinced that every type of election needed a different voting system. The Government said that this would be a central part of the review to be carried out by the commission on boundary differences and voting systems. The commission would examine the consequences of having four different systems of voting in local and Parliamentary elections in Scotland and different boundaries between Westminster and Scottish Parliament constituencies, and would make recommendations on whether these consequences required action to be taken. The Commission would make its recommendations to the Secretary of State for Scotland and to the First Minister on the form of any action, while respecting the principles of devolution. The Secretary of State would then decide on the Government's response, taking into account the Executive's views.

13. Finally, the Committee recommended that both the second reading and the committee stages of the Scottish Parliament (Constituencies) Bill should be taken on the floor of the House. The Government accepted this recommendation.

14. The second major inquiry was into *The Proposed Whisky Strip Stamp*. Following the Chancellor of the Exchequer's announcement on 10 December 2003 that, in order to combat spirits fraud, a strip (or tax) stamp might be put on bottles of whisky sold in the UK, the Committee announced on 11 February that it would undertake an inquiry into the possible consequences for the Scotch whisky industry of such an action.

15. The Committee held four sessions of oral evidence,⁹ taking evidence from the Scotch Whisky Association, HM Customs and Excise, the Ardbeg, the Bowmore, the Bruichladdich and the Kilchoman Distilleries, the Wine and Spirit Association and Mr John Healey MP, Economic Secretary to HM Treasury. In addition, the Committee undertook a series of informal visits on Islay, (to the Lagavulin, the Laphroaig, the Bunnahabhain, the Bruichladdich and the Bowmore Distilleries), to the Edrington plant in Anniesland, the Chivas plant in North Paisley and, acknowledging that strip stamps would also affect the UK Irish whiskey industry, to the "Old Bushmills" Distillery in County Antrim.

16. We also visited Washington, DC, where we met officials from the British Embassy, from the Alcohol and Tobacco Tax and Trade Bureau (TTB) of the US Treasury Department, from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) of the US Justice Department, and representatives of the Distilled Spirits Council of the United States, Inc. (DISCUS). Whilst in America, we took the opportunity to visit the Diageo Global Supplies plant in Relay (Maryland).

9 Three of the evidence sessions were held in Westminster; the session with Islay distillers was held on Islay.

17. Finally, responding to an invitation extended to the Committee by the Economic Secretary when he appeared before us, we visited HM Customs and Excise for a confidential briefing with Customs law enforcement investigators.

18. Whilst we were visiting the Edrington bottling plant the Chancellor, during his Budget Statement, confirmed that he would be pursuing the strip stamp option and that, therefore, a Clause would be included in the Finance Bill to enable such stamps to be fixed to bottles of spirit with effect from April 2006. We determined that we would agree our Report, and make it available to the House, in time for the Committee stage of the Finance Bill to enable those Members seeking to participate in the debate to be aware of our views.

19. On 26 April, the day before the Finance Bill's Committee stage, we published our Report.¹⁰ We expressed doubt on the estimates of level of spirits fraud put forward by both the Government and by the Scotch Whisky industry, and drew attention to a recent report from the National Audit Office which had also expressed doubts about such levels.

20. We also expressed doubt that strip stamps will be effective in combating fraud, and drew attention to four main defects we had identified with such stamps – the expense of the machinery needed to affix the stamps to bottles (which could actually force the closure of some distilleries and bottling plants, with potentially devastating results for economically fragile communities and areas of high deprivation); the physical nature of the stamps; the ease of counterfeiting the stamps; and the fact that genuine stamps might be used to make counterfeit spirit appear genuine.

21. We summarised 17 alternative proposals to the strip stamp put forward by the Scotch Whisky industry, and posed the question as to whether the Government had considered fully all the alternative proposals, and the US system of a “closed supply chain”, suggesting a similar system might be considered for the UK, (although within the terms of the European Single Market).

22. The Government had set great store in the public being reassured that strip stamps would indicate that the bottles of spirits they were buying would indicate authenticity and legitimacy. However, we suggested that some members of the public, who bought spirits from “suspect” sources, might not actually worry about whether the spirit is illicit or not, and that what might actually deter such people was the thought of detection and prosecution.

23. We also put it to the Government that, should it continue to insist that the public needs some kind of visual indication that duty has been paid on a bottle of spirits, we believed that it would be far less disruptive to the industry for a tax stamp to be incorporated into the front or the back label of a bottle. There would still be extra security costs for the industry, as the labels themselves would then be worth £5 each, but there would not be the potential extra cost of having to buy new bottling machines.

24. In conclusion, we put it on record that we supported the Government's and the industry's proposals to tackle fraud, but reiterated that we were not convinced by the

10 Scottish Affairs Committee, Third Report, Session 2003–04, *The Proposed Whisky Strip Stamp*, HC (2003–04) 419.

estimates of the level of fraud put forward or that strip stamps are the best way to tackle such fraud; we therefore urged the Government to reconsider its proposals.

25. When it came, the Government's response¹¹ was, initially, disappointing, as it did little more than rehearse the arguments put forward by the Economic Secretary and officials during our oral evidence sessions with them.

26. However, when the Chancellor published his 2004 Pre-Budget Report on 2 December¹² he indicated that the Government would continue to work with the industry in order to reduce spirits fraud. This included the possibility of the tax stamp being incorporated into the label of a bottle of spirits, rather than a strip stamp over the closure of a bottle, exactly as the Committee had proposed in our Report. We regard this as a significant, and welcome, change in the Government's approach, which was influenced by the Committee's inquiry.

27. The third major inquiry during the year was into the *Implications for Grangemouth of BP's plans for its petrochemicals business*. This arose from an announcement made by BP in April that it planned to consolidate its Olefins and Derivatives division into a stand-alone entity, and that the petrochemicals plant at Grangemouth would be handed over to the control of a new company, which would be formed specifically to administer BP's former petrochemicals plants.

28. By the end of the year, we had taken evidence on two separate occasions from Joint Trade Unions at BP Grangemouth and BP's Executive Director, and had visited the Grangemouth site. As stated in paragraph 6 above, this inquiry will continue into 2005.

4 Expenditure

29. The annual oral evidence session with Ministers on the Scotland Office Departmental Report¹³ was held on 29 June. As in previous years, further detailed expenditure questions arising from the Departmental Report were followed up in correspondence between the Chairman of the Committee and the Secretary of State for Scotland, and the Scotland Office's replies to those questions were published with that day's Minutes of Evidence.¹⁴

30. As this was the first year Government Departments had produced Explanatory Memoranda on the relevant sections of the Winter Supplementary Estimates, the Committee also considered the Memorandum from the Scotland Office, which set out the Department of Constitutional Affairs' revised provisions relating to the administrative costs of the Scotland Office and the grant to the Scottish Executive. The Committee concurred with the view of the Committee Office's Scrutiny Unit that there were no issues raised in either the Estimates or in the Memorandum which needed to be pursued with the Scotland Office.

11 Scottish Affairs Committee, Second Special Report, Session 2003–04, *Response by the Government to the Third Report (Session 2003–04) on The Proposed Whisky Strip Stamp*, HC (2003–04) 822.

12 Cm 6408.

13 Cm 6227.

14 HC (2003–04) 823–i pp. 17–20.

31. The Committee was, however, impressed with the Explanatory Memorandum, and congratulates the Scotland Office on its clarity. As it would not otherwise have been printed, the Committee has decided that it be appended to this Report.¹⁵

5 Public Bodies

32. The Scotland Office sponsors one Public Body, the Boundary Commission for Scotland, which reviews Scottish Parliamentary constituencies. The Committee did not meet with the Commission during 2004.

6 Visits

33. The Committee continues to place much emphasis and value on our visits to Scotland. In addition to the visits undertaken in connection with inquiry into *The Proposed Whisky Strip Stamp*, set out in paragraphs 15 to 17 above, during 2004 we visited the Dungavel Removal Centre and the Westercommon Resource Centre in Maryhill for general briefings on immigration issues; Ofcom Scotland, to discuss broadcasting matters; and UKAEA Dounreay for a general briefing on issues concerned with the decommissioning of the plant.¹⁶ We also visited BP Grangemouth, in connection with our inquiry into the *Implications for Grangemouth of BP's plans for its petrochemicals business*. A list of people the Committee met during its visits is included as an Annex to this Report.¹⁷

15 Appendix, p. 14.

16 Following the visit to Dounreay, the Committee agreed to undertake an inquiry into *Meeting Scotland's future energy needs*, with evidence sessions on this inquiry starting in 2005.

17 Annex 2, p. 12.

Annex 1

Reports and Evidence published in 2004

Reports

First Report	Coincidence of Parliamentary Constituency Boundaries in Scotland and the Consequences of Change	HC 77
Second Report	Work of the Committee in 2003	HC 344
Third Report	The Proposed Whisky Strip Stamp	HC 419
First Special Report	Response by the Government to the First Report (Session 2003–04) on the Coincidence of Parliamentary Constituency Boundaries in Scotland and the Consequences of Change	HC 514
Second Special Report	Response by the Government to the Second Report (Session 2003–04) on The Proposed Whisky Strip Stamp	HC 822

Minutes of Evidence

Minutes of Evidence	Scotland Office Annual Report 2004	HC 823–i
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Annex 2

People the Committee met during its visits in 2004

Date	Location	Individuals/Organisations visited
15-18 March 2004	Islay, Glasgow, Paisley and Bushmills	<p>Representatives of Ardbeg, Bowmore, Bruichladdich and Kilchoman Distilleries</p> <p>Lagavulin Distillery: Mr Donald Renwick, Distillery Manager</p> <p>Laphroaig Distillery: Mr Robin Shields, Distillery Manager</p> <p>Bunnahabhain Distillery: Mr John MacLellan, Distillery Manager</p> <p>The Edrington Group: Ian Good, CBE, Chairman & Chief Executive; Graham R. Hutcheon, Group Operations Director</p> <p>Chivas Brothers: Derek L Forsyth, Manufacturing Director</p> <p>Bushmills: Gill Jefferson, Managing Director; Bryan Delaney, General Manager – Supply Operations; Lyle Pyper, Bottling Operations Manager, Helen Mulholland, Quality & Environmental Manager; Leonard McConaghie, Chief Accountant and Company Secretary</p>
28-31 March 2004	Washington DC	<p>British Embassy: James Hughes, First Secretary, Agriculture and Trade Policy; Susan Stewart, First Secretary, Scottish Affairs</p> <p>US Treasury Department Alcohol & Tobacco Tax and Trade Bureau: Robert M Tobiassen, Chief Counsel; Gail H Davis, Chief, International Trade Division</p> <p>Distilled Spirits Council of the United States (DISCUS): Dr Peter H Cressy President and Chief Executive; Lynne J Omlie, Senior Vice President, Secretary & General Counsel, Office of General Counsel; Deborah A Lamb, Senior Vice President, International Issues & Trade</p> <p>Department of Justice, Bureau of Alcohol, Tobacco, Firearms and Explosives: Jerry D Bowerman, Chief, Alcohol & Tobacco Diversion Branch and Patrick M Hoover, ATF Specialist, International Programs Branch</p> <p>Diageo Global Supplies: Mark T Baker, Director, International Trade Affairs; Sue Zolnick, Corporate Administrator/Quality Manager; Keith Swinson, Production Manager</p>
21-22 June 2004	Dungavel and Maryhill	<p>Dungavel Removal Centre: Ella Lyle, Contract Monitor</p> <p>Westercommon Resource Centre</p> <p>Participants/Visitors:</p> <p>Dawn Corbett – Glasgow City Council</p> <p>Brian O’Hara and Margaret McDonald – NASS Support Team</p> <p>Catherine Shields – Maryhill Integration Network</p> <p>Ian Duncan – Scottish Refugee Council</p>

13 September 2004	Glasgow	<p>Mary Senior – STUC</p> <p>Philip Ford – New Glaswegians, Glasgow Chamber of Commerce</p> <p>Kate Davidson – Institute of Contemporary Scotland, Bridges Project</p> <p>Ofcom:</p> <p>Vicky Nash, Director</p> <p>Alan Stewart, Head of Broadcasting and Telecommunications</p> <p>Clair Mack, External Relations Executive</p> <p>Also met other members of staff, including Alan Fletcher, Irene Hallet, Lesley McChristie and Denise Grant</p>
15-16 November 2004	Dounreay	<p>Fiona Ballantyne, Consumer Panel Member for Scotland</p> <p>Colin Gregory, Head of Director’s Support Office</p> <p>Mark Liddiard, Senior Project Manager – Environmental Projects</p> <p>Mike Brown, Senior Project Manager – DFR Projects</p> <p>Alan Scullion, Senior Project Manager – Waste & Fuels Management Projects</p> <p>Colin Punler, Senior Manager</p> <p>Marie Mackay, Dounreay Assistant Communications Officer</p>
13 December 2004	Grangemouth	<p>BP Complex, Grangemouth</p> <p>Robin McGill, Director of the Grangemouth Complex</p> <p>Russell Gray, T&G Chemicals Branch Convenor and Mark Lyon, Joint Trades Union Convenor, Oils and Exploration Group and other Trade Union Representatives</p> <p>Grangemouth Leadership Team</p>

Formal minutes

Tuesday 25 January 2005

Members present:
Mrs Irene Adams, in the Chair

Mr David Hamilton
Ann McKechin

Mr John Lyons
John Robertson

The Committee deliberated.

Draft Report (Work of the Committee in 2004), proposed by the Chairman, brought up and read.

Ordered, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1–33 read and agreed to.

Annexes agreed to.

A Paper was ordered to be appended to the Report.

Resolved, That the Report be the First Report of the Committee to the House.

The Committee deliberated further.

[Adjourned till Tuesday 1 February at 2.00 pm

Appendix

Memorandum submitted by the Scotland Office

This memorandum provides information in relation to Winter Supplementary Estimate for the Administrative Costs of the Scotland Office and the Grant to the Scottish Executive.

This memorandum should be read in conjunction with the Grant table at Annex A

Introduction

1. This Supplementary Estimate is required for the following purposes:

RfR 2: Overseeing the effective operation of the devolution settlement in Scotland and representing the interests of Scotland within the UK Government

Increases (excluding Token Estimates):

- Take up of End-Year Flexibility

1. Programme

£500,000,000

take up of EYF to fund spending commitments in the current financial year.

- Transfers from Central Funds

1. N/A

- Transfers from non-voted spending

1. N/A

Transfers from other government departments

1. Transfer of Funding

£10,033,000

transfer from the Home Office in respect of the Scottish Executive share of the costs of the Airwave police communication system. Airwave will provide all force in Scotland, England and Wales with a national, digital mobile radio communications service at the cutting edge of 21st century communication.

2. Transfer of funding

£100,000

transfer from the National Assembly of Wales in respect of its contribution to the recent Commonwealth Conference of Education Ministers

3. Transfer of funding

£1,059,000

transfer from the Department of Work and Pensions in respect of the Sure Start initiative.

4. Transfer of funding

£73,000

transfer from Department of Health to assist with the costs of publicity material to inform Scottish patients about help with health costs.

5. Transfer of funding

£2,751,000

transfer from Department of Health for the net costs of Out of Area Treatment (OATS). Routine annual transfer of funding to take account of the costs of residents of one country being treated in hospitals in the other.

· Other increases

1. DEL Reserve claims

£649,000

reserve claim to cover increase in non-cash costs for Loch Lomond & Trossachs and Cairngorms National Parks.

2. Increase in forecast AME

£146,711,000

increase to take account of revised estimates of NHS and Teachers pension schemes.

3. Increase in forecast AME

£187,000,000

increase to take account of revised estimates of Central Government subsidy to Local Authority housing.

Decreases:

· Transfers to non-voted spending

1. N/A

· Transfers to other government departments

1. Transfer of funding

£84,597,000

transfer to Department of Work and Pensions for Housing/Council Tax benefit subsidy funding. DWP are taking over responsibility for fully funding HB/CTB from 2004-05.

Currently it is part funded through a 5.5% subsidy which is paid to councils by the Scottish Executive through RSG.

2. Transfer of funding

£109,000

transfer to ODPM for Housing Employment Mobility Schemes.

3. Transfer of funding

£47,000

transfer to the Department of Health - Scottish contribution to High Security Infectious Diseases Units.

4. Transfer of funding

£250,000

transfer to the Department for Environment, Food and Rural Affairs - Scottish Executive's contribution to the Government Decontamination and Recovery Service.

5. Transfer of funding

£1,112,000

transfer to the Ministry of Defence for the repatriation of funds for the National Meteorological Service and National Severe Weather Warning System.

· Other decreases

1. Reduction in funding from other sources

£28,832,000

reduction for changes in funding from other sources and cash to accruals adjustments.

Neutral changes (including Token Estimates):

· Increased spending offset by income

1. N/A

· Token Estimates

1. N/A

· Transfers within the RfR

1. A redistribution of £160,000 from the Administrative costs of the Scotland Office to the Commission on Boundary Differences and Voting Systems in Scotland.

Annex A

GRANT PAYABLE TO THE SCOTTISH CONSOLIDATED FUND

	Main Estimate £m	Changes in Winter Supp £m	Latest position £m
Expenditure Classified as DEL	21,576	429	22,005
Expenditure Classified as AME	2,197	203	2,400
Non Domestic Rates Income	1,874	0	1,874
Total Managed Expenditure	25,647	631	26,279
add:			
Repayments of principle of existing (pre 1 April 1999) debt to National Loans Fund	10	0	10
Student Loans	185	0	185
Housing Stock Transfers	0	0	0
	<u>195</u>	<u>0</u>	<u>195</u>
less:			
Supported Borrowing by Local Authorities	290	0	290
Non Domestic Rates Income	1,874	0	1,874
European Structural Funds Receipts (ESF & ERDF)	147	0	147
National Insurance Fund Payments towards Scottish National Health Service	1,406	0	1,406
Intervention Board receipts supporting expenditure in DEL	14	0	14
Rural Payments Agency receipts supporting expenditure in AME	400	0	400
Non Voted expenditure	12	0	12
	<u>4,142</u>	<u>0</u>	<u>4,142</u>
Cash to accruals adjustments			
Depreciation	156	1	157
cost of capital	681	56	737
movement on working capital	0	0	0
transfers and net movements on provisions	7	0	7
Resource to cash adjustments for NDPBs	55	-28	27
Impairments	20	0	20
	<u>919</u>	<u>29</u>	<u>948</u>
Grant payable to Scottish Consolidated Fund	20,781	603	21,383