



House of Commons
Scottish Affairs Committee

**Spring Supplementary
Estimate 2007:
Explanatory
Memorandum by the
Scotland Office**

*Ordered by The House of Commons
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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

Mr Mohammad Sarwar MP (*Labour, Glasgow Central*) (Chairman)
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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 Gordon Clarke (Clerk), Sarah Hartwell-Naguib (Second Clerk), Diane Nelson (Committee Assistant) and Camilla Brace (Secretary).

Contacts

All correspondence should be addressed to the Clerk of the Scottish Affairs Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 6295; the Committee's email address is scotaffcom@parliament.uk.

Spring Supplementary Estimate 2007: Explanatory Memorandum by the Scotland Office

This memorandum provides information in relation to the Spring Supplementary Estimate for the Scotland Office. The provision for the Scotland Office (including the Grant to the Scottish Executive) is carried as a separate Request for Resources on the Main Estimates for the Department for Constitutional Affairs.

Supplementary Expenditure Details

In the Supplementary, the DEL provision for the administration of the Scotland Office (which is ring fenced within the overall Department for Constitutional Affairs (DCA) DEL) will be increased by £76,000 from £6,499,000 to £6,575,000, to take account of the transfer from the Scottish Executive to cover a change in their IT PC recharging policy.

The supplementary also accounts for the non-voted provision for the 2007 Scottish Parliamentary Election costs of £19,000,000. This is funded by:-

- Take up of Scotland Office end year flexibility (EYF) to pay for their share of the e-counting costs of £3,000,000; and
- A transfer from the Scotland DEL of £16,000,000.

Also included in the Supplementary, the Scotland DEL (net of depreciation & impairments) will be reduced by £1,585,000 from £24,953,534,000 to £24,910,776,000. This includes:

- i. take up of EYF by the Scottish Executive of £16,000,000;
- ii. £17,585,000 in reserve claims and transfers as detailed below;
- iii. a reserve claim transfer of £91,000 for take up of PBR 2006 Budget Consequentials.
- iv. a transfer of £1,600,000 to the Department of Health for the Healthy Start Funding;
- v. a transfer of £16,000,000 to the Scotland Office for the funding of the 2007 Scottish Parliament Election; and
- vi. a transfer of £76,000 to the Scotland Office for IT PC Recharge.

Changes to the AME:

- i. additional provision of £18,057,000 for NHS and Teachers Pension Schemes;
- ii. reduction in provision of £20,126,000 for Student Loans; and
- iii. reduction in provision of £346,000 for Central Government subsidy to local authority housing.

Non-budget items:

- i. additional provision of £52,440,000 for Housing Stock Transfers in respect of Argyll & Bute and East Dunbartonshire Debt Redemption; and
- ii. a reduction in funding of £227,758,000 for changes in funding from other sources and cash to accrual adjustments.

There is no change to the Net Cash Requirement or the grant to the Scottish Consolidated Fund.

A Grant reconciliation table is attached at Annex A

20 February 2007

GRANT PAYABLE TO THE SCOTTISH CONSOLIDATED FUND

£ million	Position at Winter Supplementary Estimate	Spring Supplementary Changes	Position following Spring Supplementary
Expenditure Classified as DEL	25,373.821	-1.585	25,372.236
Transfers			
Add:			
Take up of EYF		16.000	
Trans to DH		-1.600	
Trans to SO		-16.076	
Take up of PBR 2006 budget consequentials		0.091	
Expenditure Classified as AME	2,605.109	-2.415	2,602.694
Add:			
Decrease in Student Loans		-20.126	
Decrease in CG Subsidy to LA Housing		-0.346	
Increase in NHS Pensions (Scotland)		11.774	
Increase in Teachers Pensions (Scotland)		6.283	
Non Domestic Rates Income	1,883.769	0.000	1,883.769
Total Managed Expenditure	29,862.699	-4.000	29,858.699
Add:			
Repayments of principle of existing (pre 1 April 1999) debt to National Loans Fund	10.000	0.000	10.000
Police Loan Charges	0	14.708	14.708
Housing Stock Transfers	55.138	52.440	107.578
	65.138	67.148	132.286
Less:			
Supported Borrowing by Local Authorities	297.713	0.000	297.713
Non Domestic Rates Income	1,883.769	0.000	1,883.769
National Insurance Fund Payments towards Scottish National Health Service	1,405.546	226.571	1,632.117
Non Voted expenditure	11.500	0.000	11.500
	3,598.528	226.571	3,825.099
Cash to accruals adjustments			
Depreciation	400.287	34.805	435.092
cost of capital	849.453	-0.245	849.208
movement on working capital	0.010	0.000	0.010
transfers and net movements on provisions	25.000	15.100	40.100
Resource to cash adjustments for NDPBs	59.306	-44.206	26.368
Impairments	20.000	6.368	26.368
Resource to cash adjustments for NHS and Teachers Pensions	2,085,175	-10.635	2,074,540
*Student Loans Debt Sale Subsidy	0	0	0
	3,439.231	1.187	3,440,418
Grant payable to Scottish Consolidated Fund	22,890.078	-164.610	22,725.468

*reclassified as AME