

# Mock up example of Supplementary Estimates memorandum (2020-21) for Scotland, Wales and Northern Ireland Offices) (revised December 2020)

The mock up example below relates to **Scotland, Wales and Northern Ireland Offices' Main Estimates** memoranda and should be looked at in conjunction with the relevant guidance for those offices. A separate mock up is available for these offices' Main Estimates memoranda, and separate guidance and mock ups are available for other types of department. While the examples given below are for the financial year 2020-21 the actual numbers, explanations and context are either fictitious or based on past Estimates - they DO NOT reflect actual requests for funding or outturn in any particular year.

## 1 Overview

### 1.1 Objectives

The key purpose of the Scotland Office remains to support the Secretary of State for Scotland in promoting the best interests of Scotland within the United Kingdom. We act as custodians of constitution arrangements and in particular the devolution settlement. Moreover, we represent distinct Scottish interests within Government and support the rest of the Government on Scottish matters as well as representing the UK Government's policies and achievements in Scotland.

The Scotland Office is also responsible, through its estimate for payover of cash to the Scottish Consolidated fund in support of spending by the Scottish Government.

### 1.2 Spending controls

Scotland Office's Estimate is broken down into a number of discrete elements, for which Parliament's approval is sought separately.

The spending totals which Parliament votes are:

For Scotland Office itself:

- Resource Departmental Expenditure Limit ("**Resource DEL**"); the day-to-day running costs of the Office
- Capital Departmental Expenditure Limit ("**Capital DEL**"): - investment in infrastructure of the Office

For the Scottish Government

- **Non-budget** expenditure-cash payments to the Scottish Consolidated Fund. This includes cash payments to support spending by the Scottish Government and Parliament, including payover of the Scottish rate of income tax.

In addition, Parliament votes a net cash requirement, designed to cover both the cash required to cover Scotland Office's own DEL spending, and the cash grant to the Scottish Consolidated Fund.

## 2 Scotland Office

### 2.1 Comparison of spending totals sought

The table and graphic below show how the totals sought for the Scotland Office only compares with last year:

Spending total Amounts sought this year (Supplementary Estimate 2020-21)		Difference (+/-) compared to original budget this year. (Main Estimate 2020- 21)		Difference (+/-) compared to final outturn last year (2019-20)	
		£ m	%	£m	%
Scotland Office: Resource DEL	£24 m	+£14.5 m	X%	+£16m	A%
Scotland Office: Capital DEL	£0.05 m	+£0.03m	Y%	+£Qm	B%

### 2.2 Key drivers of spending changes since last year

The main causes of the changes in Scotland Office's Resource DEL are:

- Election expenses of £15m are required in 2020-21 that were not required last year.

### 2.3 Spending trends: Scotland Office

Scotland Office, £ million	2018/19	2019/20	2018/19	2019/20	2020/21
Admin costs	9.8	9.5	9.3	9.1	23.5
Other costs	0.5	0.5	14.2	0.4	0.5
Total Resource DEL	10.3	10.0	23.6	9.5	24.0
Capital DEL	0.01	.01	0.01	0.01	0.05
Less depreciation and impairments	*	*	*	*	*
Total DEL	10.3	10.0	23.6	9.5	24.0

\*less than 0.01

## 2.4 Administration costs and efficiency plans

Administration costs are set to rise by xx% in 2021-22 compared to last year's final budget.

<b>Spending total</b> <b>Amounts sought this year</b> <b>(Supplementary Estimate 2020-21)</b>		<b>Difference (+/-) compared to original budget this year.</b> <b>(Main Estimate 2020-21)</b>		<b>Difference (+/-) compared to final outturn last year (2019-20)</b>	
		<b>£ m</b>	<b>%</b>	<b>£m</b>	<b>%</b>
Administration costs	23.5m	+14.4m	X%	+14.6m	Y%

The additional costs support the additional costs of dealing with Covid-19.

### 3. Payments to Scottish Consolidated Fund

#### 3.1 Comparison of cash to be paid over

The table below shows how the total proposed cash funding to the Scottish Consolidated Fund- which provides funding for the Scottish government - compares with last year:

<b>Spending total Amounts sought this year (Supplementary Estimate 2020-21)</b>		<b>Difference (+/-) compared to original budget this year. (Main Estimate 2020- 21)</b>		<b>Difference (+/-) compared to final outturn last year</b>	
		<b>£ m</b>	<b>%</b>	<b>£m</b>	<b>%</b>
Scottish consolidated Fund: Non-budget expenditure	£31,074.1m	+£X m	+Z%	+B m	C%

#### 3.2 Key drivers of changes in levels of cash to be paid over since last Estimate

[Additional/reduced funding by the UK government is provided as a result of the devolution of [spending/taxation] powers this year for the first time.]

Additional funding is also provided in 2020-21 for the Scottish Consolidated fund as a result of:

- Decisions by the UK Government to spend more or less than last year on certain activities, where the Scottish government receives its share of this change in respect of devolved functions, through the Barnett formula. In particular, higher funding has been made available in 2021-22 for the NHS in England, and less for business support schemes than last year
- Additional funding provided by the UK Government for city Deals in City A and City B.
- Additional funding to support business and individuals as a result of the Covid-19 pandemic

### 3.3 Cash grant payable to Scottish Consolidated Fund

The Scotland Office Estimate allows for the payment of a cash grant to the Scottish Consolidated Fund. This expenditure is shown in Section C of the of Scotland Office Estimate under the heading “non budget expenditure”. All expenditure by the Scottish Government is charged to the Scottish Consolidated Fund.

A summary of how the amount of how the amount of cash payable is derived is shown below.

More detail of how the item “Scottish block grant” is calculated, including Barnett consequentials since the Spending Review, is given in Excel Annex A, which forms part of this memorandum.

£ million	sub total	2020-21 total
Scottish block grant	21,935.8	
UK government funded AME	5,184.2	
Expenditure funded by Scottish taxes	12,416.7	
expenditure financed by capital borrowing	450.0	
non domestic rates	2,853.0	
<b>subtotal (TOTAL MANAGED EXPENDITURE)</b>	<b>42,839.7</b>	<b>42,839.7</b>
<i>plus:-</i>		
Repayments of principal to National loans fund of pre 1999 loans to former Scottish Water authorities	46.7	
Police loan charges	3.6	
movement in creditors/debtors	100.0	
<b>sub total</b>	<b>150.3</b>	<b>150.3</b>
<i>less:</i>		
Non domestic rates income	2,853.0	
National insurance fund payments towards Scottish National Health Service	2,213.5	
<b>sub total</b>	<b>5,066.5</b>	<b>-5,066.5</b>
<i>less: Fiscal Framework transactions (Scotland Act 2016)</i>		
Taxes collected by Scottish government	747.0	
Repayment of principal of loans	-14.3	
Scottish income tax	11,684.0	
Capital borrowing	450.0	
<b>sub total</b>	<b>12,866.7</b>	<b>-12,866.7</b>

<i>less: cash to accruals adjustments</i>		
depreciation (SG funded)	872.9	
depreciation (UK funded AME)	0.0	
Impairments (SG funded)	272.5	
Impairments (UK funded AME)	100.0	
Resource to cash adjustments for NHS and teachers' pensions (UK funded AME)	4,603.8	
Payments related to release of provisions	-100.0	
Other cash to accruals adjustments (UK funded AME-student loans)	-82.5	
<hr/> sub total	5,666.7	-5,666.7
<hr/> CASH GRANT PAYABLE TO SCOTTISH CONSOLIDATED FUND		19,390.1
Payover of Scottish income tax collected by HMRC		11,684.0
TOTAL PAYMENTS TO SCOTTISH CONSOLIDATED FUND		31,074.1

Example Only

### 3.5 Control totals for the Scottish Government including breakdown by main programme of AME spending

#### Resource and capital DEL for Scottish Government

£m nominal	2020-21
RDEL	<b>17,445.0</b>
<i>of which:</i>	
<i>RDEL excluding depreciation*</i>	16,299.2
<i>depreciation ring fence in RDEL</i>	907.8
<i>student loans ring fence in RDEL</i>	238
CDEL	<b>4,490.8</b>
<i>Of which:</i>	
<i>General CDEL</i>	3,971.8
<i>Ring-fenced Financial Transactions</i>	519

\*includes block grant adjustment for tax devolution of £12,195 million

In addition, the Scottish Government are forecasting Annually Managed Expenditure of 20,918.2 million in the following areas:

<b>Programme</b>	<b>2020-21</b>
	<b>£m</b>
<b>UK Government Funded AME</b>	
Student Loans	397.5
NHS Pensions (Scotland)	3,011.8
Teachers Pensions (Scotland)	1,674.5
NHS Impairments	100
Other	0.4
<i>Sub total</i>	<i>5184.2</i>
<b>Scottish Government AME</b>	
Expenditure financed by Non Domestic Rates	2,853.0

Expenditure financed by Scottish Land & Buildings Transaction Tax	643.0
Expenditure financed by Scottish Landfill Tax	104.0
Expenditure financed by Scottish Income Tax	11,684.0
Expenditure financed by Scottish Government Borrowing	450.0
<i>Sub total</i>	<i>15,734.0</i>
<b>TOTAL</b>	<b>20,918.2</b>

Example only



### 3.7 Trends: Scottish Government spending 2016-17 to 2020-21

The table below shows trends in Scotland's DEL funding from the UK government over five years.

<b>SCOTTISH DEL FUNDING</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	£ million
Resource DEL (before adjustment)	26,934.3	26,874.5	27,934.2	27,966.4	29,283.2	
Capital DEL	3,163.5	3,246.2	3,634.2	3,899.3	4,491.0	
<i>less depreciation and impairments</i>	-906.7	-1,105.20	-1,145.30	-726.00	-100.00	
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total DEL before block grant adjustments	29,191.2	29,015.5	30,423.2	31,139.7	33,674.2	
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<i>less Block Grant Adjustment</i>	-600.0	-5,500.0	-12,540.0	12,473.5	11,838.2	
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total DEL after block grant adjustments	28,591.2	23,515.5	17,883.2	18,666.2	21,836.0	

## 4. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.

[Signed]

Jane Smith

Accounting Officer

[Position]

1 February 2021

NOTE: in addition, ANNEX A forms part of this memorandum and the Accounting Officer's approval and is provided as an accompanying document in excel.