



The Scottish
Government

SCOTTISH BUDGET DRAFT BUDGET 2010-11

WEALTHIER & FAIRER



SMARTER



HEALTHIER



SAFER & STRONGER



GREENER



SCOTTISH BUDGET
DRAFT BUDGET 2010-11

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FOREWORD BY THE CABINET SECRETARY FOR FINANCE AND SUSTAINABLE GROWTH

In shaping the draft Scottish budget in 2010-11 for consultation with the Parliament and the people of Scotland, the Scottish Government has had to deal with a fundamentally different financial landscape. The Scottish Government's Departmental Expenditure Limit Budget for 2010-11 will reduce in real terms by 0.9% compared to this year. This is the first real terms cut in the Scottish Budget since devolution. The table below illustrates the year on year position.

Scottish Government Total DEL	2009-10	2010-11	% change
Real Terms (2009-10 prices)	29,535.1	29,266.8	-0.9

In the midst of the economic recession, we argued for the acceleration of capital expenditure to assist the economy and retain employment. This has been secured and has benefitted the economy. But now, with recovery not yet underway and its timing still uncertain, our Budget will fall as a result of the need to repay that accelerated capital expenditure.

Coupled to this we have to deal with the Chancellor's decision to reduce the resources available to Whitehall Departments which in turn, through the HM Treasury's Barnett formula, reduces the funding for Scotland. This results in a reduction in our Budget by a further £500 million.

At a time when we should be focusing on recovering from economic recession, this financial settlement runs the danger of hindering that recovery.

If we want to support economic recovery, we need to build on the good work already underway as a result of accelerated capital spending and not

stall it through budget cuts in 2010-11. The Chancellor can use his Pre-Budget Report this autumn to allow us to accelerate money into 2010-11, just as we have done this year, and go on supporting thousands of jobs across Scotland in these tough economic times. Without any further acceleration of capital expenditure, we will see steep falls in the resources available for housing, transport and other infrastructure activity that is essential to safeguard jobs and recovery.

As a responsible Government we have therefore had to face difficult choices about where to reduce planned spending next year. We will meet this challenge while continuing to work with our partners to achieve our priorities.

In meeting this challenge, our approach has been to protect programmes that matter most to the people of Scotland - spending on frontline public services; on our economic recovery plan, including support for hard pressed businesses; and on programmes that help protect households at a time of economic hardship. In taking this approach we are reaffirming our commitment to delivering our Purpose: to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

We are delivering sustained investment in Scotland's health service, prioritising frontline services and maintaining the fight against Hospital Acquired Infection. We are ensuring that Scotland is well prepared to respond to the influenza A(H1N1) pandemic, as well as maintaining the delivery of major public health programmes, including on alcohol misuse. We will continue to reduce prescription charges towards complete abolition in 2011.

We are maintaining our investment in the industries and new technologies of the future. We are supporting the further and higher education sector and investment in skills. We are providing the resources to continue to freeze the unfair council tax and maintaining our school building programme. And we will also continue to prioritise spending on action to combat climate change.

Our approach also ensures that money is available to meet commitments given in previous budgets such as increasing police numbers, additional investment in Modern Apprenticeships and the insulation programme. It also provides for unavoidable spending pressures - for example, unitary charge payments in respect of Schools PPP projects for which contracts were signed some years ago, increased teacher pension costs and resources to meet higher costs of police and fire pensions due to valuation decisions and court rulings.

We propose to meet these budget pressures by ensuring appropriate and adequate resources are available to all portfolios within the reduced total that is available. There are three additional actions we will take.

First, our Scottish Government Administration budget will be cut by £14 million in 2010-11, because we recognise in asking others to save money we should be prepared to rein back our own spending.

Second, we are asking local government to take their pro-rata share of the Chancellor's cuts. Scottish local authorities have indicated that they are prepared to manage within these reduced spending totals, and to approach the resultant challenges - which will be significant - in a spirit of partnership. We welcome local government's approach of placing the welfare of service users in Scotland at the heart of the agenda.

Third, additional resource savings will be found by reducing spending on a number of projects and programmes. These have been selected to minimise their impact on our immediate priorities and include giving up £20 million set aside next year to prepare for the introduction of a local income tax and a reduction in our Strategic Communications (formerly Advertising and Marketing) budget.

We can take some measures to mitigate the challenge on capital by drawing down all of our unspent end-year flexibility balances held by HM Treasury. This will assist in providing a cushion to the consequential reduction for Scotland of the UK Department of Health capital baseline reduction in 2010-11. But that will only apply for one year and the Government must act now to ensure the capital budget is sustainable in the years to come.

To do this we have therefore reluctantly decided also to cancel the Glasgow Airport Rail Link (GARL) project - a project that lasts for some years. We will however support financially other measures to improve public transport in Glasgow to address connections to the Southern General Hospital and the Commonwealth Games.

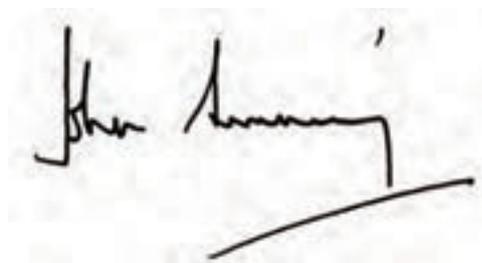
A Budget that involves a real terms cut in public spending in Scotland requires all parts of the public sector to reassess how best we can deliver the services the public expect and deserve. We believe that this is a challenge that can be met successfully. The Scottish public sector already has an excellent record of setting and meeting challenging efficiency targets. Of course success in the past means progressively greater difficulty in achieving further reductions in future. However, sharply lower general inflation rates since budgets were first proposed in 2007 will provide some help. We want to work with public bodies, leaders and staff

to ensure that we address the task of making these externally-imposed savings with minimum impact on service users and on the people of Scotland.

We recognise that under the normality of Independence or if the UK Government were to agree to implement the Calman Commission's recommendation that the Scottish Government be given ability to borrow - as seemed at one time to be a likely outcome - there would be no need to cancel or postpone projects and we could accelerate capital investment.

These changes have been selected to minimise the impact on people in Scotland and they will be implemented in collaboration with our partners across the Scottish public sector as we pursue our key objectives of investing in frontline services and supporting economic recovery.

We face this challenge with a draft Budget, recognising that we must work with other parties in Parliament to secure a Budget next spring that commands the support of Parliament. We have made clear our willingness to engage constructively with other parties to secure this agreement and I reiterate that we will do so.

A handwritten signature in black ink, appearing to read 'John Swinney', with a long horizontal line underneath.

John Swinney MSP
Cabinet Secretary for Finance and Sustainable Growth.
September 2009

INTRODUCTION

The Scottish Government's Purpose

When we published the Scottish Government's Budget for 2008-11 on 14 November 2007, we set out an over-arching Purpose to which all Government activity is directed and contributes:

To focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

The Purpose continues to provide a clear focus for all our spending priorities over the term of this Parliament. Our aim is to achieve sustainable economic growth to provide prosperity and opportunities for all and ensure that future generations can enjoy a better quality of life.

While no-one at the time of the 2007 Spending Review could have foreseen the severe deterioration in economic conditions that we have witnessed, our clear focus on the Purpose will ensure that we emerge from the recession and meet the challenges in 2010-11 and beyond.

The Scottish Government's budget plans for 2010-11 remain focused on economic recovery, pressing ahead with our commitments to: support jobs and our communities; strengthen education and skills; and invest in innovation and the industries of the future.

These are commitments that have consistently been at the heart of this Government's approach since the 'Government Economic Strategy' was published in November 2007. That Strategy is more relevant now than it has ever been.

Although we have experienced a dramatic change in economic circumstances, the benefits from delivering the Purpose will continue to be shared by all of Scotland's people, helping us to realise the considerable potential of our nation and our people by:

- generating greater and more widely shared employment;
- creating more highly skilled and better paid jobs;
- providing better quality goods, services, choice and opportunities;
- nurturing a self-sustaining and ambitious climate of entrepreneurial advance;
- encouraging economic activity and investment across Scotland, thereby sharing the benefits of growth;

- encouraging a culture of confidence and personal empowerment to Scotland; and
- securing a high quality environment today and sustainable legacy for future generations.

We continue to work to a set of five Strategic Objectives designed to support the Purpose and to which all policies and resources are aligned.

WEALTHIER & FAIRER - enabling businesses and people to increase their wealth and more people to share fairly in that wealth

SMARTER - expanding opportunities for all in Scotland to succeed from nurture through to life long learning, providing a good foundation to higher and more widely shared achievements

HEALTHIER - helping people to sustain and improve their health, especially in disadvantaged communities leading to better, local and faster access to health care

SAFER & STRONGER - supporting local communities to flourish, becoming stronger, safer places to live and offering more opportunities and a better quality of life

GREENER - improving Scotland's natural and built environment and the sustainable use and enjoyment of it

These Strategic Objectives will be delivered through five Strategic Priorities, which set out the areas where the Government will concentrate its actions - and its spending - in achieving the Purpose:

- enhancing learning, skills and wellbeing;
- creating a supportive business environment;
- developing infrastructure and place;
- promoting effective government; and
- ensuring equality.

Our progress in delivering the Purpose will be measured by a set of seven targets, which include solidarity, cohesion and sustainability as central principles that guide our actions and delivery. This progress can be followed on Scotland Performs, the Government website launched in June 2008 to monitor and communicate how Scotland is doing in pursuit of the Purpose. Over time, Scotland Performs will show how we are making progress on the Purpose, the targets and the wider range of national outcomes and indicators, all part of our National Performance Framework

which will allow the people of Scotland to track the changes that this Government's spending plans are focused on creating.

2010-11 Spending Plans

The spending plans for 2010-11 will, subject to Parliamentary consideration, form the basis for the Budget Bill for 2010-11 which will be laid before Parliament in January 2010.

Against the backdrop of a recession and the fact that we face a real terms cut in our Departmental Expenditure Limit, we are working harder than ever to ensure that we invest in our priorities and stimulate a strong recovery.

Since the publication of the latest spending plans for 2010-11 in the 2009-10 Draft Budget document we have seen a significant reduction in the resources we expected to have available to us as a result of decisions taken by the Westminster Government.

In addition, action taken to accelerate capital expenditure resulted in spending of £53m in 2008-09 and £294m in 2009-10 being brought forward to provide a much needed boost to our construction industry. However, that money is not available to us in 2010-11 and our capital budget is decreased by £347m accordingly.

The Chancellor, as part of his UK budget announcement in April 2009, confirmed that spending decisions by the Westminster Government would result in a decrease in the Scottish budget for 2010-11 by approximately £500m. This is made up of a reduction of £392m of resource budget cuts resulting from a decision by the UK Government to impose a further £5 billion savings on Whitehall Departments and a reduction of £129 million capital because of a £1.3 billion cut to the Department of Health capital budget; offset by a small sum of £8m resource and £16m in capital consequentials.

We are not passing on any of the capital reductions to the NHS in Scotland. We intend to mitigate some of the impact of these reductions by drawing down a further £129m of Scotland's accumulated underspend, over and above that agreed as part of the CSR07 settlement, in order to offset the reduction in the health capital baseline. As a result of our prudent management of Scottish public spending over the last 2 years, this will require a modest underspend during 2009-10.

The element of our expenditure funded on the basis of the Barnett Formula is the Departmental Expenditure Limit (DEL). Total DEL in 2010-11

amounts to £29,712m (£29,266.8m in 2009-10 prices)- a decrease on our original plans of over £700m.

The impact of these changes is illustrated in the following table;

Table 1: Comparison of Planned and Actual 2010-11 Spending Totals (DEL)

2010-11 DRAFT BUDGET	DEL Original total £m	Budget changes £m	DEL Revised resource £m	DEL Revised capital £m	DEL Revised total £m
Scottish Government	30,301.9	-703.7	26,399.7	3,198.5	29,598.2
Scottish Parliament and Audit	116.6	-2.4	111.2	3.0	114.2
	30,418.5	-706.1	26,510.9	3,201.5	29,712.4

The Scottish Government Total Managed Expenditure (TME) now amounts to £35 billion in 2010-11. This is also a real terms terms reduction on 2009-10.

Table 2: Total Proposed Budget for 2010-11

2010-11 DRAFT BUDGET	DEL resource £m	DEL capital £m	DEL total £m	AME & Other £m	Total £m
The First Minister	266.6	28.3	294.9	0.0	294.9
Finance and Sustainable Growth	1,768.8	949.3	2,718.1	3,165.4	5,883.5
Health and Wellbeing	10,960.4	873.9	11,834.3	55.0	11,889.3
Education and Lifelong Learning	2505.9	211.0	2,716.9	135.0	2,851.9
Justice	1,036.0	179.0	1,215.0	0.0	1,215.0
Rural Affairs and the Environment	559.0	69.6	628.6	0.0	628.6
Administration	252.2	10.0	262.2	0.0	262.2
Crown Office and Procurator Fiscal	112.0	7.2	119.2	0.0	119.2
Local Government	8,938.8	870.2	9,809.0	2,076.3	11,885.3
Scottish Government	26,399.7	3,198.5	29,598.2	5,431.7	35,029.9
Scottish Parliament and Audit	111.2	3.0	114.2	0.0	114.2
Total Scotland	26,510.9	3,201.5	29,712.4	5,431.7	35,144.1

The total proposed budget of £35,144.1 million is £767.7 million less than the equivalent figure of £35,911.8 million published last year in *Scottish Budget: Draft Budget 2009-10*. This decrease is accounted for by the DEL budget reductions outlined earlier and a reassessment of items which are classified as Annually Managed Expenditure.

We have been required to reduce our DEL expenditure plans by over £700m and create the headroom to meet unavoidable new commitments, such as unitary charge payments in respect of Schools PPP and the extra costs of police, fire and teacher pensions.

However, in doing so, we have ensured that key policies in relation to economic recovery, the protection of individuals, health and wellbeing, education and the environment have been protected. This includes the range of commitments we are delivering in partnership through the Concordat with Local Government. It also means focusing investment on frontline services, including on our first class health service; on learning and skills; on a stronger police presence and reform of our justice system; and on investment in renewables and much needed action to tackle Climate Change.

This leaves a prudent level of budget over-allocation for 2010-11 of around £100m, at the same level as was successfully managed in 2008-09.

Carbon Assessment of the Draft Budget

In accordance with the undertaking made in Parliament a Carbon Assessment of the 2010-11 Draft Budget is being published for the first time alongside this document. Full details can be found at www.scotland.gov.uk.

A more effective government

The drive for more effective government is underpinned by the Efficient Government Programme for 2008-11. This programme provides a commitment to deliver increasing 2 per cent cash-releasing efficiencies each year over the three years of the programme. The majority of efficiency gains are expected to be delivered by business process improvement, more effective management of public assets and the transformation of Public Sector delivery, including improved collaborative procurement and shared services.

In monetary terms, this means that across 2008-11, £3.2 billion of taxpayers' money will be re-targeted to support programmes and policies which are delivering against our five Strategic Objectives.

Updated Efficiency Delivery Plans, detailing all projects identified to date, were published in April 2009. In the first year of the programme efficiencies of over £600m were identified against a target of £534m and the latest plans identify potential savings for 2009-10 of £1,097m against a target of £1,069m. The 2008-09 outturn will be confirmed in October and at the same time, we will publish further delivery plans.

Equality

The successful delivery of our Purpose and economic targets also depends on our ability to promote greater equality and to tackle the barriers which restrict individuals and communities from reaching their potential and flourishing. The policies and spending decisions we take are focussed on achieving our economic purpose and delivering on our strategic objectives and national outcomes.

We need to ensure that the skills and attributes of all of us are valued and that Scotland can benefit from the diversity of our population. No-one should be denied opportunities because of their background, gender, race, disability, age, faith or sexual orientation. We are clear in our aim to tackle the inequalities in our society. This principle underpins the work of the Scottish Government and informs our activities. We are improving the integration of equality into our activities through the equality impact assessment process. We take our responsibilities under the statutory public sector equality duties seriously, not just because it is a legal requirement but because a more equal Scotland will contribute to a more successful Scotland.

This year we are producing an Equality Statement alongside the budget document. This will help to demonstrate how our budget contributes to advancing equality in Scotland.

Introduction of International Financial Reporting Standards (IFRS)

All UK Government Departments (including Devolved Administrations) and other public sector bodies will prepare IFRS compliant accounts from financial year 2009-10. A budgetary timetable for IFRS has been drawn up by HM Treasury which will enable the restatement of the Scottish Budget on an IFRS basis for both 2009-10 and 2010-11.

The budgets presented in this document remain on the basis of UK Generally Accepted Accounting Principles (GAAP) pending agreement of revised figures with HM Treasury, who have confirmed that budget changes resulting from the introduction of IFRS are intended to be spending power neutral. It is envisaged that revised budgets for 2009-10 will be presented to the Scottish Parliament at the 2009-10 Autumn Budget Revision while the Budget Bill for 2010-11 will restate the budget presented in this document on a full IFRS basis.

Scottish Variable Rate

In accordance with the agreement between the Scottish Government and the Parliament's Finance Committee on the budget process, the Scottish Government confirms that it will not use the existing tax varying powers in 2010-11.

Real Terms

Real terms figures have been calculated using the latest estimated GDP deflator published by HM Treasury of 1.5% in respect of 2010-11.

OFFICE OF THE FIRST MINISTER

Portfolio Responsibilities

The First Minister's portfolio supports business units across the Scottish Government delivering the five Strategic Objectives.

What the budget does

The First Minister's Portfolio is responsible for:

- Setting strategic direction across Scottish Government through effective collective decision-making; improved policy development, implementation and delivery; long-term strategic and analytical thinking; aligning public bodies to the Purpose and National Performance Framework;
- Policy on Europe and External Affairs, including the relationship between the Scottish and UK Governments, where the primary aim is to promote Scotland's interests and identity at home and abroad;
- Supporting the National Conversation and preparing for a referendum to give people a say on Scotland's future;
- Implementing the Government's policies on governance and democracy, in particular on elections and statutory underpinning of the partnership with local government;
- Developing and supporting a programme of Parliamentary business that delivers the Purpose and Objectives;
- Developing participative democracy by improving the engagement of civil society in policy development;
- Implementing the Government's policies on Freedom of Information;
- Enhancing the quality of life for Scotland's communities through maximising access to high quality cultural events and opportunities;
- Investing in Scottish Artists and Creators;
- Working with partners to maximise the capacity for growth of Scotland's creative industries and tourism sectors;
- Initiatives to promote the use and learning of Gaelic in Scotland;
- Promoting and protecting Scotland's historic environment; and
- Preserving and making available Scotland's national archives.

Historic Scotland and the National Archives of Scotland are Executive Agencies of the portfolio.

Statement of priorities

The priorities for the First Minister's portfolio in 2010-11 are delivery of the responsibilities set out above, in particular by:

- Supporting the establishment of Creative Scotland and ensuring the ongoing success of the diverse range of Scotland's cultural and creative bodies, including the national collections and national performing companies, and the continued growth of our creative industries;
- Providing improved access to the National Collections and increased tourism potential through funding commitments to the Royal Museum Project and the Scottish National Portrait Gallery Project;
- Increasing our budget for International Development work from £6m to £9m between 2009-10 and 2010-11, including £3m ring-fenced for Malawi;
- Contributing to work across the portfolio to promote diversity and equality by requiring organisations who apply for funding from the International Development fund to demonstrate how their organisations promote equality/diversity and where available, to send a copy of their equal opportunity policy;
- Contributing to the Government's population growth target by attracting fresh talent from other countries to live, learn and work in Scotland
- Ensuring that the funding for Gaelic is used effectively to create a secure future for the language;
- The Government will bring forward the Referendum Bill in 2010 to give people a say on Scotland's future. The detailed budgetary implications of the referendum will be published in the financial memorandum accompanying the Bill.

Table 1.01 Detailed spending plans (Level 2)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Europe and External Affairs	12.9	17.1
Culture and Gaelic	202.7	207.7
Corporate and Central Budgets	15.2	9.8
Historic Scotland	49.3	49.8
National Archives of Scotland	10.3	10.5
Total	290.4	294.9
Central Government Grants to Local Authorities	4.4	4.4

Table 1.02 Detailed spending plans (Level 2 real terms) at 2009-10 prices

	2009-10 Budget £m	2010-11 Draft Budget £m
Europe and External Affairs	12.9	16.8
Culture and Gaelic	202.7	204.6
Corporate and Central Budgets	15.2	9.7
Historic Scotland	49.3	49.1
National Archives of Scotland	10.3	10.3
Total	290.4	290.5
Central Government Grants to Local Authorities	4.4	4.3

Budget changes

As a result of the cuts imposed by the Chancellor, the Office of the First Minister Portfolio spending plans for 2010-11 have been reduced by £9.7m. Our determination has been to focus resources on the frontline, and this has been supported by a £5.8 million reduction in the central marketing and advertising budget.

Our spending plans also include the following changes made since the publication of *Draft Budget 2009-10*:

Transfer of £2.5m in 2009-10 from Major Events to Tourism for Homecoming.

Budget transfer of £1.5/1.5m to Cultural Collections from Other Arts.

Transfer of £1m capital in 2010-11 to Gaelic from the National Performing Companies.

Lord High Commissioner Expenses Level 3 moved from *Corporate and Central Budgets* to *Europe and External Affairs*.

Europe and External Affairs

Table 1.03 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Major events and themed years	0.6	1.8
International Relations	12.0	15.0
Royal and Ceremonial	0.3	0.3
Total	12.9	17.1

What the budget does

The Europe and External Affairs budget supports the promotion of Scotland, and Scotland's interests and identity at home and abroad. It contributes towards the promotion of Scotland as a responsible nation in the world, including Scotland's international development work, and to supporting the Government's Purpose through the advancement of Scotland's place in Europe and the wider world.

The budget assists in maximising Scotland's influence within the European Union, and builds on mutually beneficial links with other countries including the US and China. The budget supports work to position Scotland as a world leading events destination and a great place to live, work, learn, visit and do business, and in particular supports the attraction of fresh talent to live, learn and work in Scotland to contribute to the Government's population growth target.

The Government also provides some funding for Royal and Ceremonial matters, including expenses for the Queen's representatives in Scotland - Lord-Lieutenants and the Lord High Commissioner.

Budget changes

Our spending plans include the following changes made since the publication of *Draft Budget 2009-10*:

Transfer of £2.5m in 2009-10 from Major Events to Tourism for Homecoming.

Culture and Gaelic

Table 1.04 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Creative Scotland	55.1	57.5
Cultural Collections	98.9	99.7
National Performing Companies	24.7	26.0
Gaelic	19.2	21.7
Other Arts	4.8	2.8
Total	202.7	207.7

What the budget does

The Culture and Gaelic budget contributes towards enhancing the quality of life for Scotland's communities and sustainable economic growth through maximising access, appreciation and participation for all in high quality cultural events and opportunities; maximising support for artists, building the cultural and economic success of the creative industries and providing for a wide range of government commitments relating to culture and gaelic.

In 2010-11, we will focus our resources on:

- establishing Creative Scotland as a Statutory Non Departmental Public Body (NDPB) to support, develop and promote the widest range of art, culture and creativity, embracing all the creative industries, to help secure the full social and economic value and benefits for Scotland;
- our funding commitment to the Royal Museum Masterplan and Scottish National Portrait Gallery project;
- making further progress with Gaelic education in Scotland, the projects and priorities in the National Plan for Gaelic and with Gaelic Language Plans. We will also ensure progress with the promotion of Gaelic in the arts, in literature and in Scottish public life generally and contribute to equalities agenda through the Gaelic budget's significant potential for providing services to a community in Scotland that had formerly not had access to services in Gaelic.

Budget changes

Our spending plans include the following changes made since the publication of *Draft Budget 2009-10*:

Budget transfer of £1.5/1.5m to Cultural Collections from Other Arts.

Transfer of £1m capital in 2010-11 to Gaelic from the National Performing Companies.

Corporate and Central Budgets

Table 1.05 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Strategic Communications	10.8	5.0
Crown Office and Procurator Fiscal Service Inspectorate	0.3	0.3
Civic Participation	0.7	0.7
Office of the Chief Statistician	1.7	1.7
Office of the Chief Researcher	0.4	0.4
Strategic Research and Analysis	0.3	0.8
Office of the Chief Economic Adviser	0.8	0.7
Public Bodies	0.2	0.2
Total	15.2	9.8

What the budget does

Corporate and Central Budgets include, among others, Strategic Communications, Office of the Chief Statistician (OCS) and Civic Participation.

Government marketing campaigns are used by Ministers to inform the public of government policies; to explain changes in the law, and to drive attitudinal and behavioural change in individuals and organisations on key social issues. The central strategic communications budget is used to supplement core campaign communications through a range of methods which help to engage target audiences on their terms and in their communities. Marketing campaigns relating to individual policy portfolios are funded by that portfolio as required, and are managed centrally to ensure efficiency, value-for-money, procurement compliance and the application of defined standards of quality.

The OCS budget aims to develop a wide range of data and related analysis at the smallest geographical level possible to support decision making and monitoring in all programmes. There are also increasing efforts to disaggregate data by the six equality strands, where possible.

The Civic Participation budget covers costs related to the National Conversation events, to improve the co-ordination and administration of elections in Scotland and to fund the Local Government Boundary Commission for Scotland.

Budget changes

Our spending plans include the following changes made since the publication of *Draft Budget 2009-10*:

Lord High Commissioner Expenses moved to *Europe and External Affairs*

Historic Scotland

Table 1.06 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Staff costs	26.9	27.8
Other running costs	6.4	6.5
Programme	32.3	31.7
Heritage capital (resource budget)	5.1	6.1
Capital charges	3.6	3.6
Capital	1.0	1.0
<i>less income</i>	<i>-26.0</i>	<i>-26.9</i>
Total	49.3	49.8

What the budget does

Historic Scotland protects and promotes Scotland's historic environment. As the largest operator of paid visitor attractions in Scotland, it employs over 1,000 staff throughout the whole of Scotland helping to maintain its position as a world class visitor destination. Working with VisitScotland and VisitBritain, it is a key player in supporting tourism in Scotland.

It promotes cultural identity and associated community regeneration through educational programmes and the Historic Environment Grants Programme, which contributes funding for the repair of Scotland's most important historic buildings, the regeneration of historic areas and the enhancement of the quality of Scotland's historic city centres. This is an important underpinning of the Government's Purpose in supporting sustainable economic growth, not least through generating new economic opportunities arising from the promotion of culture.

Central Government Grants to Local Authorities

Table 1.06 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Gaelic	4.4	4.4
Total	4.4	4.4

What the budget does

Under the Concordat, most of the previous budget for ring-fenced grant was added to the budget for general support to local authorities. This table shows the remaining area where there are ring-fenced grants to local authorities (or similar bodies) for Gaelic.

National Archives of Scotland

Table 1.08 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Staff Costs	5.0	5.0
Accommodation Costs	1.2	1.2
Other Running Costs	0.7	0.7
Capital Charges	1.3	1.4
Capital Expenditure	2.7	2.7
<i>Less Income</i>	-0.6	-0.5
Total	10.3	10.5

What the budget does

The NAS budget principally supports National Outcome 13: We take pride in a strong, fair and inclusive national identity.

NAS plays an important role in cultural and economic life and its holdings are central to the nation's sense of identity. It provides legal customers with improved access to the public registers and records in order to support Scotland's property market, and develops the Scotland's People service for family history in order to encourage inbound tourism and build on the Homecoming legacy. By improving access to the nation's records, NAS

connects Scots at home and abroad to their past and strengthens their sense of identity at a family, community and national level. In addition to advising Scottish Ministers on records and information policy, NAS advises Scottish public authorities on the creation and management of their records, promoting streamlined and more effective government.

In 2010-11, we propose to use the additional £0.2m to digitise records and make them available to ScotlandsPeople customers, in order to stimulate further ancestral tourism visits.

FINANCE AND SUSTAINABLE GROWTH

Portfolio Responsibilities

The Finance and Sustainable Growth portfolio is responsible for managing Scotland's budget effectively and delivering the right mix of policies to ensure increasing, sustainable growth in the Scottish economy.

It contributes substantively to our Purpose - to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth - and is a critical driver of our wealthier and fairer Strategic Objective - to enable businesses and people to increase their wealth and more people to share fairly in that wealth. A fairer Scotland will in turn help reduce inequalities in areas such as educational attainment and health, helping Scotland become smarter and healthier. Examples where the budget for 2010-11 will contribute to promoting equality include using energy efficiency measures to lift individuals out of fuel poverty, improving access to public transport and providing support to Black and Minority Ethnic social enterprises.

With overall responsibility for tackling climate change and energy efficiency and by investing to increase growth in Scotland's high-potential renewable energy sector, the portfolio also contributes to a greener Scotland.

The Finance and Sustainable Growth portfolio has responsibility for:

- delivering better value in the Scottish budget to ensure we get the best possible return for frontline public services and taxpayers;
- supporting public service so that people throughout Scotland benefit from high quality, efficient and responsive services and to deliver smaller, simpler and more efficient government;
- delivering and maintaining the right infrastructure for business success - through investment in transport, investment in Scottish Water and modernising the planning system;
- refocusing the enterprise agencies towards a shared goal of delivering increasing, sustainable economic growth and promoting Scotland's tourism industry;
- leading on the Government's contribution to tackling climate change and improving energy efficiency; and
- further developing an innovative, sustainable and inclusive third sector.

Summary of Key Spending Priorities

The Finance and Sustainable Growth portfolio will be responsible for public spending of £5.9 billion in 2010-11 (excluding local government). Chapter 9 sets out the local government responsibilities for delivering national priorities and services relevant to this portfolio.

For 2010-11, the priorities for the Finance and Sustainable Growth portfolio are briefly described below.

Supporting the economy and assisting the recovery from recession

We will take all necessary measures within the powers of the Scottish Government to help businesses, families and communities through the downturn and to make sure Scotland is ready and competitive when the recovery comes.

Scotland needs the right infrastructure to allow the economy to more effectively compete and succeed. Our programmes and policies, which are designed to meet the strategic needs of Scotland's wealth creators as well as improving the quality of life of Scotland's people are set out below.

For transport, these include:

- investing £30m in the design and development of a replacement Forth crossing;
- investing £842.9m in rail infrastructure through Network Rail and rail services through the rail franchise, including investing in expansion and improvements to services through our major projects programme;
- delivering a motorway and trunk road network that supports the economy and the people of Scotland by enabling safe and reliable journeys (£503.9m, excluding capital charges);
- providing resources of £105.0m to deliver high quality ferry services ;
- continuing to support lower bus fares across Scotland through the Bus Services Operators Grant (£61.2m);
- investing £191.9m in providing free travel to over one million people on the bus network, improving quality of life through greater access to vital health and community services, employment and education and leisure facilities;

As the principal vehicle for enterprise development in Scotland, the enterprise agencies play a crucial role in generating new investment and innovation in Scottish businesses. We have already acted to reinvigorate the enterprise agencies – refocusing them towards a shared goal of delivering increased and sustainable economic growth. Tourism is included

within the Finance and Sustainable Growth Portfolio – alongside enterprise and infrastructure - so that policy as a whole can reflect the needs and interests of the tourism industry. Our programmes and policies, which are designed to refocus the enterprise agencies and promote our tourism industry, include:

- grant funding of £201.4m to Scottish Enterprise, which will concentrate on supporting innovation and investment in regionally and nationally significant and high potential companies and key sectors (including through providing risk capital and establishing a Scottish Investment Bank), in major economic development projects to ensure Scotland is an attractive place to locate, and to increase trade internationally;
- investment and innovation funding of £50.4m through Regional Selective Assistance (RSA), SMART:Scotland and other direct government innovation support; to be delivered in partnership with Scottish Enterprise as we move towards full transfer of the schemes later in 2010-11;
- Highlands and Islands Enterprise funding of £54.6m on supporting innovation and investment in significant and high potential companies, and key sectors, ensuring Highlands and Islands is an attractive place to locate businesses, and in strengthening communities; and
- £43.8m funding for VisitScotland which triggers another £20m of funding from private sector and local authorities.

We will complete the e-enablement of Scotland's planning system and continue to support planning modernisation. A modern planning system will increase the rate of sustainable economic growth through legislation, policies, actions and decisions on architecture and place making, building standards and planning, which should, in addition, result in the construction of well designed spaces and buildings that are safe, healthy, efficient and sustainable.

We continue to support investment by Scottish Water to improve water quality and ensure connections to the public networks necessary for new developments throughout Scotland.

The third sector also has an important part to play in securing sustainable economic growth. We seek to secure the development of an innovative, sustainable and inclusive third sector, supporting communities to be more cohesive and contributing to high quality public services and raised economic growth. Our programmes and policies include:

- supporting an enterprising third sector with a development programme of £20.8m and the Scottish Investment Fund of £14.8m to encourage

greater investment in assets, business development and the skills of people working in the sector; and

- developing strategic partnerships with key national and regional intermediaries to ensure effective infrastructure for the third sector.

Tackling climate change

We will ensure sustained action to deliver the measures necessary to reduce emissions in line with the ambitious statutory targets set in the Climate Change (Scotland) Act 2009.

Our Purpose focuses on increasing sustainable economic growth – economic growth which is not at the expense of future generations. To help facilitate this we have ensured that responsibility for tackling climate change and energy efficiency lies within the same portfolio as economic growth, transport and planning – reinforced by strong linkages to other portfolios. The programmes and policies within the Finance and Sustainable Growth portfolio which contribute to tackling climate change and improving energy efficiency include:

- putting in place a statutory framework through the implementation of the Climate Change (Scotland) Act setting a long term target to cut emissions by 80% by 2050; more immediately, reducing emissions in the period to 2020 by 42%; and preparing a programme of actions across all portfolios to deliver both targets;
- supporting the European Commission to ensure that the EU carbon price continues to be the primary instrument to deliver climate change emission reduction objectives. The EU Emissions Trading Scheme is the central plank of our policy, reducing emissions at least cost;
- introducing the Carbon Reduction Commitment; and
- providing support for renewable energy and energy efficiency through a number of measures including support schemes for marine, hydrogen and biomass; business innovation support; legislation on electricity suppliers; funding the Energy Saving Trust and Carbon Trust to support domestic consumers, businesses and the public sector in improving their energy efficiency; sustainable procurement; purchasing 100% renewable electricity for the Scottish Government estate; taking forward the Saltire Prize; guidance and financial support for community renewables, streamlining the energy consents system.

Renewing and reforming public services

We will continue to renew and reform Scotland's public services in order to deliver high quality services and outcomes for the people of Scotland.

Integral to our spending proposals is a continuing commitment to secure better efficiency so that public sector resources deliver the greatest possible return for Scotland. This includes:

- the Scottish Futures Trust (SFT), which will deliver value for money in public infrastructure provision through its role as a centre of expertise and an enabler of collaborative working among public bodies. SFT will also further develop the non-profit distributing model.
- an Efficient Government programme to deliver recurring efficiency gains which can be reinvested in improving public services, establishing better processes which will free up staff time allowing workers to use their time more productively.
- A Transformational Government policy which supports opportunities that will deliver continuous improvement in public services. This includes developing Scotland-wide solutions for smaller, simpler Government and support for shared service developments, which in turn deliver more efficient and effective public services.
- The eCare programme, which is working with the Third Sector and agencies such as Social Work, Health and Police to assist them in connecting their systems to the eCare framework. The end result will be effective and efficient data sharing between practitioners within different agencies. As a result, practitioners will be better informed and able to determine appropriate care.

Closely linked to managing public sector resources more effectively and efficiently is reforming our public services as part of our Strategic Priority for achieving Effective Government. In 2010-11, the Finance and Sustainable Growth portfolio will continue to:

- lead on simplifying the public service landscape to help achieve a simpler, smaller and more efficient and effective government in Scotland;
- promote a relationship with local government and Community Planning Partnerships which enables the planning and delivery of jointly agreed outcomes through Single Outcome Agreements, ensuring a focus on securing better outcomes for communities across Scotland; and
- work with local government and their partners in taking forward jointly agreed approaches on ambitious programmes to tackle health

inequalities, deal with poverty, and improve the opportunities available to our young people.

Conducting the Census in 2011

The planning, development and implementation of Scotland's Census is a major undertaking and additional funding is provided in this budget for the General Register Office of Scotland to undertake the next Census in 2011, and make appropriate preparations in the preceding years, in parallel with the Censuses in other parts of the UK.

Spending plans for 2010-11 are set out below.

Table 2.01 Detailed spending plans (Level 2)

	2009-10 Budget £m	2010-11 Draft Budget £m
Scottish Public Pensions Agency	2,385.0	2,528.0
Committees, Commissions and Other Expenditure	21.2	30.8
Rail Services in Scotland	672.9	667.1
Concessionary Fares	189.5	194.0
Other Transport Agency Programmes	285.1	199.9
Motorways and Trunk Roads	1,102.2	1,153.0
Ferry Services in Scotland	104.4	105.0
Air Services in Scotland	41.1	39.3
Bus Services in Scotland	61.2	61.2
Other Transport Directorate Programmes	46.0	38.1
European Social Fund - 2007-13 Programmes	0.0	0.0
European Regional Development Fund - 2007-13 Programmes	0.0	0.0
Planning	5.1	5.0
Enterprise, Energy & Tourism	522.3	458.0
Water and Climate Change	363.8	346.2
Third Sector	32.6	35.6
General Register Office for Scotland	15.7	22.3
Registers of Scotland	0.0	0.0
Total	5,848.1	5,883.5
Central Government Grants to Local Authorities	39.1	34.1

Table 2.02 Detailed spending plans (Level 2 real terms) at 2009-10 prices

	2009-10 Budget £m	2010-11 Draft Budget £m
Scottish Public Pensions Agency	2,385.0	2,490.6
Committees, Commissions and Other Expenditure	21.2	30.3
Rail Services in Scotland	672.9	657.2
Concessionary Fares	189.5	191.1
Other Transport Agency Programmes	285.1	196.9
Motorways and Trunk Roads	1,102.2	1,136.0
Ferry Services in Scotland	104.4	103.4
Air Services in Scotland	41.1	38.7
Bus Services in Scotland	61.2	60.3
Other Transport Directorate Programmes	46.0	37.5
European Social Fund - 2007-13 Programmes	0.0	0.0
European Regional Development Fund - 2007-13 Programmes	0.0	0.0
Planning	5.1	4.9
Enterprise, Energy & Tourism	522.3	451.2
Water and Climate Change	363.8	340.8
Third Sector	32.6	35.1
General Register Office for Scotland	15.7	22.0
Registers of Scotland	0.0	0.0
Total	5,848.1	5,796.0
Central Government Grants to Local Authorities	39.1	33.6

As a result of the cuts imposed by the Chancellor, the Finance & Sustainable Growth Portfolio spending plans for 2010-11 have been reduced by £43.5m since they were published in the 2009-10 Draft Budget. We have released £20m as a result of our decision not to proceed at this stage with the introduction of the Local Income Tax and made reductions across other budgets. In taking these decisions we have altered priority to supporting new technology developments, public transport services and other initiatives that will aid economic recovery. We have also taken the difficult decision not to proceed with the next phase of the Glasgow Airport Rail Link as part of our management of capital budgets overall

Budget Changes

Our spending plans also include the following changes made since the publication of *Draft Budget 2009-10*.

Scottish Public Pensions Agency

Following the most recent actuarial estimates of expenditure on the Teachers and NHS Scotland pension schemes, the funding requirement shows a net reduction of £268.8/126.2m as a result of an increase in the real discount rate that is applied to future liabilities. The increase in the rate from 2.5% to 3.2% reduced the future liabilities, and hence the cost of providing pensions in the future.

Committees, Commissions and Other Expenditure

Increase of £3.1/5.9m due to the establishment of the Scottish Futures Trust.

Decrease of £0.2/0.2m due to a number of minor transfers out of the portfolio.

Decrease of £20m due to decision not to proceed at this stage with the introduction of Local Income Tax.

Concessionary Fares

Increase of £2.5m to meet increased costs of concessionary fares.

Other Transport Agency

Decrease of £1m in 2010-11 due to Capital acceleration pay back.

Motorways and Trunk Roads

Increase in 2009-10 of £23.9m in capital spending followed by a decrease in 2010-11 of £45.6m as pay back of accelerated capital expenditure in both 2008-09 and 2009-10.

Reduction of £6m in DBFO in 2009-10 due to revised estimates.

Increase of £20.6m in 2009-10 and £10.7m in 2010-11 as responsibility for Forth and Tay Road Bridge Authorities has now passed from Transport Directorate to Transport Scotland

Ferry Services

Decrease of £2/2m in Ferry services due to transfer to Local Government for Orkney Island ferry services and Demand Responsive Transport.

Other Transport Directorate Programmes

Increase in Support for Freight £0.5/0.5m due to Whitehall transfer from DfT for resource freight mode shift grants.

Decrease of £20.6m in 2009-10 and £10.7m in 2010-11 as responsibility for Forth and Tay Road Bridge Authorities has now passed from Transport Directorate to Transport Scotland

Decrease of £5m in Support for Freight in 2010-11 to pay back budget brought forward as part of the capital acceleration initiative in 2009-10.

£0.5/0.5m increase for sustainable travel due to transfer from Health for their contribution.

Enterprise, Energy and Tourism

Decrease due to transfer of climate change to Water and Climate Change - £1/1m

Capital acceleration enterprise - increase in 2009-10 of £30m, decrease in 2010-11 of £35m, the expenditure having been directed towards the enhancement of the SECC Arena, further development of the Edinburgh Bioquarter and structural work on the quayside of the Fife Energy Park.

Enterprise decrease of £18.3/22.5m due to reduced running costs of smaller organisations and the transfer of business gateway and local regeneration funding to local authorities and increases of £1.1m in Scottish Enterprise capital budget and £10.7m in the budget for the Pathfinder Broadband project

Increase in Tourism budget of £2.5m in 2009-10 for Homecoming funding.

Water and Climate Change

Increase due to transfer of climate change to Water and Climate Change from Enterprise, Energy and Tourism - £1/1m

Increase in the cost of capital charges of £11/5m as a result of recent changes to a full weighted cost of capital calculation, in line with UK-wide practice.

Decrease of £31.8m for Scottish Water borrowing reflects Ministers' guidance to Scottish Water in the draft statement on principles of charging for the 2010-15 regulatory period.

Increase of £0.2m in 2010-11 for Climate Change.

Third Sector

Increase of £0.4m in 2009-10 for the Columba 1400 programme and the Princes Scottish Youth Business Trust and a net decrease of £0.5m in 2010-11 as a result of an increase of £0.4m for Columba 1400 programme and the Princes Scottish Youth Business Trust less a transfer out of £0.9m to the Education & Lifelong Learning portfolio for Central Registered Body in Scotland.

Central Government Grants to Local Authorities

Increase of £5m in 2009-10 due to capital acceleration

General Register of Scotland

Increase of £0.2/0.2m as a result of transfers in for Scottish Neighbourhood Statistics work and the Ordnance Survey Pan-American Government agreement.

Scottish Public Pensions Agency

Table 2.03 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Agency Administration	11.3	11.7
Scottish Teachers pension scheme	1,131.1	1,186.1
NHS in Scotland pension scheme	1,242.6	1,330.2
Total	2,385.0	2,528.0

What the budget does

The Scottish Public Pensions Agency's (SPPA) principal role is to administer the pensions, premature retirement and injury benefits schemes for employees of the National Health Service in Scotland and for members of the Scottish Teachers' Pension Scheme.

The Agency also has responsibility for developing the regulations covering the National Health Service in Scotland Pension Scheme, Scottish Teachers' Pension Scheme, Local Government, Police and Fire pensions schemes in Scotland; for determining appeals made by members of these schemes; and for providing a pension calculation service for the Scottish Parliamentary Pension Scheme and the Legal Aid Board for Scotland. This budget allows the Agency to continue to improve the range, quality and efficiency of its services to a growing customer base.

The pension scheme funding represents the cost of pensions accrued in that year plus notional interest on current liabilities less income received. It is

classified as Annually Managed Expenditure (AME), funded separately by Treasury from the Departmental Expenditure Limit (DEL) settlement and, as such, variations in the scheme expenditure do not have to be balanced by adjustments elsewhere in the Scottish Budget.

Budget changes

Decreases of £65/10m and £203.8/116.2m respectively for Teachers' and NHS pension schemes are a result of an increase in the real discount rate that is applied to future liabilities. The increase in the rate from 2.5% to 3.2% reduced the future liabilities, and hence the cost of providing pensions in the future.

Committees, Commissions and Other Expenditure

Table 2.04 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Public Service Reform and Efficiency	17.1	23.9
Commissions	0.6	0.6
Council of Economic Advisers	0.4	0.4
Scottish Futures Trust	3.1	5.9
Total	21.2	30.8

What the budget does

The Public Service Reform and Efficiency budget provides support for a range of public service reform programmes. The Transformational Government programme aims to accelerate significant strategic programmes of work to drive efficiencies, reform and productivity in public services in Scotland. The aim is Scotland-wide solutions for smaller simpler Government and improved services to customers.

The Commissions budget covers the work of the Standards Commission.

The Council of Economic Advisers budget covers the cost of holding meetings, travel and subsistence for members attending meetings and the cost of research commissioned by the Council.

This Scottish Futures Trust (SFT) budget supports the continuing and increasing work of the SFT, established by Scottish Ministers in September 2008 as a body to act as an important focal point in Scotland for action in public infrastructure investment, by bringing together the public and private sectors, promoting and disseminating innovation, good practice, collaborative working practices and experience in order to deliver better value for money and ultimately public services.

SFT are involved in a number of key projects that will deliver improved infrastructure to the people of Scotland, including in the education, transport, health and waste sectors. Among these is SFT's lead role in managing the 'hub' initiative, which aims to deliver primary health care and other community based infrastructure in close collaboration with public and private sector partners. Another of their main operational activities is their involvement in the Government's £1.25 billion school building programme. SFT will seek to encourage collaborative approaches among local authorities to ensure value for money in the delivery of these new schools, approving release of funding when content potential savings will be met.

Budget changes

Increase of £3.1/5.9m due to the establishment of the Scottish Futures Trust.

Decrease of £0.2/0.2m due to a number of minor transfers out of the portfolio.

Decrease of £20m as a result of our decision not to proceed at this stage with the introduction of the Local Income Tax.

Rail Services in Scotland

Table 2.05 Detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Rail Franchise in Scotland	321.0	315.2
Rail Infrastructure in Scotland	331.0	331.0
Rail Development	0.9	0.9
Rail Small Programmes	20.0	20.0
Total	672.9	667.1

What the budget does

The total budget supports passenger rail services in Scotland delivered through the ScotRail Franchise and the rail infrastructure operated by Network Rail required to operate those services and all other passenger and freight services. The budget for Rail Franchise in Scotland relates to the financial contractual commitments of Scottish Ministers under the ScotRail Franchise for supporting passenger services. The Rail Infrastructure in Scotland costs relate to financial commitments to support the operation of rail infrastructure as set by the Office of Rail Regulation.

Concessionary Fares

Table 2.06 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Smartcard Programme	2.1	2.1
Concessionary Fares	187.4	191.9
Total	189.5	194.0

What the budget does

The budget provides support for the development and delivery of concessionary travel schemes for older, disabled and young people. The funding provides for bus infrastructure systems to recognise Smartcards.

National concessionary travel is accessed through 'smart-enabled' National Entitlement Cards, which have been developed by local authorities with the support of the Scottish Government.

Budget changes

Increase of £2.5m to meet increased costs of Concessionary Fares scheme.

Other Transport Agency Programmes

Table 2.07 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Transport Information	2.9	2.9
Agency Administration Costs	16.0	16.0
Strategic Transport Projects Review	3.3	5.3
Major Public Transport Projects	262.9	175.7
Total	285.1	199.9

What the budget does

The Transport Information budget funds the provision of impartial travel information services such as TraveLine and Transport Direct.

The Agency Administration budget funds the running costs of Transport Scotland, an Agency established to support the delivery of the Scottish Government's £2 billion annual investment in maintaining and improving rail and road networks and concessionary travel schemes in Scotland.

The Strategic Transport Projects Review reported in December 2008 and recommended 29 strategic transport interventions covering the whole of Scotland to be delivered from 2012 onwards. This budget covers the initial costs of further design and development work to bring these projects to a state of readiness to deliver and also to provide the strategic modelling and appraisal tools to support this work.

Funding is provided for the Major Public Transport Projects, to proceed principally with the development and delivery of major rail public transport projects (e.g. Edinburgh-Glasgow Improvements Programme, Airdrie to Bathgate, Borders) and contribute to the City of Edinburgh Council's Tram project.

Budget changes

In response to our current economic problems, £1m of capital for Major Public Transport Projects was brought forward from 2010-11 to 2008-09 to fund preparation work in respect of Borders Railway.

Motorways and Trunk Roads

Table 2.08 More detailed spending plans

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Structural Repairs	26.4	26.4
Network Strengthening & Improvements	41.0	41.0
DBFO Payments	42.0	48.0
Routine & Winter Maintenance	56.0	65.8
Other Current Expenditure Inc. Surplus Land	5.6	5.6
Valuation Adjustment		
Roads Improvements	63.0	49.7
Cost of Capital	0.1	0.1
Capital Land	2.1	2.1
Capital Works	173.9	173.4
Forth Crossing	25.0	30.0
Roads Depreciation	51.0	51.0
Roads' Cost of Capital	595.5	649.1
Forth & Tay Road Bridge Authorities	20.6	10.7
Total	1,102.2	1,153.0

What the budget does

The budget will allow further progress to be made on the maintenance and enhancement of the trunk road infrastructure. Major influences on spending are the need to maintain the network in good condition and deliver improvements to safety and traffic flows. It will secure value for money in the delivery of routine, cyclical and winter maintenance to maintain the safety, environment and amenity of the trunk road network, and improve the operation of the trunk road network and the provision of information for road travellers.

The budget will reduce serious and fatal accidents through delivery of road safety improvement programmes and reduce pollution and improve air quality by removing traffic congestion through more efficient traffic movement.

It will allow work to continue on completion of the Central Scotland Motorway Network (M8, M80, and M74), A90 Aberdeen Western Peripheral Route and improvement schemes on A68, A75, A77, A82, A9 and A96. It

will build and enhance transport services infrastructure and networks to maximise their efficiency; and support the continuing maintenance for two inherited Design, Build, Finance, Operate (DBFO) contracts with 30 km of new motorway constructed on the A74 (M) and 15 km on the M77 south of Glasgow. It will allow preparation work on the Forth crossing to continue.

Budget changes

Increase in 2009-10 of £23.9m funded by a decrease in 2010-11 of £45.6m due to capital acceleration in which capital from 2010-11 was brought forward into 2008-09 and 2009-10 for a range of Small Road Schemes to fund improvements to A9 junctions at Moy, Carrbridge and Bankfoot and Capital Works on Major Road Schemes for improvements to the A96 Fochabers bypass and other projects.

Reduction of £6m in DBFO in 2009-10 due to revised estimates.

Increase of £20.6m in 2009-10 and £10.7m in 2010-11 as responsibility for Forth and Tay Road Bridge Authorities has now passed from Transport Directorate to Transport Scotland.

Ferry Services in Scotland

Table 2.09 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Ferry Services	82.5	80.2
Vessels & Piers	14.4	14.8
Road Equivalent Tariff	7.5	10.0
Total	104.4	105.0

What the budget does

The Ferry Services budget covers the subsidy paid for the lifeline ferry services on the Clyde and to the Hebridean and Northern Isles. It also covers the support for the Northern Isles freight service.

The vessels and piers budget has allowed a major new vessel to be ordered which will be brought into service in Spring 2011 on the routes between the Scottish mainland and Islay. In addition, it will support the future piers

and harbours investment programme by progressing detailed investigations at Kennacraig, Port Ellen and Stornoway.

The budget for Road Equivalent Tariff will fund the pilot of this approach to ferry fare setting.

Budget changes

Decrease of £2/2m in Ferry services due to transfer to Local Government for Orkney Island ferry services and Demand Responsive Transport.

Air Services in Scotland

Table 2.10 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Highlands and Islands Airports Limited	30.1	29.0
Support for Air Services	11.0	10.3
Total	41.1	39.3

What the budget does

The budget supports Highland and Islands Airports Limited which operates 10 airports in the Highland and Islands, and Dundee Airport. It will sustain the continued operation of airport services throughout the Highlands and Islands thereby supporting the economic and social development of remote and island communities.

Resources will be available for residual expenditure for the previous Air Route Development Fund. The budget supports the Air Discount Scheme, providing discounted fares on eligible routes to people whose main residence is in Orkney, Shetland, the Western Isles, Islay and Jura, Caithness and North-West Sutherland. Eligible persons qualify for a discount of 40 per cent of the core fares on scheduled air services between airports within the eligible areas and Glasgow, Edinburgh, Aberdeen and Inverness. In addition, the budget supports lifeline air services between Glasgow and Barra, Campbeltown and Tiree, which cannot be provided commercially.

Bus Services in Scotland

Table 2.11 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Support for Bus Services	61.2	61.2
Total	61.2	61.2

What the budget does

Bus Service Operators Grant provides support to the bus industry across Scotland by refunding part of the costs of Fuel Duty which would otherwise result in increased fares. It helps sustain the economy, encourages the use of bus rather than car thereby reducing the environmental impact of increased travel and reduces the cost to local authorities of supporting non-commercial socially necessary services. Discussions are continuing with the bus industry over the possibility of moving towards a scheme that recognises operators' investment in modern buses (both to reduce environmental impacts and to improve access, including access for disabled people).

Other Transport Directorate Programmes

Table 2.12 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Support for the Freight Industry	15.4	10.3
British Waterways Scotland	11.8	11.5
Support for Sustainable and Active Travel	11.5	11.2
Transport Strategy and Innovation	8.6	6.6
Road Safety	3.0	2.8
Cost of capital charge/credit on creditors and provisions	-4.3	-4.3
Total	46.0	38.1

What the budget does

The budget to support the freight industry will fund grants designed to encourage the transport of freight by rail or water rather than road, fund Freight Best Practice Scotland and other freight policy initiatives.

The grant to British Waterways Scotland will allow it to maintain Scotland's canals in good condition and contribute to the process of economic regeneration, including participation in the Helix project.

The budget for Sustainable and Active Travel promotes alternatives to car use, more efficient use of vehicles, and more active forms of travel, particularly cycling and walking, by supporting projects which raise awareness or facilitate sustainable travel choices.

The budget for Transport Strategy and Innovation provides running cost support for regional transport partnerships, the Mobility and Access Committee for Scotland (MACS) and the Passengers Transport Users Committee (PTUC).

The Road Safety budget funds our policies on road safety and taking forward the commitments from Scotland's Road Safety Framework to 2020 which amongst other outcomes seeks to ensure a *Safer and Stronger* Scotland on the roads by working together to reduce the numbers of fatalities and seriously injured.

Budget changes

Increase in Support for Freight £0.5/0.5m due to Whitehall transfer from DfT for resource freight mode shift grants.

Decrease of £20.6m in 2009-10 and £10.7m in 2010-11 as responsibility for Forth and Tay Road Bridge Authorities has now passed from Transport Directorate to Transport Scotland.

Capital acceleration decrease of £5m in 2010-11 in support for the Freight industry.

£0.5/0.5m increase for Sustainable Travel due to transfer from Health for their contribution.

European Social Fund - 2007-13 Programmes

Table 2.13 More detailed spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Grants to Local Authorities	8.6	8.4
Central Government spend	25.8	25.3
Grants to Local Authorities - EC Income	-8.6	-8.4
Central Government - EC Income	-25.8	-25.3
Total	0.0	0.0

European Regional Development Fund - 2007-13 Programmes

Table 2.14 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Grants to Local Authorities	13.9	13.3
Central Government spend	41.6	40.0
Grants to Local Authorities	-13.9	-13.3
Central Government EC Income	-41.6	-40.0
Total	0.0	0.0

*These figures net to zero because of matching receipts from the European Union.

What the budget does

We have responsibility for implementing the 2007-13 European Structural Funds programmes in Scotland, principally through the European Regional Development Fund and the European Social Fund, as well as other cross-border and transitional programmes. Amounts are based on the estimated spend likely to be required. European Structural Funds contribute to the improvement in Scotland's economic competitiveness through support for business research and innovation, skills improvement and the promotion of lifelong learning across a wide range of sectors – in other words, underpinning a number of our Strategic Priorities in delivery of the Purpose. The 2007-13 programmes are administered by two intermediate administrative bodies under three-year contracts to the Scottish Government.

Planning

Table 2.15 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Planning	2.2	2.3
Building Standards	0.3	0.3
Architecture and Place	1.8	1.7
Planning and Environmental Appeals	0.8	0.7
Total	5.1	5.0

What the budget does

Key elements of the Planning modernisation programme include: the conclusion of the e-planning project, which will transform access to the planning system and secure substantial savings for users of the system; start-up support for the new Strategic Development Planning Authorities; support for community engagement, principally through funding to Planning Aid for Scotland; and the Planning Development Programme which is designed to ensure the planning services has the skills and competences required to make the system work effectively.

The Building Standards Division (BSD) prepares and updates building standards legislation and guidance documents, conducting any necessary research and consulting on proposed changes. A number of technical revisions are proposed for 2010 including new energy standards. To

support the Government's climate change agenda new regulations and guidance is also being prepared to improve the energy performance of existing non-domestic buildings. A key work area for BSD is to ensure that European obligations are met and currently work is ongoing for the second stage of the Energy Performance of Buildings Directive.

Architecture and Place is the sponsor Division for the NDPB, Architecture and Design Scotland, which carries out a variety of advisory roles to improve the quality of Scotland's built environment and to support sustainable place-making. The Division also provides funding support for a number of programmes in line with the National Objective that we value and enjoy our built and natural environment. In addition, the Sust. programme aimed at mainstreaming sustainable design, supports the 'greener' objectives of government. The Division also provides support for a number of design awards and initiatives as well as the international promotion of Scottish architecture.

The Directorate for Planning and Environmental Appeals handles planning appeals made against the refusal of planning permission by planning authorities, objections to local development and other infrastructure and other casework mainly concerning the control of pollution and environmental protection.

Enterprise, Energy and Tourism

Table 2.16 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Enterprise Policy and Delivery (including Scottish Enterprise & Highlands & Islands Enterprise) ¹	376.5	299.7
Business Competitiveness (including Regional Selective Assistance) ²	52.2	50.4
Renewable Energy ³	22.0	32.0
Energy Markets ³	10.0	9.4
Innovation & Industries ⁴	10.0	20.0
European Structural Funds Programme		
Administration and Consultancies	1.6	1.5
Tourism (including VisitScotland)	49.3	44.3
Scottish Development International	0.7	0.7
Total	522.3	458.0

Notes:

1. Formerly called Enterprise Networks
2. Formerly called Innovation and Investment Grants
3. Formerly called Energy and Telecommunications
4. Formerly called Business Growth and Innovation

What the budget does

The 2010-11 allocations for **Scottish Enterprise** (£201.4 million) and **Highlands and Islands Enterprise** (£54.6 million) reflect the operational requirements of these more streamlined organisations whose focus is on supporting key sectors and businesses with growth potential, target spending on those areas where they can make the greatest economic impact. The Scottish Enterprise total for 2010-11 also reflects a reduction of £35 million in respect of capital expenditure that it accelerated as part of the Scottish Government's Economic Recovery Plan, bringing forward £5 million from 2010-11 into 2008-09 and £30 million into 2009-10. This expenditure was directed towards the enhancement of the SECC Arena, further development of the Edinburgh Bioquarter and structural work on the quayside of the Fife Energy Park.

The Business Competitiveness budget includes the SMART: SCOTLAND programme and Regional Selective Assistance (RSA). The SMART: Scotland programme is our foremost policy instrument to support near-market research and development projects (feasibility and prototype development) by small and medium enterprises whereas RSA, the main national scheme of financial assistance to industry, supports investment, increased

productivity and sustained employment in selected areas of Scotland and accounts for the bulk of this spend. The budget covers commitments made in previous years which are paid in instalments as projects reach agreed milestones. Both grants are in the process of transferring to Scottish Enterprise which will fully administer the schemes following appropriate legislative change.

The Energy budgets support the 10 energy pledges announced by the Cabinet Secretary in February 2009. Specific pledges include the production of action plans in areas such as Renewables, Renewable Heat, Energy Efficiency and a Carbon Capture and Storage roadmap. There is additional funding for studies on sub-sea grids and we will continue to provide grant support for development and deployment of renewable technologies in marine, biomass heat and for the adoption of microgeneration technologies by householders and communities. This has the joint objectives of carbon reduction and the promotion of economic growth. There is significant provision for the Scottish Design Awards and we will continue to develop international partnerships through the Saltire Prize and the Scottish European Green Energy Centre to make Scotland a leader in the development and deployment of green energy

The funding allocated to energy efficiency and microgeneration in part targets the domestic sector. Through improving the energy efficiency of living accommodation, householders can be 'future proofed' against increases in fuel prices and hence lifted out of fuel poverty. Those groups in Scottish society that are more likely to be fuel poor are also likely to include those groups that are targeted by the Scottish Government equalities policy: more women than men are likely to be in fuel poverty, as are families that have children with disabilities. One example is the Energy Saving Scotland home renewable grants programme (part of the Energy Assistance Package). This helps fund air-sourced heat pumps to be installed in the homes of the fuel poor who are off the gas distribution network.

Innovation & Industries funds a range of innovation activities that includes the SEEKIT and Knowledge Transfer partnerships programmes and the Innovators Counselling and Advisory Service for Scotland (ICASS) scheme and the Intellectual Asset Centre (IAC). We are currently looking at transferring the ICASS and IAC schemes to Scottish Enterprise during 2009-10 along with the relevant budget cover.

The Tourism budget provides funding to VisitScotland that levers additional commercial and stakeholder income to VisitScotland of £20m per annum. £40m is spent on visitor engagement - attracting visitors and providing information whilst they are here. VisitScotland's marketing activity directly drives additional tourism revenues of around £975m, plus business tourism

and e-business benefits. The remainder of the VisitScotland budget is used to fund EventScotland activities, including promotion of the Ryder Cup; to provide information to visitors once they are in Scotland (through over 100 Tourism Information Centres) and to provide routes to market and market trends to 20,000 Scottish tourism businesses. Total tourism revenues are worth £4.1 billion a year to the Scottish economy.

Budget changes

Decrease due to transfer of Climate Change to Water and Climate Change - £1/1m.

Capital acceleration enterprise - increase in 2009-10 of £30m, decrease in 2010-11 of £35m.

Enterprise decrease of £18.3/22.5m due to reduced running costs of smaller organisations and the transfer of business gateway and local regeneration funding to local authorities.

Increase in Tourism budget of £2.5m in 2009-10 for Homecoming funding.

Additional 2010-11 capital budget of £1.1m for Scottish Enterprise and £10.7m in respect of the Pathfinder broadband project has been provided..

Water and Climate Change

Table 2.17 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Support for Scottish Water Borrowing	181.8	150.0
Cost of Capital Charges (net)	181.0	195.0
Climate Change	1.0	1.2
Total	363.8	346.2

What the budget does

The Water and Climate Change budget covers the sums to be lent to Scottish Water by Scottish Ministers in support of its capital investment programme. The investment programme for 2006-10 will deliver significant improvements to drinking water quality and the environment.

The borrowing requirements of Scottish Water are determined by the Water Industry Commission, Scottish Water's economic regulator. The borrowing is set at levels which require Scottish Water to deliver services and the investment programme at the lowest overall reasonable cost. Some

variations between one year and the next will occur and will reflect annual variances in the delivery of the capital programme. Scottish Water's borrowing requirements for 2010-11 and beyond will not be available until November 2009, when the Water Industry Commission will produce its Final Determination.

The budget also includes our contribution to the costs of the UK Committee on Climate Change, a Non-Departmental Public Body set up through the Climate Change Act 2008 to provide advice to the UK Government and Devolved Administrations. In addition to advice relating to Scotland's contribution to UK-level targets, the Committee on Climate Change will advise Scottish Ministers on issues related to the Climate Change (Scotland) Act, including the level of annual targets and progress towards those targets.

Budget Changes

Increase in the cost of capital charges of £11/5m as a result of recent changes to a full weighted cost of capital calculation, in line with UK-wide practice.

Increase due to transfer of climate change to Water and Climate Change from Enterprise, Energy and Tourism - £1/1m

Decrease of £31.8m for Scottish Water borrowing reflects Ministers' guidance to Scottish Water in the draft statement on principles of charging for the 2010-15 regulatory period.

Increase of £0.2m in 2010-11 for Climate Change

Third Sector

Table 2.18 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Third Sector Development	22.6	20.8
Scottish Investment Fund	10.0	14.8
Total	32.6	35.6

What the budget does

The Third Sector budget seeks to secure the development of an innovative, sustainable and inclusive third sector, supporting communities to be more cohesive and contributing to high quality public services and raised economic growth. The Scottish Investment Fund supports enterprise in the third sector by investing in assets, business development and the skills of people working in the sector. The budget also supports volunteering and a series of strategic partnerships with national third sector organisations aimed at building third sector capacity.

Budget Changes

Increase of £0.4m in 2009-10 for Columba 1400 to assist with initiatives to support young people and for the Princes Scottish Youth Business Trust to help with their business development work; net decrease of £0.5m in 2010-11 comprising of a £0.4m increase for Columba 1400 to assist with initiatives to support young people and for the Princes Scottish Youth Business Trust to help with their business development work less a transfer out of £0.9m to the Education & Lifelong Learning portfolio for the Central Registered Body in Scotland.

Central Government Grants to Local Authorities

Table 2.19 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Cycling, Walking and Safer Routes	9.1	9.1
Strathclyde Partnership for Transport	30.0	25.0
Total	39.1	34.1

What the budget does

Following the Concordat agreement between the Scottish Government and local authorities, most of the previous budget for ring-fenced grant was added to the budget for general support to local authorities. This table shows the two remaining areas where there are ring-fenced grants to local authorities (or similar bodies) for transport purposes.

Budget changes

The increase of £5m in 2009-10 was the result of the acceleration of capital expenditure, through Strathclyde Partnership for Transport, on park and ride schemes.

General Register Office for Scotland

Table 2.20 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Administration Costs	18.8	25.3
Cost of capital charge and depreciation	1.3	1.3
Capital	0.7	0.8
<i>Less income</i>	- 5.1	- 5.1
Total	15.7	22.3

What the budget does

The budget largely funds the ongoing statutory functions of the Registrar General, which are to conduct 10-yearly Censuses and prepare and publish

demographic and other statistics; to administer civil registration of vital events – births and deaths, plus marriages, civil partnerships, divorces and adoptions – and the statutes relating to these; to maintain the national Health Service Central Register of patients in Scotland for the Scottish Government; and to make available public records about individuals to customers (e.g. genealogists) and operate the new joined-up ScotlandsPeople Service with our partners, the National Archives of Scotland and the Court of the Lord Lyon.

A major part of the budget provides the Registrar General with the funds necessary to plan, develop and undertake a national Census on 27 March 2011, in parallel with other Censuses in the other parts of the UK. On 29 March 2009 the enumeration processes planned for 2011 were rehearsed using 50,000 households in the west of Edinburgh and on Lewis and Harris. The results of this rehearsal will have been fully evaluated by the autumn of 2009 and thereafter the build up to census day will commence. The increase in budget from 2009-10 to 2010-11 reflects this ramping up of activity by the General Register Office for Scotland and its various contractors. For example, the budget for 2010-11 includes the printing of over 2.5 million pre-addressed questionnaires; the recruitment and training of, and initial payment to, over seven thousand temporary enumerators; payments to the prime contractor for setting up a processing site for the returned questionnaires; and various logistical and postal services that ensure that the questionnaires and other materials get to the right destinations across Scotland.

Budget changes

Increase of £0.2/0.2m as a result of transfers in for Scottish Neighbourhood Statistics work and the Ordnance Survey Pan-American Government agreement.

Registers of Scotland

What the budget does

Registers of Scotland (RoS) is a Trading Fund and is self-financing from fees (so does not receive direct funding from government). RoS maintains and supplies information from a range of public registers. The main two registers, the Land Register and the General Register of Sasines, are concerned with the ownership of land and property. The public registers play a key role in underpinning the economic and social stability of Scotland. RoS's purpose is to record and safeguard rights, providing the people and institutions of Scotland with the social and economic benefits that flow from a publicly guaranteed system of rights in land and property.

HEALTH AND WELLBEING

Portfolio Responsibilities

The aim of the Health and Wellbeing portfolio is to help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to health care. The portfolio has responsibility for delivering good quality, sustainable and affordable housing and tackling homelessness in Scotland as well as regenerating Scotland's communities. The portfolio aims to tackle discrimination and promote equality and to encourage and promote physical activity and participation in sport.

Policies and programmes within the Health and Wellbeing portfolio support the achievement of our objective for a healthier Scotland, promoting greater wellbeing among all those living in Scotland. They also underpin the delivery of other programmes across portfolios to promote equality and to tackle poverty, disadvantage, and discrimination.

The portfolio is responsible for developing and implementing effective policies and programmes that:

- protect and improve the health of the people of Scotland;
- tackle health inequalities;
- promote equality, and tackle discrimination, prejudice and disadvantage;
- provide high quality health care and social care services that are person centred and close to home;
- promote social inclusion and reduce poverty;
- support both households and jobs through continued investment in affordable housing;
- regenerate communities; and
- prevent and tackle homelessness.

The NHS in Scotland directly supports the Scottish Government's Purpose by providing continuous improvement in the quality of healthcare services it provides. This includes ensuring the delivery of an effective, productive and efficient service, delivered by a highly skilled workforce. In addition to improving health and healthcare, the NHS also contributes to economic growth directly through the significant investment in world-class research and development in medical/life sciences technology and innovation.

The healthcare sector was identified in the *Government Economic Strategy (GES)* as a key sector, defined as a sector which has the potential to make a

significant contribution to increasing Scotland's growth. The healthcare sector supports the GES in many ways. The first is that the NHS is the single biggest employer in the Scottish economy. In addition health is a driver of economic growth - the accumulation of human capital, along with education, directly affects productivity and labour supply in the form of participation rates. And the portfolio has a major role in the population target of the GES to increase healthy life expectancy in Scotland by 2017.

Summary of Key Spending Priorities

The Health and Wellbeing portfolio is responsible for public spending totalling almost £12.0 billion. Funding to the NHS Boards and Special Boards will account for £8.5 billion.

The draft 2010-11 budget increases health spending by 2.4%. Within the health budget, we are prioritising spending : on frontline health services, with an average increase to NHS Boards of 2.7%; on ensuring that Scotland is well-prepared to respond to the influenza A(H1N1) pandemic, with £55 million set aside to cover flu-related costs; and on maintaining our focus on reducing healthcare associated infection, with record funding of £21.5m.

The key priorities for the portfolio for 2010-11 are briefly described below. We will:

- Respond to the influenza A(H1N1) outbreak, including delivery of an immunisation programme as protection against the virus;
- Develop and implement a Healthcare Quality Strategy which will ensure that NHSScotland becomes a recognised world-leader in healthcare quality;
- Continue with the implementation of "Equally Well" which will reduce the current inequalities experienced in terms of health outcomes across Scotland;
- Develop options to further enhance the care of Older People including a specific focus on Dementia and supporting Carers;
- Deliver a number of major public health and health promotion programmes including the framework for action on alcohol misuse which will address Scotland's relationship with alcohol; the Tobacco Prevention Action Plan; the Hepatitis C Action plan; strategies for sexual health, HIV, promoting healthy weight and tackling obesity and our work on mental health improvement and wellbeing;
- Continue to deliver a reduction in Healthcare Associated Infection including:
 - At least a 30% reduction in Staph.aureus blood infections by 2010;

- At least a 30% reduction in clostridium difficile rates by 2011;
- Continue to make good progress towards the 18 week Referral to Treatment standard ahead of target date of December 2011;
- Implement Better Cancer Care, An Action Plan that builds on NHS Scotland's recent delivery of the 62 day urgent cancer target by introducing two new cancer targets to be delivered by December 2011 to ensure greater equity and patient centeredness.
- Continue to reduce prescription charges towards complete abolition in 2011.
- Support both households and jobs through continued investment in affordable housing; provide targeted and proportionate financial support to home-owners at risk of repossession, and respond flexibly to harness opportunities in the private development sector;
- Contribute to the delivery of the 2014 Commonwealth Games which will boost Scotland's economic recovery through investment of around £2 billion in infrastructure (for both Games venues and associated transport networks) and the provision of an estimated 1200 jobs across Scotland.

Spending Plans for 2010-11 are set out below.

Table 3.01: Detailed spending plans (Level 2)

	2009-10 Budget £m	2010-11 Draft Budget £m
Health	11,084.1	11,347.7
Housing ¹	583.4	414.5
Regeneration ²	118.0	33.5
Housing and Regeneration	701.4	448.0
Equalities and Social Inclusion ³	26.5	27.6
Sport	53.9	54.9
Food Standards Agency Scotland	11.0	11.1
Total	11,876.9	11,889.3

Central Government Grants to Local Authorities.	367.7	154.4
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Note:

1. The reduction from 2009-10 to 2010-11 results from the acceleration of £120m of affordable housing expenditure from 2010-11 into 2008-09 (£40m) and 2009-10 (£80m) as part of the Economic Recovery Programme. This requires to be repaid in 2010-11.

2. The reduction from 2009-10 to 2010-11 primarily results from the Town Centre Regeneration Fund which was a non-recurrent allocation for 2009-10 only.

3. Formerly Wellbeing

Table 3.02: Detailed spending plans (Level 2 real terms) *at 2009-10 prices*

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Health	11,084.1	11,180.0
Housing and Regeneration	701.4	441.4
Equalities and Social Inclusion	26.5	27.2
Sport	53.9	54.1
Food Standards Agency Scotland	11.0	10.9
Total	11,876.9	11,713.6
Central Government Grants to Local Authorities.	367.7	152.1

Budget changes

Our spending plans include the following changes made since the publication of Draft Budget 2009-10:

Health

- In response to current economic circumstances £50m of capital expenditure was brought forward from 2010-11 to 2009-10 and is therefore repaid in 2010-11.
- A transfer of £20m in 2009-10 to support the passage of the Scottish Government Budget Act 2009-10.
- A portfolio transfer to DG Economy of £0.5/0.5m in 2009-10 and 2010-11 for Health Improvement and Health Inequalities in respect of a sustainable travel demonstration programme Smarter Choices, Smarter Places.
- A transfer to the Scottish Prison Service of £0.4/0.2m in 2009-10 and 2010-11, for Hepatitis C Action Plan.
- In respect of Tobacco Control, a transfer to Local Authorities of £1.5/1.5m in 2009-10 and 2010-11 in respect of the enforcement of tobacco sales law.
- Increase of £20m in respect of the cost incurred in effectively dealing with Pandemic Flu.
- Following the 2009 UK Budget, consequentials arising from £5bn additional efficiency savings has resulted in budget adjustments across portfolios. For Health
 - A net movement of £94.9m for NHS and Special Health Boards primarily reflecting savings made from the reduction in the cost of Primary Care drugs; an adjustment in the increase allocated to Boards to 2.7%, which will meet anticipated pay and price

costs and includes a recurrent transfer of monies to NHS Boards of £28.5m for Access Support.

- Savings of £20m in Access Support has occurred through efficiencies realised following a review of the processes and procedures underpinning the delivery of the access targets and taking account of progress achieved ahead of schedule.
- A number of other minor adjustments have been made following a review of the delivery mechanisms supporting policy initiatives.
- The Health budget has also been protected from a £129m reduction arising as a consequence of the UK Government's decision to reduce the Department of Health capital budget by £1.3bn.

Housing and Regeneration

- The reduction from 2009-10 to 2010-11 results from the acceleration of £120m of affordable housing expenditure from 2010-11 into 2008-09 (£40m) and 2009-10 (£80m) as part of the Economic Recovery Programme. This requires to be repaid in 2010-11.
- Increase of £5m to Energy Assistance Package in 2009-10 as announced at Budget Bill.
- Increase of £60m in 2009-10 for Town Centre Regeneration Fund as announced at Budget Bill.
- Increase of £15m/15m in 2009-10 and 2010-11 for home insulation as announced at Budget Bill
- Following the 2009 UK Budget, consequential savings arising from £5bn additional efficiency savings have resulted in significant budget reductions across portfolios. For Housing and Regeneration:
 - -£2m on Wider Role
 - -£1.6m on community engagement
 - -£6.4m on Private Housing

Equalities and Social Inclusion

- Increase funding of £0.7/0.2m as a result of the PBR 2008 announcement providing additional funding to the Citizen's Advice Bureau to support advice on debt prevention

Sport

- As part of the Spending Review 2007 outcome, Sport received a non-recurrent supplement in 2009-10; funding for 2010-11 now reverts to planned levels.

Health

Table 3.03: More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
NHS and Special Health Boards ¹		
Opening Funding: NHS Boards	8,317.2	8,538.3
Budget Transfers	48.2	-
	8,365.4	8,538.3
Capital Investment ²	679.4	574.4
<u>Education and Training</u>		
Workforce	32.4	28.5
Nursing	157.9	152.1
<u>Primary and Community Care Services</u>		
General Medical Services ³	700.1	700.1
Pharmaceutical Services Contractors' Remuneration ³	177.7	186.6
General Dental Services ⁴	343.2	343.2
General Ophthalmic Services	87.4	91.0
eHealth	97.2	134.7
Scottish Commission for the Regulation of Care	17.2	17.4
<u>Improving Health and Better Public Health</u>		
Health Improvement and Health Inequalities	47.9	47.2
Hepatitis C Action Plan Implémentation	17.7	17.9
Pandemic Flu ²	5.5	36.0
Health Screening	14.2	8.5
Tobacco Control	12.3	12.3
Alcohol Misuse	43.4	44.3
Health Protection	36.9	28.1
Mental Wellbeing	6.2	6.4
Healthy Start	10.0	9.0
Mental Health Legislation and Services	21.0	20.8
Specialist Children's Services	9.9	19.9
<u>General Services</u>		
Research	67.8	67.9
Distinction Awards	28.0	30.0
Access Support for the NHS	151.3	102.8
Improvement and Support of the NHS	21.1	19.9
Clean Hospital / MRSA Screening Programme	21.0	21.5
Miscellaneous Other Services	120.2	225.4
<u>Income</u>		
Revenue	-116.1	-119.8
Capital	-92.1	-16.7
Total	11,084.1	11,347.7

Notes:

1. Figures analysed by individual NHS and Special Health Boards in Table 3.04 below.

2. Capital includes £19m for Pandemic Flu in addition to the £36m of Resource

3 Allocations for 2010-11 for General Medical services are still to be decided and are subject to pay negotiations with the professional groups concerned.

4 Figures for 2009-10 and 2010-11 have not been agreed and will also be subject to negotiation for these two years.

Table 3.04: NHS and Special Health Boards spending plans

	2009-10 Budget £m	2010-11 Draft Budget £m
NHS and Special Health Boards ⁵		
NHS Ayrshire and Arran	557.2	572.2
NHS Borders	162.2	166.6
NHS Dumfries and Galloway	232.9	239.2
NHS Fife	490.3	503.6
NHS Forth Valley	383.9	394.2
NHS Grampian	660.7	678.6
NHS Greater Glasgow and Clyde	1,825.0	1,874.3
NHS Highland	469.6	482.2
NHS Lanarkshire	777.4	798.4
NHS Lothian	987.1	1,013.7
NHS Orkney	30.5	31.3
NHS Shetland	35.9	36.9
NHS Tayside	578.6	594.2
NHS Western Isles	56.6	58.1
Total NHS Boards	7,247.9	7,443.5
NHS Waiting Times Centre	41.3	42.2
NHS Scottish Ambulance Service	189.2	193.6
NHS National Services Scotland	264.3	270.4
NHS Quality Improvement Scotland	16.8	17.2
NHS State Hospital	34.8	35.6
NHS 24	56.0	57.3
NHS Education for Scotland	389.1	398.1
NHS Health Scotland	18.3	18.8
Total Special Health Boards	1,009.8	1,033.2
Other		
Budget Transfers	48.2	0.0
Income ⁶	59.5	61.6
Total Other	107.7	61.6
Total	8,365.4	8,538.3

Notes:

5. Budgets for 2010-11 are indicative and will change as final funding allocations are calculated according to the NHS Resource funding formula that will be updated later this financial year. The indicative budgets are based on an indicative 2.7% increase to NHS Boards and 2.3% to Special Health Boards.

6. NHS and Special Health Boards receive funding on a net of income basis but funding at level 3 is shown on a gross basis with income shown on a separate line.

What the budget does

The budget supports services and initiatives designed to help people in Scotland to live longer and healthier lives with reduced health inequalities; and to provide more sustainable, high quality and continually improving healthcare services close to home.

NHS Boards will receive on average an increase of 2.7% to maximise the funds going to frontline services.

The *Better Health, Better Care* action plan committed the NHS to working in partnership with the people it serves to provide a truly “mutual” NHS where users of the NHS all take more control of their health and become more active in deciding how **our** NHS is run. The new Healthcare Quality Strategy will build on these foundations and provide the framework for staff, patients and carers to work together to deliver truly person-centred, clinically effective and safe healthcare for everybody in Scotland. In advancing the Scottish Government’s mutuality agenda we will introduce a Patients’ Rights Bill and are developing a participation standard on engaging and involving the public and communities. We have also established a working Group to consider how a no fault compensation scheme might work in Scotland and the Group is due to report at the end of 2010. We will consider the recommendations of the *Making it Better* review, which looked at the barriers to making NHS complaints and reported in July 2009. The *Better Together* programme aims to enhance every patient’s experience of care, whether that care is received in primary, secondary or community environments.

Flu Pandemic

Building on years of advanced preparation, the Scottish Government is responding to the influenza A(H1N1) pandemic by working closely with the 8 Strategic Co-ordinating Groups across Scotland, in which NHS Boards fulfil a key role. These arrangements have worked well in providing an effective response to the threat posed by the emergence of this new virus. Working closely with the other Devolved Administrations and the UK Government we will ensure that the highest level of treatment and advice is provided for the people of Scotland, and in particular those who are at most risk of serious illness. Scotland remains one of the best prepared countries in the world in terms of its response thus far. Resources will be allocated when necessary to ensure that this remains the case throughout the duration of the pandemic.

The Scottish Government will continue to provide a proportionate response to the influenza A(H1N1) pandemic. The actions we will take will include: procuring supplies of the new influenza A(H1N1) vaccine and overseeing delivery of a vaccination programme; providing medical countermeasures and consumables such as antivirals and facemasks; and ensuring that budgetary provision is made to support NHS24, the Scottish Flu Response Centre and Scottish participation in the National Pandemic Flu Service if required.

Inequalities

By making Scotland healthier through tackling health inequalities and supporting healthier lifestyles and choices, supplemented by early interventions and anticipatory, responsive services, we will increase healthy life expectancy and the productivity of Scotland's workforce, reduce absenteeism, improve public sector efficiency and increase participation in the labour market. Scotland's health and care services must continue to harness the most advanced technology and treatments and put these within reach of all of those who need them. By tackling discrimination and prejudice and supporting people and communities to flourish, we will contribute to making Scotland a fairer, safer and stronger place.

This means taking on the challenge of the health inequalities that currently exist in Scotland, to improve the life chances that are needed to support better health. Indeed one of the main focuses of the health and wellbeing portfolio is to support the Purpose target to increase healthy life expectancy. The Scottish Government set a target to ***“match average European (EU15) population growth over the period from 2007 to 2017 supported by increased healthy life expectancy in Scotland over this period”***.

We attach high priority to actions to improve health and prevent illness, as part of the outcome of increasing people's healthy life expectancy by:

- supporting families in children's earliest years;
- reducing the harm done by the misuse of alcohol and the use of tobacco;
- developing effective sexual health and blood borne viruses services and interventions;
- responding effectively to the flu pandemic;
- immunising to reduce the risk of cervical cancer;
- enhancing national screening programmes to help detect potentially serious illness and to target early treatment;

- taking actions on prevention of obesity and weight management to promote healthy weight
- taking actions to strengthen primary care services in the most deprived communities of Scotland, identifying people at particular risk of preventable, serious ill health.

We also aim to ensure that the structural conditions are in place for people to reach their full potential. That means challenging the barriers to success for individuals and society by ensuring our policies are joined-up and that they are assessed for the impact on equality.

HAI / Patient Safety

The people of Scotland have told us what they need and want from their NHS and have described what a high quality patient-centred service means to them. Accordingly, our intention is to develop a Healthcare Quality Strategy. Our vision is that NHSScotland becomes a world leader in healthcare quality by delivering the highest quality patient-centred, clinically effective and safe care and that it does so in a way that is measurable and meaningful for all. A key priority is patient safety as it is vital for patients to have confidence that when they access any part of the healthcare system, they will receive the best available treatment without fear of harm. The Scottish Patient Safety Programme is being implemented in every NHS Board and is designed to improve the safety of care. There is now good evidence of encouraging and sustainable improvement.

Healthcare associated infections are a serious issue for the NHS and one which the public is rightly concerned about. Investment in the HAI programme is aimed at bringing down the rate of infections in our healthcare environments. This will be achieved through a number of measures including using best available evidence to improve patient care and clinical practice; the wide ranging hand hygiene campaign aimed at improving hand washing in the general public and continuing to drive a 'zero tolerance' approach to non-compliance by NHS staff; further improvements to cleaning hospitals such as investigating new and more effective cleaning agents; improved training for staff including career development for infection control; a comprehensive national strategy to promote prudent antimicrobial prescribing (a known risk factor in the development of HAIs) and the full roll out of the national MRSA screening strategy aimed at further reducing infections from this key healthcare associated infection.

ehealth

Our plans include increasing investment in Information Technology in 2010-11 to deliver the commitments in the eHealth Strategy. The investment will deliver improvements in both primary and secondary care systems and lead to a transformation in the information made available to clinicians supporting more efficient, effective and safer care. The 2010-11 budget reflects the end loading of eHealth expenditure in the Spending Review 2007 to allow for a consensus on the means to deliver these benefits to be established. The reduction in spend over plans will allow the main commitments in the eHealth Strategy to proceed to plan though some of the less specific strategy commitments will be deferred or be addressed over a longer period.

Public Health

We will continue to invest in major public health programmes to improve the health of the people of Scotland. These investments will deliver outcomes to help transform our relationship with alcohol, build on the significant gains already made in reducing tobacco consumption, further improve sexual health and tackle HIV, and respond to the growth of Hepatitis C.

NHS Boards

The largest proportion of the health budget is in relation to the costs associated with the NHS Boards. The NHS in Scotland employs approximately 165,000 people and is the single biggest employer in the country. Approximately 13 percent of the NHS budget goes on drugs covering products dispensed in community pharmacies and hospitals. The remainder of the NHS budget goes into buildings and associated running costs, medical equipment and supplies, and IT. As well as treating patients, this spending on the NHS also supports people to improve their health and prevent illness, and so contributes to reducing inequalities. Planned capital investment of £574.4m supports investment in new and improved facilities, equipment and IT.

The Nursing Education and Training budget will ensure that NHS Scotland is supported by the right number of nurses, midwives, allied health professionals and healthcare science professionals whose skills, competencies and skill mix ensure that they are performing the right roles in the right place at the right time to deliver safe and effective care to patients. It will increase the NMAHP capability to rise to the challenges posed by an ageing population with growing numbers of long term conditions; the need to protect vulnerable children and adults; the need to

reduce health inequalities; and the need to improve the health of the people of Scotland.

The Health and Wellbeing portfolio has responded to the current economic downturn by accelerating expenditure to support industries such as construction while longer term ensuring the right infrastructure is in place to enable growth. Health boards were given an additional £50m in 2009/10 to maintain planned investment programmes.

Public Bodies

As part of the Scottish Government's action in reforming public services – and subject to legislation – two new scrutiny bodies will be established from 1 April 2011. Healthcare Improvement Scotland will take over the functions of NHS Quality Improvement Scotland and the independent healthcare functions of the Care Commission. Social Care and Social Work Improvement Scotland will take over the remaining functions of the Care Commission and those of SWIA and HMIE's responsibilities in respect of the inspection of child protection services and integrated children's services. It is expected that the creation of the new organisations will generate transitional costs over the 4 years from 2010-11, currently estimated as £5.951m. These costs will be offset by recurring annual savings estimated as £2.16m. The estimated costs are very much dependant on the development of potential business models for the new organisations. This work will be carried out over the next year or so. The estimates will be subject to change in light of that work.

Budget Changes

Health

- In response to current economic circumstances £50m of capital expenditure was brought forward from 2010-11 to 2009-10 and is therefore repaid in 2010-11.
- A transfer of £20m in 2009-10 to support the passage of the Scottish Government Budget Bill Act 2009-10.
- A portfolio transfer to DG Economy of £0.5/0.5m in 2009-10 and 2010-11 for Health Improvement and Health Inequalities in respect of a sustainable travel demonstration programme Smarter Choices, Smarter Places.
- A transfer to the Scottish Prison Service of £0.4/0.2m in 2009-10 and 2010-11, for Hepatitis C Action Plan.
- In respect of Tobacco Control, a transfer to Local Authorities of £1.5/1.5m in 2009-10 and 2010-11 in respect of the enforcement of tobacco sales law.

- Increase of £20m in respect of the cost incurred in effectively dealing with Pandemic Flu.
- Following the 2009 UK Budget, consequential arisings from £5bn additional efficiency savings has resulted in budget adjustments across portfolios. For Health
 - A net movement of £94.9m for NHS and Special Health Boards primarily reflecting savings made from the reduction in the cost of Primary Care drugs; an adjustment in the uplift allocated to Boards to 2.7%, which will meet anticipated pay and price costs and including a recurrent transfer of monies to NHS Boards of £28.5m for Access Support.
 - Savings of £20m in Access Support has occurred through efficiencies realised following a review of the processes and procedures underpinning the delivery of the access targets and taking account of progress achieved ahead of schedule.
 - A number of other minor adjustments have been made following a review of the delivery mechanisms supporting policy initiatives.
- The Health budget has also been protected from a £129m reduction arising as a consequence of the UK Government's decision to reduce the Department of Health capital budget by £1.3bn.

Housing and Regeneration

Table 3.05: More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Housing		
Affordable Housing Investment Programme ¹	524.9	351.9
Private Housing ²	10.2	18.8
Social Housing ³	0.5	0.5
Communities Analytical Services ³	4.4	4.9
Scottish Housing Regulator	4.7	4.7
Tackling and Preventing Homelessness	0.4	0.4
Energy Assistance Package ⁴	50.9	45.9
Home Insulation ⁵	15.0	15.0
Housing Voluntary Sector Grant Scheme	2.4	2.4
<i>Less Income</i>	-30.0	-30.0
	583.4	414.5
Regeneration		
Wider Role	12.0	10.0
Community Engagement	3.4	1.8
Regeneration Programmes	42.6	21.7
Town Centre Regeneration Funds ⁶	60.0	-
	118.0	33.5
Total	701.4	448.0

Note:

1. The reduction from 2009-10 to 2010-11 results from the acceleration of £120m of affordable housing expenditure from 2010-11 into 2008-09 (£40m) and 2009-10 (£80m) as part of the Economic Recovery Programme. This requires to be repaid in 2010-11.

2. Formerly Modernising Private Sector Housing

3. Formerly Housing Markets & Supply Policy / Research Analytical Services

4. Formerly Central Heating Initiative/ Warm Deal

5. New Level 3

6. The Town Centre Regeneration Fund budget is for 2009-10 only.

What the budget does

The Housing and Regeneration budget contributes to our Purpose and Economic Recovery Programme by supporting economic recovery and growth - in particular by supporting both households and jobs through continued investment in affordable housing; by providing targeted and proportionate financial support to home owners at risk of repossession; by responding flexibly to harness opportunities in the private development

sector; by preventing homelessness and providing access to appropriate accommodation, advice or support; and by supporting successful regeneration of the most deprived communities.

Both the Energy Assistance Package and the Home Insulation Scheme are key to tackling fuel poverty and to reducing the carbon emissions from our existing housing stock, through improving levels of awareness of options for reducing carbon emissions and through encouraging widespread uptake of cavity and loft insulation and upgrading of heating systems. The investment from the Scottish Government also levers in significant investment from the energy companies' own Carbon Emission Reduction Target programmes to ensure that Scotland receives its fair share of this investment.

We are also committed to ensuring equality is embedded throughout our policy development and delivery. A vital part of our approach to this is through engagement and consultation with equality groups and the equality impact assessment process. Further information about how our spend on Housing and Regeneration is supporting the promotion of equality is set out in our statement on equality and the budget.

In 2010-11, we will:

- Continue to work to improve the supply and quality of housing across all tenures;
- Help home owners at particular risk of repossession as a result of the economic recession;
- Continue to support large-scale projects to achieve the comprehensive regeneration of targeted areas and tackle poverty in the most disadvantaged communities;
- Through the Energy Assistance Package, continue to work towards the target of eradicating fuel poverty as far as reasonably practicable; and
- Continue to work with local government and third sector partners to prevent and tackle homelessness and to provide housing support services to vulnerable people to enable them to continue to live independently in their own homes.

Budget Changes

- The reduction from 2009-10 to 2010-11 results from the acceleration of £120m of affordable housing expenditure from 2010-11 into 2008-09 (£40m) and 2009-10 (£80m) as part of the Economic Recovery Programme. This requires to be repaid in 2010-11.

- Increase of £5m to Energy Assistance Package in 2009-10 as announced at Budget Bill.
- Increase of £60m in 2009-10 for Town Centre Regeneration Fund as announced at Budget Bill.
- Increase of £15/15m in 2009-10 and 2010-11 for home insulation as announced at Budget Bill
- Following the 2009 UK Budget, consequentials arising from £5bn additional efficiency savings has resulted in significant budget reductions across portfolios. For Housing and Regeneration:
 - -£2m on Wider Role
 - -£1.6m on community engagement
 - -£6.4m on Private Housing

Equalities and Social Inclusion

Table 3.06: More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Promoting Social Inclusion	6.7	7.2
Promoting Equality	19.8	20.4
Total	26.5	27.6

What the budget does

The social inclusion budget supports wellbeing through cross-cutting work to tackle poverty and disadvantage, in particular, meeting the commitments in our tackling poverty framework, Achieving our Potential.

The equality budget is used to promote equality and fair treatment for the wellbeing of the people of Scotland; to mainstream equality across Government activity and to tackle discrimination, prejudice and the barriers to equality of opportunity.

We will continue with a range of programmes and projects to promote equality, reduce inequalities and tackle disadvantage that address:

- violence against women and hate crime;
- the promotion of equality, the mainstreaming of equality into government policies and activities and the reduction of discrimination and prejudice ;

- cross-cutting and innovative approaches to tackle poverty and disadvantage; and
- we will continue with partners such as *Close the Gap* to tackle occupational segregation and we will publish a report by July 2010.

Budget changes

- Increase funding of £0.7/0.2m as a result of the PBR 2008 announcement providing additional funding to the Citizen's Advice Bureau to support advice on debt prevention

Sport

Table 3.07: More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Sport	47.3	43.3
Glasgow 2014: Delivery of Commonwealth Games	6.6	11.6
Total	53.9	54.9

What the budget does

The Sport budget provides support for the development of sport within Scotland, in line with our National Strategy for Sport: 'Reaching Higher'. The primary focus of this strategy is to increase Scotland's level of participation and improve our national sporting performance. This twin ambition will ensure that we are well placed to deliver the full benefits of using the Commonwealth Games in Glasgow as a catalyst to become a healthier, fitter and more active nation.

Providing a lasting legacy from major sports events will be key to ensuring that not only do we fulfil our commitments set out while bidding for these events, but that we also maximise the impact of these events through the creation of a broader range of opportunities for communities to participate in physical activity and sport.

We will seek to sustain this increase in participation through the development of a more easily accessible facilities network and the development of a skilled workforce that supports our clubs and youth groups.

The Sport budget provides the main contribution to the operational costs of staging the Glasgow 2014 Commonwealth Games. The Scottish Government is working in partnership with Glasgow City Council, Commonwealth Games Scotland and the 2014 Organising Committee to ensure that the Games are an outstanding success.

The 2014 Commonwealth Games will contribute to Scotland's economic recovery through investment of around £2 billion in infrastructure (for both Games venues and associated transport networks) and the provision of an estimated 1200 jobs across Scotland. The Games will bring particular benefits for the economic recovery of the East End of Glasgow where the injection of housing development and supporting infrastructure will promote sustainable economic growth.

Sport can, and often does, transform lives and contributes directly to the Government's Purpose and many of the associated targets as it has the ability to enable individuals, communities and Scotland to grow and flourish. It often delivers direct and indirect support to the economy through the hosting of large scale sporting events such as the Open Golf Championships and the World Mountain Bike Championships which bring many international visitors to our shores. But sport also brings people together and strengthens our communities through the provision of local sporting opportunities which provide the glue to bind individuals and communities alike, whilst helping everyone to lead healthier lives and feel better about themselves.

That is why we have channelled our investment into a restructured and reformed **sportscotland** that will now deliver through a decentralised structure via 6 hubs. This will ensure that sporting solutions can be tailored to meet local needs and delivered to support wider health improvement activity. Key to this will be the implementation of a network of Community Sports Hubs.

A Community Sports Hub will bring together local people to participate in sport and physical activity in their own community.

Community Sports Hubs will be based in local facilities such as sports centres, community centres and /or schools. The hubs will provide a "home" for local clubs and local sport and provide information and advice to local people. The hub will provide the central focus for local communities to engage in a more active and healthier lifestyle.

Budget Changes

- As part of the Spending Review 2007 outcome, Sport received a non-recurrent supplement in 2009-10; funding for 2010-11 now reverts to planned levels.

Food Standards Agency Scotland

Table 3.08: More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Food Safety	7.4	7.5
Eating for Health	2.0	2.0
Choice (making it easier for consumers to make informed choices)	1.6	1.6
Total	11.0	11.1

What the budget does

The Food Standards Agency Scotland (FSAS) contributes to the Health and Wellbeing portfolio and is responsible for developing and implementing effective policies, projects, scientific research and events that seek to:

- improve food and feed safety and the balance of people's diet in Scotland
- protect and improve the health of the people of Scotland by ensuring food entering the market or produced in the UK is safe to eat;
- deliver food safety and nutritional aspects of the Scottish Governments 5 Strategic objectives (wealthier, smarter, healthier, safer and greener Scotland);
- enable consumers in Scotland to understand about food and a healthy diet and to make informed choices; and
- reduce foodborne illness and diet related diseases through a proportionate, risk based regulatory regime.

FSAS main purpose is to protect public health from risks which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food. FSAS is responsible for devolved matters relating to food and feed safety and standards in Scotland and is accountable to Scottish ministers.

It's role and responsibilities include:

- advising Scottish Ministers on food and feed safety and standards issues;
- developing policy and proposing legislation;
- setting standards and auditing all 32 Scottish local authorities' food and feed enforcement activities;
- giving the public advice and information on diet and nutrition and food; and
- providing timely and effective responses to food related incidents.

Central Government Grants To Local Authorities

Table 3.09: More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Fairer Scotland Fund	145.0	rolled-up
Housing Support Grant (AME)	1.4	1.4
Hostels Grant (AME)	6.7	6.7
Vacant and Derelict Land	12.2	12.2
Private Sector Housing Grant	68.3	rolled-up
Transfer of Management of Development Funding (TMDF)	119.1	119.1
Assistance to Owners Affected by Glasgow Stock Transfer	15.0	15.0
Total	367.7	154.4

What the budget does

Following the Concordat agreement between the Scottish Government and local authorities, most of the previous budget for ring-fenced grant was added to the budget for general support to local authorities. This table shows the seven remaining areas where there are ring-fenced grants to local authorities (or similar bodies) for housing and regeneration purposes.

EDUCATION & LIFELONG LEARNING

Portfolio Responsibilities

The Education and Lifelong Learning portfolio is responsible for government policy related to improving outcomes for children, young people and users of social care, all aspects of school education and national qualifications and further and higher education, community and adult learning and development, skills and training. The portfolio contributes substantively to all our Strategic Objectives and is the principal driver of our 'Smarter' Strategic Objective.

Underpinning the Government's Economic Strategy and Purpose, the portfolio contributes to the Government's Productivity, Participation, Cohesion and Solidarity purpose targets and our policies and resources are aligned to deliver the Smarter and Wealthier and Fairer strategic objectives and in particular the following National Outcomes:

- We realise our full economic potential with more and better employment opportunities for our people. (National Outcome 2)
- We are better educated, more skilled and more successful, renowned for our research and innovation. (National Outcome 3)
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens. (National Outcome 4)
- Our children have the best start in life and are ready to succeed. (National Outcome 5)
- We have improved the life chances for children, young people and families at risk. (National Outcome 8)

The Economic Strategy's Purpose targets provide a challenging and ambitious set of benchmarks for sustainable economic growth in Scotland. The Education and Lifelong Learning portfolio offers a significant contribution to the purpose targets:

We are improving Scotland's **productivity** and **competitiveness** through the Skills Strategy.

We are supporting Scotland's labour market **participation** through targeted activity to address both adult and youth unemployment.

We are ensuring this growth is **sustainable**, supports a **cohesive** society, and builds **solidarity** across all parts of Scotland through our focus on early years, employability and Curriculum for Excellence.

The portfolio funds further and higher education through the Scottish Further and Higher Education Funding Council and the Student Awards Agency for Scotland. It also funds the Scottish Government's national skills agency, Skills Development Scotland. It is responsible for policy relating to all aspects of lifelong learning, including science, skills, community and adult learning, and literacy and numeracy.

Our responsibility for the provision of school education and community learning and development is shared with local authorities, individual schools and Community Planning Partnerships. We work with our national delivery partners through the provision of advice, guidance and support on the national elements of school education policy and the national qualifications as well as quality assurance through national inspection.

Responsibility for the provision of children's services and social care is shared, both with other portfolios and with a range of service providers such as local authorities, health boards and the voluntary and independent sectors. We support workforce development and broader improvement in social services and the development of a range of policies and services for children and young people, particularly the most vulnerable, and provide quality assurance through inspection, by the Social Work Inspection Agency (SWIA) and national standards.

We fund the Scottish Children's Reporter Administration (SCRA) which is at the centre of the Children's Hearings System, providing a critical service for children most at risk; making decisions on referrals to Children's Hearings, supporting panel members and enabling children and families to participate in Hearings. We also support the Scottish Social Services Council (SSSC), responsible for registering people who work in social services and regulating their education and training; working towards delivering a competent, confident and valued social service workforce.

In addition, Disclosure Scotland, an Agency since April 2009, supports the protection of children and young people through the provision of an accurate and responsive disclosure service.

Summary of Key Spending Priorities

Some specific examples of the activity supported by the Education & Lifelong Learning Portfolio Budget are described below:

- The Early Years Framework sets out the vision for a 10 year programme of transformational change in Scotland to give all our children the best start in life, and to tackle, at the earliest possible point, the disadvantage and adversity that some children face. The principles and approaches already set out in *Getting it Right for Every Child* are central to the delivery of these changes. We are investing £103.8m to help ensure that all children and young people have the best start in life and promote early intervention to protect vulnerable children and families at risk and ensuring the protection of vulnerable groups through the completion of the implementation of the Protecting Vulnerable Groups Scheme;
- The implementation of Curriculum for Excellence will be taken forward with key national delivery partners, supported by investment of £132.9m, improving standards in teaching and learning to ensure that Scotland's education system can become internationally recognised for its excellence and one of the best performing in the world. This includes the funding of Learning & Teaching Scotland and Scottish Qualifications Authority;
- Funding of £198.2m for Skills Development Scotland which supports individuals and businesses, particularly those affected by the economic downturn;
- Recognising the central role of further and higher education in supporting our overall Purpose and Strategic Objectives, we are investing £1,777m in our colleges and universities.

Contribution to Economic Recovery

The Education and Lifelong Learning portfolio has a key contribution to make to the Scottish Government's central Purpose of creating a more successful country through increasing sustainable economic growth and to the economic recovery programme which builds on the Purpose by providing a framework for action now that Scotland is in recession. Our focus is on strengthening education and skills through ScotAction - an integrated package of skills training to help individuals and businesses through the recession.

Carbon Impact

Expenditure in the education portfolio seeks to reduce emissions principally through measures intended to influence behaviour. Learning and Teaching Scotland promote Sustainable Development Education (SDE) as a cross-cutting theme embedded within Curriculum for Excellence with a dedicated SDE development officer driving through behavioural change in teaching. In addition, sustainable development will be a key theme in a number of the new National Qualifications. The Government also funds 'Keep Scotland

Beautiful' to manage and develop the Eco Schools Scotland Programme, one of the most successful in the world with 96% of schools signed-up, which promotes pupil awareness and activism in environmental issues including climate change. We also actively encourage authorities to reduce emissions through their management of the school estate.

The Scottish Further and Higher Education Funding Council (SFHEFC) and Skills Development Scotland (SDS) have both committed in their Corporate Plans to reducing their carbon impact. SFHEFC is developing sustainable use of resources in its capital investment programme and supporting investment in research and teaching programmes that develop and promote sustainability and the renewable energy programme. SDS is improving sustainable business practices including estates and promoting economic growth and social cohesion.

Equalities

The policy of the Education & Lifelong Learning portfolio supports the **Smarter** and **Wealthier** and **Fairer** strategic objectives:

SMARTER: Expanding opportunities for all in Scotland to succeed from nurture through to life long learning, providing a good foundation to higher and more widely shared achievements.

Implicit in this objective is an ambition that all children, young people and learners in Scotland have equality of opportunity.

WEALTHIER & FAIRER: Enable businesses and people to increase their wealth and more people to share fairly in that wealth.

The economic downturn has strengthened our commitment to making Scotland a wealthier and fairer nation. Making the best use of the skills of all our people is of fundamental importance in driving the high skill, high productivity workplace that we seek. In terms of our own organisation, we encourage and support flexible working patterns in the Directorates within the ELL portfolio.

In **Children, Young People & Social Care Directorate**, the SMARTER objective means our children have the best start in life and we have improved the life chances for children, young people and families at risk. We will work with national delivery partners to achieve this by promoting equality, diversity and inclusion, improving outcomes for looked after children and families requiring support, and in promoting high quality childcare for all.

Too many young people still leave school with no positive destination. In **Schools Directorate** the SMARTER objective means all our young people are successful learners, confident individuals, effective contributors and responsible citizens. We will work with national delivery partners to achieve this by promoting equality, diversity and inclusion in learning and teaching, achievement and attainment and by equipping our young people with the skills they need.

In **Lifelong Learning Directorate**, the SMARTER objective means we are better educated, more skilled and more successful, renowned for our research and innovation. Skills for Scotland, our Lifelong Skills Strategy promotes equal access to and participation in, skills and learning for all, it aims to recognise people's different needs, situations and goals and remove the barriers that limit what people can do and can be.

Spending plans for 2010-11 are set out below.

Table 4.01 Detailed spending plans (Level 2)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Schools	135.6	132.9
Children, Young People & Social Care	106.2	103.8
Student Awards Agency for Scotland (SAAS)	512.7	568.4
Scottish Further and Higher Education Funding Council	1,750.1	1,777.2
Other Lifelong Learning	276.9	269.6
Total	2,781.5	2,851.9

Student Loans Interest Subsidy to Banks (outside TME)	4.5	4.5
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Central Government Grants to Local Authorities	19.2	19.2
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Table 4.02 Detailed spending plans (Level 2 real terms) at 2009-10 prices

	2009-10 Budget £m	2010-11 Draft Budget £m
Schools	135.6	130.9
Children, Young People & Social Care	106.2	102.3
Student Awards Agency for Scotland (SAAS)	512.7	560.0 ¹
Scottish Further and Higher Education Funding Council	1,750.1	1,750.9
Other Lifelong Learning	276.9	265.6
Total	2,781.5	2,809.7
Student Loans Interest Subsidy to Banks (outside TME)	4.5	4.4
Central Government Grants to Local Authorities	19.2	18.9

Budget changes

As a result of the cuts imposed by the Chancellor, the ELL Portfolio spending plans for 2010-11 have been reduced by £49.7m since they were published in the 2009-10 draft budget. In making these changes, we have aimed to protect spend wherever possible on the people-related aspects of economic recovery, notably through Skills Development Scotland and have sought savings through lower than anticipated inflation, improved workforce planning, refocusing spend and more proportionate scrutiny.

We have secured increases to the following budgets: the Skills Development Scotland budget for 2010-11 has been increased by £16m for Modern Apprenticeships taking into account the agreement reached with Parliament on the 2009-10 Scottish Budget. In addition, a further £8.4m has been allocated to the further education resource budget; and £10m of increased capital has been invested in the school estate programme.

Our spending plans for the portfolio therefore include the following changes made to the 2010-11 budget since the publication of the 2009-10 draft budget.

¹ This includes £40.3 million reflecting the fourth year of a technical adjustment between SFHEFC and SAAS. These monies are paid to universities in the form of tuition fees.

Schools

There has been a £10m increase in capital investment in schools estates.

The schools budget has increased by a further £0.147m transfer from the enterprise and employability of young people budget for Post School Psychological Services graduate training places.

Children Young People & Social Care

£0.9m has been transferred into the budget from the third sector budget to Disclosure Scotland to support the operation of the Central Registered Body in Scotland.

Student Awards Agency for Scotland (SAAS)

The SAAS budget includes £40.3m reflecting the fourth year of a technical adjustment between the Scottish Further and Higher Education Funding Council and SAAS. These monies are paid to universities in the form of tuition fees.

Scottish Further & Higher Education Funding Council (SFHEFC)

Reflecting capital funding previously accelerated from 2010-11 across 2008-09 and 2009-10, the higher education capital line will be reduced by £12m and that for further education reduced by £8.5m.

As noted above, £40.3m will be transferred to SAAS for tuition fees.

The budget has increased as follows: £5m has been transferred from the Other Lifelong Learning budget for the Scottish Institute for Cell Signalling; and £8.4m of consequential funding arising from the 2009 UK Budget has been allocated to the further education resource budget.

Other Lifelong Learning

We are separately transferring £3m from EMAs to support Activity and Learning Agreement pilots.

The Skills Development Scotland budget has been increased by £16m for Modern Apprenticeships, taking account of the agreement reached with Parliament on the 2009-10 Scottish Budget.

£5m has been transferred to SFHEFC for the Scottish Institute for Cell Signalling.

Schools

Table 4.03 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Teachers	31.8	22.1
Schools	14.8	20.1
Support for Learning	15.4	15.4
Qualifications, Assessment and Skills	32.5	35.6
Curriculum	25.3	24.1
HM Inspectorate of Education	15.8	15.6
Total	135.6	132.9

What the budget does

The majority of expenditure on school aged education in Scotland is funded by local authorities from the budgets outlined in chapter 9. The Schools Directorate budget supports the national elements of policy and related workforce development needs. It also supports the inspection programme of HM Inspectorate of Education and the activities of other public bodies such as Learning and Teaching Scotland and the Scottish Qualifications Authority. Working with national partners in line with the Concordat with local government, we will:

- support the development of the national elements and local delivery of Curriculum for Excellence by schools and colleges for all learners, including delivery of new qualifications in conjunction with the Scottish Qualifications Authority (SQA) which meet the needs of 21st Century Scotland and a new assessment framework to support learning and teaching taking full account of issues relating to equality, diversity and inclusion. The Curriculum and the Qualifications, Assessment and Skills budgets reflect that having produced the Experience and Outcomes for Curriculum for Excellence in 2009-10, investment can now focus on the new qualifications.
- maintain and develop a skilled, supported and flexible teaching profession and support staff, with excellent local and school leadership and a fit-for-purpose school estate;

- deliver the national elements and support the local delivery of Curriculum for Excellence which will ensure that every learner has the right personal support for their learning, particularly those with additional support needs and those in need of more choices and more chances;
- deliver a public sector landscape for school education which is robust, efficient and effective as part of our wider work to achieve these goals in all learning environments.

Budget changes

There has been a £10m increase in capital investment in schools estates.

The schools budget has increased by a further £0.147m transfer from the enterprise and employability of young people budget for Post School Psychological Services graduate training places.

Children, Young People and Social Care

Table 4.04 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Workforce and Capacity	63.5	61.0
Care and Justice	8.9	9.0
Safer Children, Stronger Families	14.6	13.7
Positive Futures	10.9	11.0
Education Analytical Services	3.9	4.2
Social Work Inspection Agency	4.4	4.0
Disclosure Scotland	0.0	0.9
Total	106.2	103.8

What the budget does

The majority of expenditure on children's services in Scotland is funded by local authorities from the budgets outlined in chapter 9.

The Children, Young People and Social Care budget supports our twin ambitions of better, more personalised services to improve outcomes and having a confident competent and valued workforce to deliver this. The budget supports a broad range of activity being taken forward with

Community Planning Partners to implement the Early Years Framework and to support earlier, more effective intervention. *Getting it Right for Every Child* is the programme that shows how agencies across Scotland can work more effectively together better to support children, whether in universal or specialist services.

The largest proportion of the budget supports workforce development in the social care sector and sponsorship of the Scottish Children's Reporters Administration and Scottish Social Services Council. It also supports the operation of four Learning Networks across Scotland, working with employers and practitioners to support ongoing learning and development and Centres for Excellence providing training and support for the workforce on specialist areas such as dealing with drug and alcohol issues. In addition, it supports a broad range of activity to improve children's services, including commitments shared with local government set out in the Concordat, such as:

- deliver a long-term early years strategy in order that everyone involved in supporting this critical stage of children's lives are signed up to a shared vision;
- implement the Protection of Vulnerable Groups Act to improve protection for children and vulnerable adults and to reduce the bureaucratic burdens on those working with them;
- develop and work with Community Planning Partnerships to strengthen strategy and practice around child protection, looked after children (including those in kinship care) and preventing offending by young people, to improve outcomes for the children, young people, families and communities most at risk;
- funds the programme of work of the Social Work Inspection Agency and the Education Analytical Services (including schools, children and young people and lifelong learning).

Budget Changes

£0.9m has been transferred into the budget from the third sector budget to Disclosure Scotland to support the operation of the Central Registered Body in Scotland.

Student Awards Agency for Scotland (SAAS)

Spending Plans 2008 to 2011

Table 4.05 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
SAAS Running Costs	6.4	6.6
SAAS Capital Charges	1.2	1.3
Fees, Grants and Bursaries	279.5	332.5
Student Loans Company Administration	5.5	5.6
Unwinding of Discount on Debt Sale Subsidy Provision	4.0	4.0
Cost of Student Loans	71.4	71.4
Unwinding of Discount on Write-off Provision	12.0	12.0
Student Loans Net New Lending (AME)	132.7	135.0
Total	512.7	568.4
Student Loans Interest Subsidy to Banks (outside TME)	4.5	4.5

What the budget does

The Student Award Agency for Scotland budget meets the cost of the Agency's functions which are to provide financial support and advice to Scottish domiciled students undertaking higher education courses in the UK and abroad and to EU students studying in Scotland. The level of spend is demand led, depending on the student population in a given year, but an overall control is maintained on the number of students for which the Scottish Further and Higher Education Funding Council funds institutions.

The Agency administers schemes covering undergraduate and postgraduate students as well as bursaries for nursing and midwifery students. It administers the Individual Learning Accounts Scotland scheme in partnership with Skills Development Scotland.

The budget for the Student Awards Agency for Scotland includes the resources we allocated at the Spending Review in 2007 to further improve the support students receive. We will announce our response to the consultation which sought stakeholders' views on how to spend these additional resources, *Supporting a Smarter Scotland*, before the end of the year."

Budget Changes

The SAAS budget includes £40.3m relating to tuition fees from a technical transfer between SFHEFC and SAAS (and described in the commentary on Level 2). It also includes an increase of £10.3m in the AME Loans net new lending figure.

Scottish Further and Higher Education Funding Council (SFHEFC)

Table 4.06 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Current Funding for Further Education Colleges	565.5	584.2
Capital Grants for Further Education Colleges	82.9	109.0
Current Funding for Higher Education Institutions	991.1	991.7 ²
Capital Grants for Higher Education Institutions	101.7	83.2
SFHEFC Administration	8.9	9.1
Total	1,750.1	1,777.2

What the budget does

The Scottish Further and Higher Education Funding Council budgets fund strategic investment in Scotland's 43 colleges and 20 higher educational institutions (including Open University (Scotland)). Funding supports development and delivery of study programmes that offer coherent high quality provision for learners across Scotland and enables universities to undertake world class research to maintain Scotland's international reputation for educational excellence in teaching and research.

Budget Changes

Reflecting capital funding previously accelerated from 2010-11 across 2008-09 and 2009-10, the higher education capital line will be reduced by £12m and that for further education reduced by £8.5m.

² A figure of £1,032m (reflecting the £40.3m transfer to SAAS) should be used for the purposes of a year-on-year comparison with the corresponding figure for 2009-10. The £40.3 million reflects the fourth year of a technical adjustment between SFHEFC and SAAS. These monies are paid to universities in the form of tuition fees.

As noted previously, £40.3m will be transferred to SAAS for tuition fees.

The budget has increased as follows: £5m has been transferred from the Other Lifelong Learning budget for the Scottish Institute for Cell Signalling; and £8.4m of consequential funding arising from the 2009 UK Budget has been allocated to the further education resource budget.

Other Lifelong Learning

Table 4.07 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Learning Connections	3.9	5.8
Education Maintenance Allowances	36.5	31.5
International Lifelong Learning Strategy	2.3	2.3
Scottish Qualification Authority, Vocational Qualification and Skills	1.7	1.8
Scottish Credit and Qualifications Framework	0.6	0.6
Union Learning	1.4	1.4
Skills for Business Network (formerly Sector Skills Council)	1.0	1.0
HQ and Training Grants (Adult learning)	0.7	0.7
Determined to Succeed ¹	2.8	2.4
Young People Who Need More Choices and Chances	6.4	5.0
Activity Agreement and Learning Agreement Pilots	3.0	6.0
Workforce Plus - National Development Work	1.9	1.7
Skills Development Scotland Ltd	204.1	198.2
Science-related Programmes delivered by the Office of the Chief Scientific Adviser	6.8	7.6
English for Speakers of Other Languages	3.0	3.0
Miscellaneous	0.8	0.6
Total	276.9	269.6

¹ Lifelong Learning provides Local Authorities with Specific Grants for Determined to Succeed which amount to £19.2m per year.

What the budget does

The other Lifelong Learning budgets support policy and development relating to all aspects of lifelong learning, including:

- strengthening education and skills through **ScotAction**, an integrated package combining new and revitalised measures to help individuals and businesses through the recession and provide skills assistance for training for work, training in work and training from work to work to help people and businesses in Scotland survive the downturn and thrive when the economy starts to recover.
- offering a place in post-16 education, training, or non-formal learning through 16+ Learning Choices, to all young people who want it. We are determined to avoid another lost generation of young people and this means we need to offer young people a better range of options which fit with their needs and interests – whether in school, college, workbased training or in a community or third sector setting. We must also ensure those young people have access to the support they need. Our recent changes to the Education Maintenance Allowance programme target support at those young people who need it most, and our pilots of Activity Agreements will extend financial support and intensive advice and guidance to some of our most vulnerable young people.
- improving levels of adult literacy and numeracy which is crucial to securing a competitive economy; promoting education and lifelong learning; and tackling health and well-being.
- working with businesses to champion the best use of skills in the workplace, which is vital for businesses positioning themselves for recovery.
- capitalising on our excellent university research; and increasing interaction between universities, in order to build up business innovation and productivity

Budget changes

We are transferring £3m from EMAs to support Activity and Learning Agreement pilots.

The Skills Development Scotland (SDS) budget 2010-11 has been increased by £16m for Modern Apprenticeships, taking into account the agreement reached with Parliament on the 2009-10 Scottish Budget.

The SDS budget includes planned efficiency savings for the organisation to be met through the delivery of its voluntary severance scheme for non-frontline staff and other planned administrative efficiencies. These will not impact on the provision of training opportunities or on the availability of frontline staff to support clients.

£5m has been transferred to SFHEFC for the Scottish Institute for Cell Signalling.

Central Government Grants to Local Authorities

Table 4.08 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Determined to Succeed	19.2	19.2
Total	19.2	19.2

What the budget does

Under the Concordat, most of the previous budget for ring-fenced grant was added to the budget for general support to local authorities. This table shows the remaining area where there are ring-fenced grants to local authorities (or similar bodies) for Determined to Succeed.

JUSTICE

Portfolio Responsibilities

The Justice portfolio plays a key role in supporting the achievement of our objective for a safer and stronger Scotland - helping local communities to flourish and to become stronger, safer places to live that offer improved opportunities and a better quality of life. It also contributes to our work to tackle disadvantage, prejudice and discrimination. The justice system seeks to punish offenders and discourage them from re-offending while protecting the rest of society.

The Justice portfolio has responsibility for:

- the development of civil and criminal laws which protect society, promote mutual respect and help us all to thrive;
- the administration of an effective, fair and efficient justice system, supported by an independent and valued legal profession;
- ensuring public safety through police, fire and community justice services, and co-ordinating preparation for potential civil emergencies;
- securing access to justice;
- drugs strategy; and
- the effective and proportionate regulation of charities.

The Scottish Prison Service, Scottish Court Service and Accountant in Bankruptcy are currently Executive Agencies of the portfolio and are central to delivering our priorities. From 2010-11, the Scottish Court Service will become a separate statutory corporate body, no longer accountable directly to the Scottish Ministers, but to a governing body that has a judicial majority.

Summary of Key Spending Priorities

The Justice portfolio is responsible for public spending totalling over £1 billion a year to safeguard society from harm and to ensure effective justice for all. This total includes several large blocks of expenditure that support the Police, Prison Service, Fire and Rescue Services, Legal Aid, the Court Service and charities regulation.

Chapter 9 sets out the local government responsibilities for delivering national priorities and services relevant to the Justice portfolio through building communities, and tackling crime and antisocial behaviour.

The key priorities for the portfolio for 2010-11 are briefly described below.

- £136.8m for capital investment to support the ongoing development and modernisation of the Scottish Prison Service – this includes HMP Grampian which will replace HMP Peterhead and HMP Aberdeen; a new prison at Bishopbriggs; and replacement of prisons and facilities which are unfit for purpose;
- Substantial investment in the improvement of immediacy and visibility of community service in preparation for the introduction of the Community Payback Order through the Criminal Justice and Licensing Bill;
- £7.4m to provide for the annual service fee costs in relation to the Firelink project. Firelink is a single wide-area digital communications platform for the Scottish Fire & Rescue Service and replaced 8 outdated systems with one highly resilient system allowing for multi-agency interoperability;
- Funds to the courts to create fit-for-purpose facilities for court users, improve service delivery and increase access to justice;
- Making an additional 1,000 police officers available in our communities through increased recruitment, improved retention and redeployment
- £32.3m to deliver better drug treatment and support services to promote recovery from drug addiction;
- £170.5m for legal aid ensuring appropriate access to justice;
- £208.3m for centrally funded police costs such as the Scottish Police Services Authority, the Scottish Crime and Drug Enforcement Agency, and other police support services.

Spend on this portfolio area plays a key role in supporting the achievement of our objective for a safer and stronger Scotland – helping local communities to flourish and to become places to live which offer improved opportunities and a better, safer quality of life. In doing this, it makes a major contribution to advancing equality in Scotland and tackling disadvantage, prejudice and discrimination. We are committed to ensuring that equality is embedded throughout all areas of justice spend. An example of this is the Association of Chief Police Officers in Scotland Equality & Diversity Strategy 2009-2012 – *“Celebrating and Valuing Difference”* – which was published in June 2009. At the time of publication Chief Constable Ian Latimer said *“... promoting equality and recognising diversity, is fundamental to the success of policing. Understanding, promoting and respecting equality and diversity are key components in creating greater and sustained public confidence and trust in policing, as both a service provider and employer.”* Another area of the justice budget

delivers legal aid which addresses inequalities by ensuring appropriate access to justice for all. The income threshold for civil legal aid was recently raised which means that more than a million more Scots will become potentially eligible for financial help towards court costs for civil actions. The budget allocated for the Scottish Court Service is used to support the running of courthouses. The service has a particular aim of seeking opportunities to help ensure that court buildings are accessible and supportive environments. We have also taken action to ensure that we gather better information on the level of racially motivated crime in Scotland to help us understand better how to tackle this. The Scottish Crime and Justice Survey, which will be available annually from late 2009, will also contribute significantly to our understanding of issues such as gender and victimisation which will inform future policy. Further information about how Justice spend is supporting the promotion of equality is set out in the related statement on equality and the budget.

Spending Plans for 2010-11 are set out below

Table 5.01 Detailed spending plans (Level 2)

	2009-10 Budget £m	2010-11 Draft Budget £m
Community Justice Services	23.2	22.8
Courts Group	46.3	47.4
Criminal Injuries Compensation	28.5	28.1
Legal Aid	170.7	170.5
Miscellaneous	29.2	29.1
Police Central Government	260.5	266.8
Drugs and Community Safety	36.2	36.5
Scottish Resilience	23.5	21.3
Accountant in Bankruptcy	7.0	6.9
Scottish Court Service	94.7	96.1
Scottish Prison Service	455.1	485.9
Office of the Scottish Charity Regulator	3.7	3.6
Total Justice	1,178.6	1,215.0
Central Government Grants to Local Authorities	680.2	697.8

Table 5.02 Detailed spending plans (Level 2 real terms) at 2009-10 prices

	2009-10 Budget £m	2010-11 Draft Budget £m
Community Justice Services	23.2	22.5
Courts Group	46.3	46.7
Criminal Injuries Compensation	28.5	27.7
Legal Aid	170.7	167.9
Miscellaneous	29.2	28.7
Police Central Government	260.5	262.8
Drugs and Community Safety	36.2	36.0
Scottish Resilience	23.5	21.0
Accountant in Bankruptcy	7.0	6.7
Scottish Court Service	94.7	94.7
Scottish Prison Service	455.1	478.6
Office of the Scottish Charity Regulator	3.7	3.5
Total Justice	1,178.6	1,196.8
Central Government Grants to Local Authorities	680.2	687.5

Budget Changes

As a result of the cuts imposed by the Chancellor, the Justice Portfolio spending plans for 2010-11 have been reduced by £13.7m. To maximise the money available to support frontline services, reductions have been targeted, including, for example, real terms cuts in administration and running costs across the portfolio.

Our spending plans also include the following changes made since the publication of Draft Budget 2009-10

- An additional £18.0/£22.5m has been provided to Police Central Government to cover the cost of the additional 1000 police officers.
- £22/£22.6m to Police Central Government from Local Government for Information Communications Technology following the transfer of responsibility for ICT from police authorities to the Scottish Police Services Authority.
- An additional £31.4/£27.2m has been provided for Police Central Government to meet the cost relating to pension payments.
- A transfer of £1.4/£1.4m to Drugs and Community Safety from Police Central Government to cover the costs of various violence reduction initiatives.

- Transfer of £15/£15.5m from Police Specific Grant to the Scottish Police Services Authority.
- A transfer of £0.4m in 2010-11 to Police Central Government to meet the costs of the Adult Support and Protection Act.
- £26.4/£17.8m transferred from Police Specific Grant to General Revenue Grant for Local Government.
- Transfer of £0.4/£0.2m to the Scottish Prison Service from the Health and Wellbeing portfolio for the Hepatitis C action plan.
- Transfer of £1.8/£1.8m from Local Government for Court Unification.

Community Justice Services

Table 5.03 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Offender services	16.7	16.3
Victim/witness support	5.7	5.7
Miscellaneous	0.8	0.8
Total	23.2	22.8

What the budget does

This programme provides funding for: electronic monitoring provisions by private sector contractor including Restriction of Liberty Order across Scotland; non local government spend on Drug and Youth Courts; implementing the provisions in the Management of Offenders etc. (Scotland) Act 2005 to set up multi-agency public protection arrangements in relation to sex offenders (MAPPAS); covering the running costs of Community Justice Authorities; section 10 funding of voluntary organisations operating in the criminal justice social work field; implementation of measures that assist victims of crime, including funding for support of organisations such as Victim Support Scotland, implementation of the Vulnerable Witnesses Act and associated projects that help meet the needs of child and adult vulnerable witnesses. These resources are in addition to resources for the support of community justice services provided by local authorities, which are now included within the local government settlement.

In 2010-11, we will focus our resources on:

- continuing to improve the range and quality of the community penalties available to the courts;
- supporting initiatives to tackle the problems of youth crime, drug-related crime and women offenders; and
- improving the quality and targeting of support for victims and vulnerable witnesses.

Courts Group

Table 5.04 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Courts Group ¹	17.1	17.4
Judicial salaries ²	29.2	30.0
Total	46.3	47.4

Notes:

1. This spending provides for the Scottish Government contribution to the superannuation costs of the judiciary, for the fees to part-time judiciary, for the running costs of a number of small departments and other judicial expenses (training and travel etc).

2. This is non-voted spending which is met from the Scottish Consolidated Fund but is also part of the Departmental spending limit.

What the budget does

Courts Group has overall responsibility for financing the cost of the Judiciary. In 2010-11, we will focus our resources on ensuring there is sufficient judicial cover to meet increased pressures on the courts, and preparing for the implementation of the Judiciary and Courts (Scotland) Act 2008.

Criminal Injuries Compensation

Table 5.05 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Administration costs	3.0	3.0
CIC Scheme	25.5	25.1
Total	28.5	28.1

What the budget does

The Criminal Injuries Compensation Scheme provides compensation for personal injuries attributable to crimes of violence. The demand led scheme is administered by two cross-border public authorities: the Criminal Injuries Compensation Authority (CICA) and the Criminal Injuries Compensation Appeals Panel (CICAP). This programme funds the Scottish Government contribution to the scheme which is determined by a Memorandum of Understanding with the UK Government's Ministry of Justice. The current Scottish contribution is 10.91%. CICAP is administered as part of the Tribunals Service, an Executive Agency of the Ministry of Justice.

Legal Aid

Table 5.06 More detailed categories of spending (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Administration Fund	12.7 158.0	12.7 157.8
Total	170.7	170.5

What the budget does

The Scottish Legal Aid Board (a Non-Departmental Public Body that derives its general powers and functions from the Legal Aid (Scotland) Act 1986) administers legal aid in Scotland. The Board has responsibility for the granting of legal aid in almost all cases, (exceptions are solemn criminal cases for which the courts currently decide, some children's legal aid, and advice and assistance which is granted by solicitors). The Board employs solicitors under Part V of the 1986 Act to provide civil legal advice to other organisations, and in limited circumstances to the public, and to provide criminal legal advice and representation to accused persons through the Public Defence Solicitors Office network. The Board also has responsibility for the settlement of all accounts.

In 2010-11, we will focus our resources on continuing to modernise the legal aid system to ensure that it delivers appropriate access to quality

legal assistance in an efficient and effective manner including the development of new services for those affected by the economic downturn.
Miscellaneous

Table 5.07 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Residential accommodation for children	3.5	3.5
Other miscellaneous	25.7	25.6
Total	29.2	29.1

What the budget does

This budget covers a wide range of smaller justice related spending areas such as Residential Accommodation for Children, Parole Board for Scotland, Scottish Prisons Complaints Commission, Scottish Criminal Cases Review Commission and the Risk Management Authority.

In 2010-11, we will focus our resources on:

- covering the costs of keeping children who are ordered to be detained by the courts under sections 205(2) and 208 of the Criminal Procedure (Scotland) Act 1995 in secure accommodation.

Police Central Government

Table 5.08 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Police Support Services	131.0	109.7
Police Information & Communications Technology	48.8	64.2
Police Other	70.7	82.4
Special Grants	10.0	10.5
Total	260.5	266.8

What the budget does

General spending by police forces is met through the local authority settlement. This programme covers spending on:

- centrally provided costs for the Scottish Police Services Authority which provides common police services such as training, IT development and criminal records.
- centrally provided costs for the Scottish Crime and Drug Enforcement Agency;
- support for specific services and the staff and support costs of the Scottish Police Federation, Association of Chief Police Officers in Scotland and Association of Scottish Police Superintendents;
- the Police Complaints Commissioner for Scotland;
- other specific payments to police authorities, including for various security measures; and
- miscellaneous expenditure, including payments to the Home Office for services provided on a GB basis (e.g. National Police Improvement Agency and Serious and Organised Crime Agency).

In 2010-11 we will focus our resources on supporting the SPSA, Police Associations, the Police Complaints Commissioner for Scotland and other specific payments to police authorities for various security measures and miscellaneous expenditure. We will also provide funding for a further tranche of additional officers in police forces.

Budget Changes

Our spending plans include the following changes made since the publication of Draft Budget 2009-10

- An additional £18.0/£22.5m has been provided to Police Central Government to cover the cost of the additional police officers.
- £22/£22.6m to Police Central Government from Local Government for Information Communications Technology following the transfer of responsibility for ICT from police authorities to the Scottish Police Services Authority.
- An additional £31.4/£27.2m has been provided for Police Central Government to meet the cost relating to pension payments.
- A transfer of £1.4/£1.4m to Drugs and Community Safety from Police Central Government to cover the costs of various violence reduction initiatives.
- Transfer of £15/£15.5m from Police Specific Grant to the Scottish Police Services Authority
- £0.4m in 2010-11 transferred to cover the cost related to the Adult Support and Protection Act

Drugs And Community Safety

Table 5.09 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Community Safety	4.2	4.2
Drug Misuse	32.0	32.3
Total	36.2	36.5

What the budget does

The bulk of this budget is provided to Health Boards to provide services to promote recovery from drug addiction. This budget also supports the operation of local Alcohol and Drug Action Teams (which are to become Alcohol and Drug Partnerships) and Community Safety Partnerships, along with a range of initiatives to tackle drug misuse, crime and antisocial behaviour.

At the Budget Revision stage the Drugs and Community Safety budget will be increased to include funds recovered under the Proceeds of Crime Act. Ministers will use this to invest in positive opportunities for young people and divert them from crime and antisocial behaviour.

In 2010-11, we will:

- continue to provide financial support to increase access, capacity and quality of drug treatment and rehabilitation services, to promote recovery from drug addiction;
- support the effective operation of the new Alcohol and Drug Partnerships;
- fund a range of national and local initiatives including CIRV, the Community Initiative to Reduce Violence, tackling gang violence in Glasgow, and 'No Knives, Better Lives', educating young people about the dangers of knife-carrying;
- sponsor a number of organisations such as the national Violence Reduction Unit, Neighbourhood Watch and Crimestoppers to enable them to support communities to combat crime and antisocial behaviour.

Budget Changes

Our spending plans include the following changes made since the publication of Draft Budget 2009-10

- A transfer of £1.4/£1.4m to Drugs and Community Safety from Police Central Government to cover the costs of various violence reduction initiatives.

Scottish Resilience

Table 5.10 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Scottish Fire Services College	6.7	6.8
Other Functions*	7.2	7.1
Firelink	9.6	7.4
Total	23.5	21.3

* Other Functions is an amalgamation of the Civil Contingencies Unit, the Fire and Rescue Advisory Unit and part of the Fire and Rescue Service Unit which were previously shown as separate level 3 programmes.

What the budget does

Scottish Resilience provides practical support for the frontline agencies that deliver fire and rescue services and emergency planning and response as well as advice to Ministers on all aspects of fire and rescue services and civil contingencies.

In 2010-11 we will:

- fund the Scottish Fire Services College to procure and deliver nationally agreed development programmes to the Scottish Fire and Rescue Services (SFRS);
- under 'other functions' we will fund work with the emergency services and other responder agencies to ensure that Scotland is prepared to respond to any major civil emergency. This will include:
 - continued support of the 8 multi-agency regional Strategic Co-ordinating Groups including a national programme of multi-agency exercises and learning and development;

- implement an engagement strategy to raise public awareness and develop best practice for communication in an emergency;
- develop the Scottish capability to withstand a possible Chemical, Biological, Radiological and Nuclear (CBRN) incident;
- support the outcomes of The Fire (Additional Function) (Scotland) Order 2005 and increased demand for Trainee Firefighter programmes;
- support SFRS in Scotland through community fire safety initiatives, responses to terrorism and extreme weather and other general initiatives;
- complete Operational Audit of Service Delivery for all SFRS, review their Service Improvement Plans and monitor their progress against their Integrated Risk Management Plans.

Accountant In Bankruptcy

Table 5.11 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Accountant in Bankruptcy	7.0	6.9
Total	7.0	6.9

What the budget does

The Agency supervises the process of personal insolvency in Scotland, approves debtor applications for bankruptcy, acts as Trustee in bankruptcy, investigates complaints against private sector Trustees in bankruptcy and acts as the Administrator in the Debt Arrangement Scheme (DAS). This includes approving money advisers, payment distributors and debtors' debt payment programmes. The Agency also maintains the public register of bankruptcies, Protected Trust Deeds and company insolvencies. The Agency has the policy lead for the development of policy in relation to bankruptcy, corporate insolvency, the Debt Arrangement Scheme and diligence.

In 2010-11, we will focus our resources on:

- ensuring that the Agency offers debt solutions aligned to the economic recovery plan: and
- our continued pursuit of excellence in the delivery of our frontline services to customers and stakeholders, including minimising the

impact of bankruptcy on the public purse through the continued focus on process efficiencies and improvements.

Scottish Court Service

Table 5.12 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Operating expenditure	76.0	75.8
Capital	18.7	20.3
Total	94.7	96.1

What the budget does

The Scottish Court Service (SCS) provides the people, buildings and technology to support the operation of the courts throughout Scotland and the Office of Public Guardian.

The budget allows for the funding of core operating costs (excluding judicial salaries) and covers the running, maintenance and development of 55 (largely historic) courthouses, the employment of over 1500 people throughout Scotland and the court operational costs such as jurors' expenses.

SCS will also contribute to the Scottish Government's national priorities in the following areas during 2010-11:

- Aiming to exceed the 2% target for efficiencies.
- Consolidating the unification of the administration of the Sheriff and Justice of the Peace Courts; making most efficient use of the court estate by continuing to absorb the work of JP courts within existing sheriff courts, wherever possible.
- Being an active participant in the benchmarking groups for corporate services.
- Taking effective sanctions to improve the rate of fines recovery for fiscal fines and police fixed penalties as part of the Summary Justice Reform programme.
- Paying invoices within 10 days of receipt.
- Investing in the court estate which improves infrastructure and supports the construction and services industries.

- Improving court procedures and information about them for people facing repossession of their home.
- Setting annual targets for CO2 reductions in support of the Climate Change (Scotland) Act.
- Delivering the first set of projects arising from the Carbon Management Plan developed during 2009-10.
- Continuing to progress a rolling programme of initiatives to reduce waste and improve energy efficiency by installing water saving devices in washrooms, upgrading building control systems, replacing old and inefficient boilers and installing lighting controls.

By working with other Justice Partners, we will focus on improving the experience of those people who come into contact with the criminal justice system and who have disabilities.

- As 23% of our workforce is part-time we will continue to ensure that we offer flexibility of working and benefits, such as specialised support for carers, reflecting the nature of our workforce.
- Through our Community Partnership we will seek opportunities to have people with disabilities help ensure our court buildings are accessible and supportive environments.
- We will continue to ensure our recruitment opportunities are available to all members of society.

Budget Changes

- Transfer of £1.8/£1.8m from Local Government for Court Unification.

Scottish Prison Service

Table 5.13 More detailed categories of spending (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Direct running costs ¹	271.0	272.7
Other current spending ²	75.5	76.4
Capital spending	108.6	136.8
Total	455.1	485.9

Notes:

1. Consists of staffing and other prison running costs (which include maintenance, rent and rates, telecommunications etc);

2. Covers prisoner related costs such as medical/dental services, food, clothing, bedding etc. and industries related costs such as workshop materials and prisoner earnings.

What the budget does

The Scottish Prison Service (SPS) was set up as an Executive Agency in April 1993. SPS is funded by the Scottish Government and is answerable to the Cabinet Secretary for Justice.

In 2010-11, we will focus our resources on making Scotland a safer place by:

- holding securely and in good order the offenders sent by the courts, caring for offenders with humanity and providing them with appropriate opportunities;
- delivering offender management services, programmes and activities which address the causes of offending and re-offending and working to improve the outcomes for prisoners;
- investing to create an estate which is fit for purpose;
- supporting prison staff to deliver their difficult work for society with professionalism and skill; and
- working in partnership with other organisations in the public, private and voluntary sectors that deliver services to offenders and playing a full role in the integration of offender management services.

Budget Changes

Our spending plans include the following changes made since the publication of Draft Budget 2009-10

- Transfer of £0.4/£0.2m to the Scottish Prison Service from the Health and Wellbeing portfolio for the Hepatitis C action plan.

Office of the Scottish Charity Regulator

Table 5.14 More detailed categories of spending (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Office of the Scottish Charity Regulator	3.7	3.6
Total	3.7	3.6

What the budget does

The Office of the Scottish Charity Regulator (OSCR) is the independent registrar and regulator for Scottish Charities. It has a statutory function to determine the charitable status of bodies, keep the public register of charities (the definitive on-line register contains details of over 23,500 charities), to encourage, facilitate and monitor compliance by charities, and to identify and investigate apparent misconduct in the administration of charities, taking remedial or protective action as appropriate. OSCR also has a duty to give information or advice, or to make proposals to Scottish Ministers on matters relating to OSCR's functions.

OSCR is a Non Ministerial Department, and was created in April 2006 in accordance with the requirement of the Charities and Trustee Investment (Scotland) Act 2005 (2005 Act).

In 2010-11, we will focus our resources on delivering our strategic objectives to:

- increase public confidence in charities through effective regulation;
- increase transparency and public accountability of charities;
- increase charity trustees' awareness and compliance with the 2005 Act;
- establish and maintain OSCR as a trusted, effective and innovative regulator;
- minimise the burden of regulation on charities wherever possible, with particular emphasis on reducing multiple reporting; and
- operate effectively and efficiently, demonstrating a commitment to the principles and practice of Best Value.

Central Government Grants to Local Authorities

Table 5.15: More detailed spending plans (Level 3).

	2009-10 Budget £m	2010-11 Draft Budget £m
Police	569.1	586.7
Criminal Justice Social Work	86.5	86.5
Fire Capital Grant	24.6	24.6
Total	680.2	697.8

What the budget does

Under the Concordat, most of the previous budget for ring-fenced grant was added to the budget for general support to local authorities. This table shows the three remaining areas where there are ring-fenced grants to local authorities (or similar bodies) for justice purposes.

Budget Changes

- £26.4/£17.8m transferred to General Revenue Grant (GRG) to local authorities to reflect the Police Grant figure agreed in the Spending Review and to correct the amount of GRG available to Local Authorities.
- A transfer of £15/£15.5m to the Scottish Police Services Authority.

RURAL AFFAIRS AND THE ENVIRONMENT

Portfolio Responsibilities

The Rural Affairs and Environment Portfolio is responsible for supporting and enabling a flourishing Scotland, particularly in rural areas. This includes action on government policy development, regulation and delivery of programmes related to rural, marine, food and protecting and enhancing the environment.

The Rural Affairs and Environment Portfolio has responsibility for:

- protecting the air, land and water environment;
- improving public health with good, safe drinking water that customers trust;
- protecting communities from pollution, flooding, noise and nuisance;
- moving towards a “zero waste” society where we value, reuse and recycle resources;
- securing for the future well managed landscapes and biodiversity which people can enjoy and businesses can capitalise on;
- underpinning competitive agriculture, fisheries and forestry businesses, and encouraging other rural development that is essential for the health and wealth of local economies and communities;
- ensuring that all domestic and farm animals in Scotland are well treated and healthy, and that contingency plans are in place for the effective management in Scotland of animal disease outbreaks; and
- managing Scotland's seas for prosperity and environmental sustainability.

These programmes will ensure that our natural resources are used and managed for current and future generations as a valuable asset supporting sustainable economic growth. Scotland's successful farming, fishing and forestry businesses depend on the sound management of our natural assets which in turn underpins our tourism, recreation and food industries.

Our actions to secure a clean environment, safe drinking water and a sustainable approach to waste management are important for a healthier Scotland, as is our investment in access to the countryside and green space in our communities.

Through our sponsored bodies and main research providers, our investment in regulatory science and strategic research makes a significant contribution to a smarter Scotland.

Promoting Equality

The Rural Affairs and Environment Portfolio is committed to promoting equality for all the people of Scotland irrespective of gender, race, disability, sexual orientation, age, religion or faith. We can only meet our policy objectives and targets by involving everyone and ensuring there are no barriers to people who wish to be involved in the sustainable management of our natural resources. The action we take to promote equality includes involving a range of people in policy development, completing equality impact assessments of our policies, ensuring our guidance and information is accessible to all, and our programmes, such as the Scotland Rural Development Programme fully reflect equality requirements.

Summary of Key Spending Priorities

The Rural Affairs and Environment Portfolio is responsible for over £600m of public spending a year and is also responsible for over £500m from the EU, mainly under the Common Agricultural Policy and the Common Fisheries Policy.

Statement of priorities

The Rural Affairs and Environment budget supports the Government's purpose of increasing sustainable economic growth by ensuring that:

- We value and enjoy our built and natural environment and protect it and enhance it for future generations;
- We reduce the local and global environmental impact of our consumption and production;
- We live in well-designed, sustainable places where we are able to access the amenities and services we need; and
- Our public services are high quality, continually improving, efficient and responsive to local people's needs.

Some specific examples of the activity supporting these outcomes include:

- Over £1½ billion of funding in rural areas through the Scotland Rural Development Programme to be invested before 2013;
- Increasing sustainability and competitiveness in the fishing and aquaculture industries through £44 million worth of investment

- of European funding (European Fisheries Fund) in Scotland to 2013;
- Continuing to develop innovative and leading solutions to the challenges of fisheries management;
 - Implementing the Marine Strategy Framework Directive to ensure good environmental status is achieved in Scotland's seas by 2020;
 - Preparing for new functions under the Marine Bill, including marine planning, notably through the activity of Marine Scotland;
 - Investing £75m to 2013 supporting Scotland's food and drink industry, creating and safeguarding jobs, delivering environmental health benefits and increasing quality and sales;
 - Stimulating biomass energy developments through £1.5m in the Scottish Biomass Heat Scheme;
 - Facilitating the sustainable transport of timber in rural areas for the benefit of local communities and the environment using £5m through the Timber Transport Scheme;
 - Investing £152m of zero waste spending over 3 years, including investment of up to £7.5m in community recycling projects;
 - Supporting new entrants to farming through the SRDP;
 - Increasing the area of woodland created by investing an additional £15m per year;
 - Engaging communities through the Climate Challenge Fund, investing £27.4m over 3 years to support community led action to reduce carbon emissions;
 - Undertaking a £5m investment in forest recreation facilities in the Scottish Borders; and
 - Merging Scottish Natural Heritage and the Deer Commission for Scotland as part of simplifying the public sector landscape.

Spending plans for 2010 - 11 are set out below.

Table 6.01 Detailed spending plans (Level 2)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
EU Support and Related Services	165.9	162.6
Research, Analysis and Other Services	94.4	97.0
Marine and Fisheries	79.7	69.6
Natural Heritage and Rural Services	99.9	102.1
Environmental Protection, Sustainable Development and Climate Change	84.6	95.5
Water Quality	8.6	5.4
Forestry Commission	67.6	70.1
Forest Enterprise	26.2	26.3
Total	626.9	628.6

Table 6.02 Detailed spending plans (Level 2 real terms) at 2009-10 prices

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
EU Support and Related Services	165.9	160.2
Research, Analysis and Other Services	94.4	95.6
Marine and Fisheries	79.7	68.6
Natural Heritage and Rural Services	99.9	100.6
Environmental Protection, Sustainable Development and Climate Change	84.6	94.1
Water Quality	8.6	5.3
Forestry Commission	67.6	69.1
Forest Enterprise	26.2	25.9
Total	626.9	619.4

Budget Changes

As a result of the cuts imposed by the Chancellor, the RAE Portfolio spending plans for 2010 - 2011 have been reduced by £8.0m in real terms. However, to mitigate the impact of this UK reduction, we will seek to further accelerate EU investment to support economic recovery across Scotland, particularly in rural areas.

Our spending plans also include the following changes made since the publication of *Draft Budget 2009-10*.

EU Support and Related Services

- In response to the current economic problems, £2.0m of Business Development capital was brought forward from 2010-11 to 2009-10 and transferred to support investment in the Campbeltown Creamery.

Research, Analysis and Other Services

- A decrease of £5.0/5.0m due to a merger of public sector pension schemes.

Marine and Fisheries

The content of the Marine and Fisheries Level 2 programme has been re-aligned to reflect the establishment of Marine Scotland.

- In response to the current economic problems, £3.6m of Marine Scotland capital was brought forward from 2010-11 to 2009-10 to fund the Fish and Veterinary Aquaria facility;
- Increase of £3.2/3.2m due to the transfer of administration resources to Marine Scotland; and
- Decrease of £1.3/1.3m due to the transfer of Food Industry Support to Natural Heritage and Rural Services.

Natural Heritage and Rural Services

- SNH and Deer Commission for Scotland budgets have been merged to reflect the proposed merger of the organisations under the Public Services Reform Bill;
- The SNH budget is reduced by a £3.7m transfer to Local Government in both 2009-10 and 2010-11;
- The former budgets for Business Advice and Skills, Public Good Advice and Commodities and Plant Health have been merged into Agricultural and Horticultural Advice and Support;
- The former Minor Agricultural Services budget has been split between Landscapes and Habitats Programme and Agricultural and Horticultural Advice and Support;
- Transfer of £0.3/0.3m from Animal Health to Local Government;
- Increase of £1.3/1.3m due to the transfer of Food Industry Support from Marine and Fisheries; and

- Transfer of £0.7m from Zero Waste to Food Industry Support in 2010-11 to promote Scotland's food and drink industry.

Environmental Protection, Sustainable Development and Climate Change

- Transfer of £0.2m from Flood Prevention and Coast Protection to SEPA for North East flood warning system in 2010-11;
- Transfer of £0.2m in 2009-10 from Zero Waste to Education and Lifelong Learning for Eco-Schools;
- Transfer of £25.3/26.3m from Zero Waste to Local Government; and
- Transfer of £0.7m from Zero Waste to Food Industry Support in 2010-11 to promote Scotland's food and drink industry.

EU Support and Related Services

Table 6.03 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Single Farm Payment Scheme ¹	433.6	433.6
Scottish Beef Calf Scheme ¹	21.0	21.0
Energy Crop Payments ¹	0.2	0.2
Protein Crop Payments ¹	0.3	0.3
Business Development ²	33.4	31.6
Less Favoured Area Support Scheme ²	61.0	65.5
Agri Environmental Measures ²	58.3	59.7
Forestry ²	5.5	4.9
Rural Enterprise ²	18.2	18.2
Rural Communities ²	8.7	8.8
Leader ²	5.8	6.1
Technical Assistance ²	0.3	0.3
Payments and Inspections	39.3	38.2
Administration Costs		
EU Income	-519.7	-525.8
Total	165.9	162.6

Notes:

1. Indicates schemes fully funded from EU Income.
2. Indicates schemes under the Scotland Rural Development Programme (SRDP) which are jointly funded by the Scottish Government and the EU as per an agreed ratio. This ratio is known as the co-financing rate which can be changed in agreement with the EU. This is the mechanism used to address variation in the exchange rate. The rate for 2009-10 is approximately 68% Scottish Government: 32% EU. This rate is expected to change to be approximately 50%: 50% for 2010-11, though this is not reflected in the above figures.
3. Notes 1 and 2 above indicate schemes to some extent dependent on EU Income, and as such spending plans may be subject to review in respect of variations in exchange rates.

What the budget does

The EU Support and Related Services Level 2 provides support to the rural economy through the Common Agricultural Policy. Agriculture is an important element of the Scottish economy with a large number of people in rural areas directly employed in agricultural activities. The Single Farm Payment Scheme (c. £433.6m in 2010-11) supports over 20,000 producers, providing stability for farmers, enabling them to adapt to major changes, and leading to a sustainable agricultural sector. Funding is solely from the EU.

The Scotland Rural Development Programme (SRDP) funding running over the period 2007 to 2013 comprises National funds (DEL), National Modulation, Compulsory Modulation and funding from the European Agricultural Fund for Rural Development (EAFRD). The total EU funding for the Programme period is 679m€. The DEL component includes DEL from the Forestry Commission (Woodland Grants) and the Natural Heritage & Rural Services budget (Scottish Natural Heritage level 3 spending lines). The rate and level of draw down of EAFRD depends on the amount of DEL, the co-financing rate and the exchange rate.

The SRDP includes several measures to support rural communities and land managers with particular emphasis on increasing sustainable business activity and competitiveness in agriculture and forestry, improving the environment and the countryside, and enhancing the quality of life in rural areas.

Through the Payments and Inspections Administration costs, we deliver regulatory functions in relation to national and international legislation, alongside expert scientific and technical advice and information services on agricultural crops and aspects of the environment.

In 2010-11, we propose to

- Intensify our support for rural business and communities during the economic downturn by accelerating funding for key economic development projects in rural areas;
- Replace the current Less Favoured Area Support Scheme (LFASS) with a revised version: LFASS 2010. The main changes to that will be: a further increase in payment rates in the fragile and very fragile areas (the main beneficiaries will be sheep producers in the most vulnerable areas); we will deliver £15 million of extra support over two years for active farmers in the fragile and very fragile regions. We will fund this partly from unspent money in LFASS, caused by the decline in applications and partly by linking payments to active farming. The remainder will be funded from higher European funding, brought about by the changed exchange rate. We intend to deliver this extra support without reducing the budget elsewhere in the SRDP;
- Review the Single Farm Payment (SFP) scheme to ensure it is delivering support where it is needed;
- Increase support for slurry schemes and review how we could further support greener farming;

- Make further operational improvements to the SRDP, including improved support to simplify the online application process; and
- Reduce the costs of administration by implementing efficiencies in business processing and resourcing.

Budget Changes

- In response to the current economic problems, £2.0m of Business Development capital was brought forward from 2010-11 to 2009-10 and transferred to support investment in the Campbeltown Creamery.

Research, Analysis and Other Services

Table 6.04 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Programmes of Research	66.9	74.8
Scottish Agricultural College - Education*	5.6	0.0
Royal Botanic Garden Edinburgh	12.0	12.3
Contract Research Fund	8.4	8.4
Economic and Other Surveys	1.6	1.6
EU Income	-0.1	-0.1
Total	94.4	97.0

* Scottish Agricultural College - Education resource funding transferred to Education and Lifelong Learning.

What the budget does

The Research, Analysis and Other Services Level 2 funds 4 main programmes of research which focus on the strategic needs of Government policy makers and stakeholders. The programmes are: Profitable & Sustainable Agriculture – Plants; Profitable & Sustainable Agriculture – Animals; Environment – Land Use and Rural Stewardship; and Impacts on Human Health. The programmes of research are commissioned from a number of providers, mainly the three Scottish Research Institutes, the Scottish Agricultural College and the University of Aberdeen Rowett Institute of Nutrition and Health.

There is additional funding for research on international plant biodiversity, carried out by the Royal Botanic Garden, Edinburgh (RBGE). Although primarily directed at supporting international biodiversity policies, this research will complement work on Scottish biodiversity. Support for this international research will continue to be managed through the sponsorship funding arrangements for the RBGE.

Three Cross Cutting Themes have been identified as important issues which cut across the Research Programmes and are key to future sustainability in rural Scotland. Outputs from the three Cross Cutting Themes (Responding to Climate Change; Protecting Biodiversity and Environmental, Social and Economic Sustainability of Rural Scotland) will be delivered through the main Research Programmes.

The Contract Research Fund commissions research which addresses specific policy requirements within the RAE Portfolio or which encourages collaboration between the research establishments and between the Scottish Government and other funding bodies.

In 2010-11, we propose to

- Conclude the 5-year programmes of strategic research commenced in 2006-07 and begin the transition to the new programmes that will commence in 2010-11; and
- Make a major investment in a new facility for the University of Aberdeen Rowett Institute of Nutrition and Health.

Budget Changes

Our spending plans show:

- A decrease of £5.0/5.0m due to a merger of public sector pension schemes.

Marine and Fisheries

Table 6.05 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Marine Scotland	75.5	65.3
EU Fisheries Grants	9.8	11.1
Fisheries Harbour Grants	0.4	0.4
EU Income	-6.0	-7.2
Total	79.7	69.6

What the budget does

The Marine and Fisheries Level 2 funding supports the sustainable use of Scotland's coasts and seas and freshwater fish populations. These natural resources are vitally important to sustainable economic growth and especially so in remote rural areas.

Marine Scotland was established on April 1 2009 as a Directorate of the Scottish Government (SG), to integrate core marine functions involving scientific research, compliance monitoring, policy and management of Scotland's seas. It has responsibility for marine planning; fisheries policy compliance and enforcement, fisheries research and representing Scottish interests in relation to the common fisheries policy and international fisheries negotiations; aquaculture and freshwater fisheries policy; and responsibility for meeting our marine obligations in relation to the EU Habitats Directorate, the Marine Strategy Framework Directive and international commitments. Marine Scotland administers all marine consents required for a variety of activities including depositing substances at sea, coast protection and offshore renewables. The drop in budget between 2009-10 and 2010-11 is accounted for by the one-off capital investment in the Fish and Veterinary Aquaria facility.

Grants for the sustainable development of the Scottish fisheries industry are awarded through the European Fisheries Fund (EFF). Subject to exchange rate movement (which will influence final figures) some £44 million from the European Union along with about £34 million from the Scottish Government is available to Scotland over the period 2007-2013.

Priorities for funding are:

- Innovation. For example, in the reduction of discards and improved selectivity in the catching sector;
- Fuel and other efficiencies to contribute to a sustainable future for Scotland's catching, farmed and fish processing sectors; and
- Added value through the fisheries industry with a particular focus on fish processing.

In 2010-11, we propose to

- Maintain our support for rural business and communities during the economic downturn through the EFF;
- Complete the new £15m Fish and Veterinary Aquaria facility to support Scottish aquaculture;
- Conclude the inquiry into future of fisheries management which will develop alternative models of fisheries management to the Common Fisheries Policy and will help inform Scotland's submission to the Commission's review of the CFP;
- Support fishing industry profitability through creative approaches to the conservation management of fisheries e.g. days at sea, conservation credits, Scottish quota;
- Fund further trials on selective gear;
- Implement Inshore Fisheries Groups; and
- Implement the new functions and responsibilities anticipated in the Scottish Marine Bill.

Budget Changes

The spending plans for this programme have been amended to reflect the establishment on 1 April 2009 of Marine Scotland – a new delivery led Directorate of the Scottish Government combining the functions of the Fisheries Research Services, the Scottish Fisheries Protection Agency and the previous Marine Directorate.

- Increase of £3.2/3.2m due to the transfer of administration resources to Marine Scotland;
- In response to the current economic problems, £3.6m of Marine Scotland capital was brought forward from 2010-11 to 2009-10 to fund the Fish Veterinary Aquaria facility; and
- The budget has reduced by £1.3/1.3m due to the transfer of Food Industry Support from Marine and Fisheries to Natural Heritage and Rural Services.

Natural Heritage and Rural Services

Table 6.06 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Scottish Natural Heritage and Deer Commission for Scotland	67.9	69.0
National Parks	12.7	12.9
Landscapes and Habitats Programme	0.3	0.3
Crofting Assistance	5.7	5.8
Agricultural and Horticultural Advice and Support	5.1	5.1
Veterinary Surveillance	4.7	4.8
Animal Health	1.2	1.2
Rural Cohesion	1.0	1.0
Food Industry Support	1.3	2.0
Total	99.9	102.1

What the budget does

The Natural Heritage and Rural Services Level 2 budget primarily supports the commitment, set out in the National Outcomes, to “value and enjoy our built and natural environment and protect it and enhance it for future generations”. Funding will support Scottish Natural Heritage’s (SNH’s) work on delivering Scotland’s biodiversity targets, fulfilling Scotland’s contribution to the UN Convention on Biological Diversity (CBD), meeting Scotland’s contribution to the promotion of access and helping ensure that new developments take proportionate account of our valuable natural heritage.

We will introduce the Wildlife and Natural Environment Bill in order to maximise the associated environmental and economic benefits, while minimising irresponsible or damaging practice. The Bill will update wildlife and natural environment legislation in relation to a number of areas, including: game law; deer; invasive non-native species; species management; snaring; and muirburn.

Funding for the National Park Authorities will enable them to take forward the National Park Plans which were approved in early 2007

and implement the recommendations in the National Parks Review report (published November 2008).

We will reform crofting so that it is fit for the 21st century and continues to contribute to the development of a thriving rural Scotland. We expect to bring forward a Crofting Bill that will add to the administrative reforms we have already made by making the changes to legislation that are needed to deliver a more robust governance, regulatory and financial framework for the future of crofting.

We will continue to invest in Scotland's food and drink industry, support effective and efficient supply chains and collaborative ventures and work with stakeholders to ensure that sales of Scotland's food and drink continue.

In 2010-11, we propose to

- Develop a strategy for reducing greenhouse gas emissions from farming and other rural land uses;
- Transfer the functions of the Advisory Committee on Sites of Special Scientific Interest to Scottish Natural Heritage;
- Merge the Deer Commission for Scotland with Scottish Natural Heritage; and
- Through Scotland's Environmental and Rural Services (SEARS), explore opportunities to reduce bureaucracy further resulting in at least 7,000 fewer farm inspections and visits.

Budget Changes

- SNH and Deer Commission for Scotland budgets have been merged to reflect the proposed merger of the organisations under the Public Services Reform Bill;
- The SNH budget is reduced by a £3.7m transfer to Local Government in both 2009-10 and 2010-11;
- The former budgets for Business Advice and Skills, Public Good Advice and Commodities and Plant Health have been merged into Agricultural and Horticultural Advice and Support;
- The former Minor Agricultural Services budget has been split between Landscapes and Habitats Programme and Agricultural and Horticultural Advice and Support;
- Increase of £1.3/1.3m due to the transfer of Food Industry Support from Marine and Fisheries;
- Transfer of £0.7m from Zero Waste to Food Industry Support in 2010-11 to promote Scotland's food and drink industry; and

- Transfer of £0.3/0.3m from Animal Health to Local Government.

Environmental Protection, Sustainable Development and Climate Change

Table 6.07 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Scottish Environment Protection Agency	35.2	45.0
Zero Waste	27.4	27.9
Flood Prevention and Coast Protection	1.6	1.4
Water Environment	0.9	0.9
Noise and Air Quality Action	4.4	5.0
Sustainable Development and Climate Change	15.1	15.3
Total	84.6	95.5

What the budget does

The Environmental Protection, Sustainable Development and Climate Change Level 2 budget supports our actions to protect the land, air and water environment, and to protect communities from pollution, flooding, noise and nuisance. In particular, it supports our goal of achieving a zero waste society, where we value, reuse and recycle our resources.

Provision is made to enable the Scottish Environment Protection Agency (SEPA) to carry out its regulatory functions and to continue to safeguard Scotland's environment and human health. SEPA's spending is largely determined by the need to implement and enforce regulatory regimes required by national and EU legislation. SEPA will continue to monitor the quality of Scotland's environment and to implement the Water Environment and Water Services (Scotland) Act. Provision for SEPA includes support for the development of a National Flood Warning Dissemination Programme. SEPA's budget increases in 2010-11 to reflect the new statutory duties placed on SEPA by the Flood Risk Management (Scotland) Act 2009 and to complete the building of a new water quality testing laboratory in Aberdeen to enhance our ability to meet EU requirements. Other

budgets for flooding defence previously held centrally were distributed to local authorities as part of their overall settlement from 2008-09 onwards.

The budget for Zero Waste includes support for a number of programmes including work to develop markets for recycle use, waste prevention and minimisation, reuse and recycling awareness, support for community recycling groups and support for local authorities to achieve municipal waste targets in 2010 and beyond. In addition, the spending line funds Keep Scotland Beautiful, which carries out anti-litter and anti-fly tipping campaigns and promotes environmental education.

The funding provided for flood prevention and coast protection supports initiatives on flood risk management and research to assist policy development in these areas. Resources provided for air quality support measures are designed to improve air quality in hot spot areas in relevant local authorities. Funding for noise supports the costs of ongoing mapping and action planning required under the EU Environmental Noise Directive.

In 2010-11, we propose to

- Launch a new National Zero Waste Plan;
- Invest £2.5m in community recycling projects; and
- Implement the waste provisions in the Climate Change (Scotland) Act 2009 to improve data on business waste.

Budget Changes

Our spending plans show

- Transfer of £0.2m from Flood Prevention and Coast Protection to SEPA for North East flood warning system in 2010-11;
- Transfer of £0.2m in 2009-10 from Zero Waste to Education and Lifelong Learning for Eco-schools;
- Transfer of £25.3/26.3m from Zero Waste to Local Government; and
- Transfer of £0.7m in 2010-11 from Zero Waste to Food Industry Support to promote Scotland's food and drink industry.

Water Quality

Table 6.08 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Budget Plans
	£m	£m
Private Water	8.2	5.0
Drinking Water Quality Regulator	0.4	0.4
Total	8.6	5.4

What the budget does

The Water Quality Level 2 supports actions to sustain and improve the health of the people of Scotland through good safe drinking water. Provision is made to protect the quality of private drinking water supplies through the preparation of information and advice aimed at improving public understanding of how to protect and maintain such supplies. This is supported by the Private Water Supply Grant Scheme, which provides financial assistance to users of private water supplies towards the upgrade of these supplies. The budget for this grant in 2010-11 has been reduced to reflect demand.

Provision is also made to support the Drinking Water Quality Regulator for Scotland (DWQR) in carrying out their duties under the Water Industry (Scotland) Act 2002.

Forestry Commission

Table 6.09 More detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Woodland Grants	27.0	27.0
Policy, Regulation and Administration	4.9	5.1
Programme Costs	23.1	24.5
Net Capital Expenditure	18.5	19.4
Cost of Capital Charge and Depreciation	15.1	15.1
Sale of Land	-15.0	-15.0
EU Income	-6.0	-6.0
Total	67.6	70.1

What the budget does

The Forestry Commission Scotland regulates and supports the private forestry sector, promotes the expansion and sustainable management of Scotland's woodlands, supports projects which reduce the impact of timber transport operations on public roads and on communities, and increases the contribution of woodlands to the quality of our towns and cities through the Woodlands In And Around Towns initiative. Climate change will continue to be an area of major importance for forestry in 2010 -11.

In 2010-11, we propose to

- Promote predictable and stable timber supplies to help the Scottish economy;
- Introduce a code of good practice for forestry carbon schemes;
- Invest in research on timber product development and use of timber in construction; and
- Establish a greening hospital grounds project.

Forest Enterprise

Table 6.10 More detailed spending plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
Operating Costs	23.6	23.6
Net Capital Expenditure	1.3	1.3
Cost of Capital Charge and Depreciation	1.3	1.4
Total	26.2	26.3

What the budget does

The Forest Enterprise Scotland Level 2 budget supports the sustainable management of the national forest estate, maintains effective planning and consultation systems, maximises the value to the Scottish Economy of the estate's timber resource, other forest products and estate assets, conserves and enhances the biological diversity and cultural heritage values of the estate, improves the appearance of the estate, and increases the opportunities for everyone to enjoy and benefit from visits to the estate.

In 2010-11, we propose to

- Establish a network of energy forestry demonstration sites;
- Seek to establish joint ventures for developing forestry renewables on the national forest estate;
- Sustain timber production on the national forest estate through the economic downturn;
- Expand the forestry modern apprenticeship scheme;
- Increase the number of tourism businesses using the national forest estate;
- Establish special protection measures for red squirrel populations across Scotland; and
- Establish a series of Woods In and Around Towns exemplar sites.

ADMINISTRATION

Portfolio Responsibilities

The Administration Budget covers the costs of running the core administration of the Scottish Government to help it deliver its Purpose - To focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth - and its Strategic Objectives.

What the budget does

The Administration budget covers the costs of running the core administration of the Scottish Government. The majority of these costs relate to civil service staff, with the remainder supporting office accommodation, information technology, training and travel. The spending supports the delivery of the Government's contribution to all of the strategic objectives set out in this document for all the Ministerial portfolios.

Summary of Key Spending Priorities

Statement of priorities

The Administration portfolio's priorities are:

- To ensure that the Scottish Government is best equipped and organised to support the delivery of the Purpose and Strategic Objectives, including assisting the process of economic recovery in Scotland;
- To ensure that the organisation offers maximum value for public money, and in particular - by operating a policy on the deployment of staff employed by the Scottish Government that is proportionate and reflects the current economic climate - to support overall priorities for public spending within the current tight financial perspective;
- To ensure that the percentage of total expenditure devoted to administration costs, across the core government and our agencies, remains at least 25% below the comparable percentage for the UK government;
- To implement a range of measures to deliver a reduction in emissions across the Scottish Government. Specific measures introduced include installation of a Building Management System across the whole estate to provide additional control through

optimisation of building lighting, heating, ventilation and cooling systems; and installation of a voltage optimisation device at main buildings to reduce the voltage supply. More information about the measures to be implemented are set out in the Scottish Government Carbon Management Programme publication.

- To ensure that the organisation continues to contribute to promoting equality by remaining committed to becoming an exemplar in the field of diversity and equality. The Scottish Government's equality initiatives will play a key role in supporting the delivery of all national outcomes, engaging with stakeholders and our own staff to share best practice to ensure our diversity and equality messages are communicated throughout the organisation and beyond.

Spending Plans for 2010-11 are set out below.

Table 7.01 Detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Scottish Government Staff	174.1	168.1
Accommodation	20.6	19.8
Other Office Overheads ¹	42.3	41.1
Training	5.2	5.4
Office of the Queen's Printer for Scotland	0.1	0.1
Capital Charges	17.7	17.7
Capital ICT Projects	7.4	7.4
Other Capital Expenditure	2.6	2.6
Total	270.0	262.2

Notes:

1. Includes ICT projects and minor non-pay items e.g. travel, transport, stationery, hospitality, etc.

2. The breakdown of spending plans for 2010-11 is subject to change as we seek to reduce overhead costs in favour of minimising the reduction necessary in the number of staff available for deployment to support existing and new priority activities.

Table 7.02 Detailed spending plans (Level 3 real terms) at 2009-10 prices

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Scottish Government Staff	174.1	165.6
Accommodation	20.6	19.5
Other Office Overheads ¹	42.3	40.5
Training	5.2	5.3
Office of the Queen's Printer for Scotland	0.1	0.1
Capital Charges	17.7	17.4
Capital ICT Projects	7.4	7.3
Other Capital Expenditure	2.6	2.6
Total	270.0	258.3

Budget Changes

Our spending plans include the following changes made since the publication of *Draft Budget 2009-10* which showed total budget plans of £278.8m for 2010-11. These changes in total result in a net reduction to plans of £16.6m giving the revised budget figure of £262.2m in table 7.01 above.

Contribution to HM Treasury budget cut

The draft Budget proposals include a £14m reduction in the 2010-11 Administration budget as a contribution to the total Scottish Government budget cut. This is consistent with the requirement on central Government to provide leadership within the public sector at a time of budgetary constraint, and also with the commitment to prioritise expenditure on frontline public services and economic recovery.

Transfers within the Administration Budget

The capital charge (depreciation and cost of capital charge) on the value of the Scottish Government's assets is forecast to be below the level planned in the 2009-10 budget. The resources made available (£6/6m) will help to meet commitments in other elements of the Operating Budget.

Transfer to Rural Affairs and Environment

Decrease of £3.2/3.2m due to the transfer of administration resources to Marine Scotland - a new delivery-led Directorate combining the functions of

Fisheries Research Services, the Scottish Fisheries Protection Agency (SFPA) and the previous Marine Directorate.

Transfer from other Portfolio programme budgets

Increase of £0.9/0.6m which will fund administration costs for time limited projects.

Transfer to Finance and Sustainable Growth

Decrease of £0.8/0.0m for Scottish Futures Trust which is an initiative designed to support the efficiency and effectiveness of infrastructure investment, leading to real and improved value for money solutions.

CROWN OFFICE AND PROCURATOR FISCAL SERVICE

Portfolio Responsibilities

The Crown Office and Procurator Fiscal Service (COPFS) provides Scotland's independent public prosecution and deaths investigation service. The Lord Advocate's position as head of the systems of criminal prosecution and investigation of deaths is enshrined in the Scotland Act.

COPFS is the sole public prosecution authority in Scotland. It is responsible for making decisions about and bringing prosecutions for all criminal offences. COPFS also has the duty to investigate all sudden, suspicious or unexplained deaths and is responsible for deciding whether criminal proceedings or a Fatal Accident Inquiry should be held and for conducting such proceedings and inquiries.

Responsibility for investigating complaints against the police, involving allegations of criminal conduct, rests with the Area Procurators Fiscal. Prosecution of police officers is undertaken on the instruction of Crown Counsel. The COPFS Criminal Confiscation Unit investigates and recover proceeds of drug trafficking and other serious crime through the criminal courts and the Civil Recovery Unit pursues proceeds of crime through the civil courts on behalf of Scottish Ministers. COPFS also provides a Victim Information and Advice Service across Scotland.

COPFS works closely with its criminal justice partners to help make Scotland a safer place and plays a pivotal role within the criminal justice system in maintaining the security and confidence of all communities of Scotland in the prosecution system, making the justice system more accessible and responsive. The core values of COPFS are impartiality, integrity, sensitivity, respect and professionalism.

The key aims of COPFS are to:

- deliver swift, effective justice, giving priority to serious crime, including sexual offending, serious violence, organised crime and drug trafficking;
- work with the police, local communities and others to solve problems caused by localised offending, targeting persistent offenders and helping people live their lives free from crime, disorder and danger;
- ensure that all deaths reported to the Procurator Fiscal are investigated appropriately;

- provide services that meet the information needs of victims, witnesses and nearest relatives, in co-operation with other agencies; and
- respect and protect diversity, and promote tolerance.

In this way, COPFS contributes to a safer and stronger Scotland by ensuring that cases are brought to a conclusion in the most appropriate way as quickly as possible. By tackling crime quickly and using a wider range of measures appropriate for specific offences, the COPFS portfolio will help to reduce crime and the fear of crime, improve the conditions which support economic development and social capital in communities, and enhance the quality of life of all Scottish people.

Summary Of Key Spending Priorities

The spending priorities for COPFS for 2009-10 to 2010-11 are briefly described below:

- £52.7m/£54.0m for the prosecution of serious, complex and organised crime, whether in the High Court or before a Sheriff and jury, including the prosecution of terrorism, murder, serious assaults, sexual offences, drug and people trafficking, fraud and organised crime and the confiscation of proceeds of crime;
- £34.2m/£32.2m for the efficient and timely prosecution of summary casework, which comprises in numerical terms the large majority of the (approximately) 330,000 crime reports submitted each year, including less serious offences and antisocial behaviour, prosecuted in the justice of the peace (formerly district), stipendiary and Sheriff courts, without a jury;
- £4.3m/£4.4m for the investigation of deaths, which includes discharging the public function in investigating relevant categories of deaths promptly, appropriately and with sensitivity to the needs of the next of kin;
- £3.1m/£3.8m for Victim Information and Advice, supporting victims of crime and vulnerable witnesses involved in the resolution of cases; and
- capital expenditure of £6.7m/£7.2m, which will complete the modernisation of the COPFS estate and improve the ICT system and increase case-processing efficiency.

Spending Plans for 2010-11 are set out below

Table 8.01 Detailed spending plans (Level 3)

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Solemn	52.7	54.0
Summary	34.2	32.2
Victim Information and advice service		
inspection	3.1	3.8
Investigation of deaths	4.3	4.4
Complaints against the Police	0.4	0.4
Non-court	17.3	17.2
Capital	6.7	7.2
Total	118.7	119.2

Table 8.02 Detailed spending plans (Level 3 real terms) at 2009-10 prices

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
Solemn	52.7	53.2
Summary	34.2	31.7
Victim Information and advice service		
inspection	3.1	3.7
Investigation of deaths	4.3	4.3
Complaints against the Police	0.4	0.4
Non-court	17.3	16.9
Capital	6.7	7.1
Total	118.7	117.3

Budget Changes

As a result of cuts imposed by the Chancellor, the Scottish Government has reduced planned spending across the public sector. Thus the Crown Office and Procurator Fiscal spending plans for 2010-11 have been reduced by £1.3m.

LOCAL GOVERNMENT

Local government holds a unique position in the governance of Scotland. In November 2007, COSLA (on behalf of local government) and the Scottish Government signed a Concordat setting out the terms of a new relationship, based on mutual respect and partnership. The Concordat recognises the democratic role of locally elected leaders and gives local authorities across Scotland the freedom to deliver in the best way for their communities.

Under the Concordat, both sides have committed to work jointly towards agreed outcomes under a single national Purpose - to focus the Government and public services on creating a more successful country with opportunities for all and for Scotland to flourish, through increasing sustainable economic growth.

The new relationship is represented by a package of measures which, taken together, both sides believe will lead, over time, to significant benefits for users of local government services.

The main components of the package were:

- the total amount of funding to be made available by the Scottish Government to local authorities over the period 2008-09 to 2010-11;
- a commitment that the Scottish Government will not undertake any structural reform of local government during this period;
- the development of Single Outcome Agreements for each local authority area, supported by streamlined external scrutiny and effective performance management;
- the establishment of a new performance reporting system, called Scotland Performs, to provide regular, timely and transparent reporting on progress against the national outcomes - in addition to local reporting on progress against the related local outcomes;
- a substantial reduction in the number of ring-fenced funding streams to local authorities;
- allowing local authorities to retain all their efficiency savings to re-deploy to meet ongoing pressures; and
- agreement to work together on policy development in all areas where local government has a key interest.

Summary of Key Spending Priorities

In addition to the main components of the package, it was agreed that we and local government would each do what is required to ensure delivery of key government policies and programmes including:

- freezing council tax rates;
- making 1,000 additional police officers available in communities;
- reducing or removing business rates for the smallest businesses in Scotland;
- improving the learning experience for children and young people by improving the fabric of schools and nurseries; developing and delivering A Curriculum for Excellence; and, as quickly as possible, reducing class sizes in P1 to P3 to a maximum of 18 and improving early years provision with access to a teacher for every pre-school child;
- expanding pre-school provision;
- subject to necessary legislation being passed, extending entitlement to free school meals to all primary and secondary pupils of families in receipt of maximum child tax credit and maximum working tax credit from August 2009;
- more vocational training;
- providing allowances to kinship carers of "looked after" children;
- improving care home quality; and
- providing carers' support amounting to 10,000 extra respite weeks per annum.

Under the Concordat, the Scottish Government sets the direction of policy and the over-arching outcomes that the public sector will be expected to achieve. But it stands back from micro-managing that delivery, so reducing bureaucracy and freeing up local authorities and their partners to get on with the job. Work is now underway looking at how best to underpin the new relationship in statute.

The overwhelming majority of the funding provided to local government is by way of a block grant and it is for individual local authorities to allocate their total available resources on the basis of local needs, having first fulfilled their statutory obligations and the jointly agreed set of national and local priorities, including the Scottish Government's key strategic objectives.

A lot has been achieved in 2008-09 and in 2009-10 and we, together with local government, will build on that progress in 2010-11.

For example, Single Outcome Agreements have been agreed and published for every local authority for both 2008-09 and 2009-10. In 2009-10, the Single Outcome Agreements were extended to community planning partnerships in each area. The Single Outcome Agreements are based on the agreed set of national outcomes and, under a common framework, local outcomes to take account of local priorities.

Council tax rates were frozen in all councils in both 2008-09 and 2009-10 (in one council the rate was cut in 2008-09) and the funding is included in the 2010-11 budget to extend the council tax freeze for a further year.

The value of ring-fenced grants has been substantially reduced resulting in considerable savings in administrative costs. The value of ring-fenced grants amounted to £2.7 billion in 2007-08 and in 2010-11 this amount will have been reduced to less than £1 billion. Excluding the police ring-fenced funding the total in 2010-11 will be £0.3 billion.

The Small Business Bonus Scheme was introduced in 2008-09 and additional funding was provided in 2009-10 to accelerate full implementation of the scheme. Funding for the scheme is included in the 2010-11 budget.

An oversight structure oversees the new arrangements. As well as regular meetings at official level between the Scottish Government and COSLA, the Cabinet Secretaries for Finance and Sustainable Growth and for Education and Lifelong Learning regularly meet the COSLA Leadership to monitor progress and discuss emerging issues. The Scottish Cabinet also meets the COSLA Leadership annually, with the first such meeting in June 2008. These meetings will continue into 2010-11 with a particular focus on the funding of the next three year local government settlement 2011-14.

Both the Scottish Government and local government remain wholly committed to the new relationship enshrined in the Concordat. Through that relationship, local government has confirmed that councils will continue to make progress on all the Concordat commitments. We and local government will continue to discuss progress to ensure that the Concordat continues to deliver for the people of Scotland.

Spending Plans for 2010-11 are set out below.

Table 9.01: Detailed Spending Plans (Level 3)

	2009-10 Budget £m	2010-11 Draft Budget £m
General Revenue Grant	7,719.5	8,242.0
Non-Domestic Rates (NDR) ¹	2,165.1	2,068.2
General Capital Grant ²	462.6	360.0
Supported Borrowing	305.2	305.2
Total Portfolio Budget	10,652.4	10,975.4
Specific Revenue Grants ³	832.3	704.9
Specific Capital Grants ³	278.4	205.0
Total Support for Local Authorities ⁴	11,763.1	11,885.3
Total support adjusted for capital acceleration ²	11,693.1	11,945.3

Notes

1. The NDR figures are estimates. Firm figures for 2010-11 will be confirmed when the results of the revaluation and poundage rates are available. Any change in the level of NDR income will not impact on the overall level of support local authorities will receive, which is confirmed. These figures exclude other AME Grants amounting to £8.2m in 2010-11 for central government support to local authority housing which are included within the Specific Revenue Grants total.

2. The General Capital Grant figures include the impact of capital acceleration. This has the effect of adding a net £70m to the 2009-10 and reducing the 2010-11 figure by a net £60m. The final line of the table shows what the impact would have been without capital acceleration.

3. The Specific Revenue and Specific Capital Grants are included as part of each of the relevant chapters in the Draft Budget 2010-11 document but are contained here to provide a full picture of all the funding streams within the local government finance settlements. A full breakdown of all remaining ring-fenced grants is provided in Table 9.03 below. The Specific Revenue Grant figures, do not include Supported Employment of £4.9m and Police Loan Charge Support of £7.2m.

4. In addition to these sums, provision of £66.7m for 2010-11 is included within the Justice budget to support additional police numbers and pension costs, and £15.6m for 2010-11 is included within the Health budget for implementation costs of the Adult Support and Protection Act. Taking account of all the adjustments described in this note and above, the total funding being provided to local authorities in 2009-10 is £11,852.8m and in 2010-11 is £11,979.7m.

Table 9.02: Detailed Spending Plans (Level 3 real terms) at 2009-10 prices

	2009-10 Budget	2010-11 Draft Budget
	£m	£m
General Revenue Grant	7,719.5	8,120.2
Non-Domestic Rates (NDR) ¹	2,165.1	2,037.6
General Capital Grant ²	462.6	354.7
Supported Borrowing	305.2	300.7
Total Portfolio Budget	10,652.4	10,813.2
Specific Revenue Grants ³	832.3	694.5
Specific Capital Grants ³	278.4	202.0
Total Support for Local Authorities ⁴	11,763.1	11,709.7
Total support adjusted for capital acceleration ²	11,693.1	11,768.8

Notes

1. to 4. See notes as marked to Table 9.01.

What the budget does

Local authorities are directly involved in, and responsible for, the delivery of frontline public services, including education, social work, police, fire, civil protection, roads, waste collection and disposal, environmental health, leisure and recreation, libraries, museums, burial grounds and crematoria, planning, consumer protection, registration of births, marriages and deaths, and money advice. These all contribute towards achieving the Scottish Government's Purpose and the five Strategic Objectives. The funding provided to local government will contribute to improving the delivery of public services, including workforce development. It also promotes local democracy.

We will continue to take forward an efficiency programme with local government as with all other areas of the public sector across Scotland, in order to help deliver improved frontline services for everyone working and living in Scotland. We will also ensure that local government makes arrangements to provide Best Value in the effective management and delivery of services.

In 2010-11, the total package of resource and capital funding of £11,885.3 million (which increases to £11,979.7 million when funding shown within other budgets is included, as indicated in note 4 to Table 9.01 above) will be focused on contributing to delivering the Scottish Government's Purpose and five Strategic Objectives, and in particular progress towards the outcomes and objectives set out previously and the

priorities set out in the Single Outcome Agreements. This package consists of:

- a general revenue grant which is provided to Scotland's local authorities as a block grant;
- a general capital grant which is provided to Scotland's local authorities as a block grant; the specific revenue and capital grants that will continue (see Table 9.03); and non domestic rate income, collected by local authorities, paid into a central pool and redistributed to each local authority in proportion to its population.

The Scottish Government guarantees the combined general Revenue Grant and Distributable Non Domestic Rate Income figure, approved by Parliament, to each local authority. A drop in Non Domestic Rate Income is compensated for by an increase in General Revenue Grant and vice versa.

Addressing inequalities, and improving equality, in quality of life and opportunities in life is a national outcome in its own right and, as such is a shared aspiration for Scottish Government and local government under the Concordat and it is a cross-cutting theme that is being considered across all the Single Outcome Agreements. General improvement that leaves some of our people living well below the standards of the majority will not meet either national or local ambitions for a fairer Scotland.

The process to design and deliver SOAs is developmental. In the case of equality issues, the statutory obligations on public bodies are clear and are being implemented, however, we recognise that starting points may vary and further developmental work in this area will be required.

Guidance on preparing SOAs (produced by SG, COSLA, the Improvement Service, SOLACE and Audit Scotland) issued in February and October 2008. The Guidance set out that all parties to an SOA are responsible for ensuring that their statutory requirements and obligations have been met. An Equality Impact Assessment on the Scottish Government's Single Outcome Agreement approach was undertaken and published in November 2008 and further joint Scottish Government/COSLA advice for local authorities and other Community Planning partners on equalities and SOAs was issued in March 2009.

The Local Government in Scotland Act 2003 set out requirements on local authorities and other Community Planning partners to pursue continuous improvement and work in partnership. Equalities is one of the 10 characteristics covered by statutory guidance for Best Value for local authorities and one of the 9 in non-statutory guidance for other public service organisations and is covered in the statutory guidance for

community planning. Specific guidance on equalities has been produced by COSLA.

Budget changes

The main changes to the General Revenue budget plans for 2010-11 from the 2009-10 Scottish Draft Budget in respect of local government funding are as follows: £40m extra to fund existing Schools Public Private Partnership contractual commitments; £22.6m as a result of the Business Gateway/Regeneration transfers; £20.9m for the Zero Waste Fund; £20m transfer from local government capital; £18m for Teachers Pensions; £17.8m transfer from Police Specific Grant to General Revenue Grant; £12.3m for increased Fire Pensions; £3.5m for the Edinburgh Capital City Supplement; £2.8m for an increase in the number of Respite Care weeks; £2.4m for the transfer of the Ranger Services; £1.5m for policing of Tobacco Sales and £1m for the Orkney Ferry Services; these increases were offset by a reduction of £37.8m for the Police ICT transfer and other Police funding transfers between Justice and local government; £1.8m for the ongoing Court Unification transfer; and £174m (of which £131m general revenue and £43m general capital) which represents the local government share of the £521m cut imposed by the Chancellor to the overall Scottish Budget.

The reduction in the Police Specific Revenue Grant is the £17.8m transfer to General Revenue Grant mentioned above plus the £15.5m for the Specific Grant share of the Police ICT transfer

The changes in the Capital funding was as follows; the £20m Schools Fund transfer from local government capital to local government revenue mentioned above; the reduction of £100m as a result of the previous accelerated capital funding; the reduction of £43m for the share of the UK Government budget cuts; an increase of £5.2m for the Zero Waste Fund and a reduction of £5m for the Police ICT transfer.

Table 9.03: Specific Grant Funding in 2009-11

	2009-10 Budget £m	2010-11 Draft Budget £m
<u>Justice</u>		
Police (Resource)	569.1	586.7
Criminal Justice Social Work (Resource)	86.5	86.5
Fire Capital Grant (Capital)	24.6	24.6
<u>Health and Wellbeing</u>		
Fairer Scotland Fund (Resource)	145.0	rolled-up
Housing Support Grant (AME) (Resource)	6.7	6.7
Hostels Grant (AME) (Resource)	1.4	1.4
Vacant and Derelict Land (Capital)	12.2	12.2
Private Sector Housing Grant (Capital)	68.3	rolled-up
Transfer of Management of Development Funding (TMDF) (Capital)	119.1	119.1
Assistance to Owners affected by Glasgow Stock Transfer (Capital)	15.0	15.0
<u>Education</u>		
Determined To Succeed	19.2	19.2
<u>Finance and Sustainable Growth</u>		
Regional Transport Partnership Capital Grant (Capital)	30.0	25.0
Cycling, Walking and Safer Routes (Capital)	9.1	9.1
<u>First Minister</u>		
Gaelic	4.4	4.4
<u>Other Government Departments</u>		
Total Resource	832.3	704.9
Total Capital	278.4	205.0
Overall Total	1,110.7	909.9

Local Government's Spending Plans 2009-10

For information purposes only, Scotland's local authorities have budgeted to spend the total resources available to them from the Scottish Government's funding and income raised locally through the council tax on services as set out in Table 9.04.

Table 9.04: Local Government Revenue Expenditure plans 2009-10

2009-10 Budget Estimate - Net Revenue Expenditure	£m
Education	4,798.2
Social Work	2,776.4
Police	1,129.0
Fire	328.1
Roads and Transport	509.2
Environmental Services	670.0
Planning and Development Services	236.3
Culture and Related Services	629.8
Emergency Planning	4.5
District Courts	1.6
Administration of Housing and Council Tax Benefits	27.2
Private Sector Housing Renewal	7.9
Housing Benefits	3.8
Non Housing Revenue Account Housing	50.7
Community Regeneration Fund	86.8
Homelessness	67.6
Supporting People	258.2
Welfare Services	4.1
Licensing	1.8
Elections	9.8
General Grants, Bequests and Donations	10.8
Registration of Births Marriages and Deaths	8.8
Local Tax Collection (including Non Domestic Rates)	45.6
Council Tax and Non Domestic Lands Valuation	33.0
Corporate and Democratic Core	179.6
Statutory Repayment of Debt	927.5
Equal Pay/Single Status (prior year cost provision only)	16.1
Other Miscellaneous Services	25.3
Total Budgeted 2009-10 Net Revenue Expenditure	12,848.0

Note:

Source – local authority budget estimate returns.

ANNEX TABLES

Table 1: Departmental Expenditure Limits

	2009-10 Budget £m	2010-11 Draft Budget £m
Office of the First Minister	290.4	294.9
Finance & Sustainable Growth	2,879.0	2,718.1
<i>Health</i>	<i>11,029.1</i>	<i>11,292.7</i>
<i>Other Health & Wellbeing portfolio</i>	<i>792.8</i>	<i>541.6</i>
Total Health and Wellbeing	11,821.9	11,834.3
Education and Lifelong Learning	2,648.8	2,716.9
Justice	1,178.6	1,215.0
Rural Affairs & the Environment	626.9	628.6
Administration	270.0	262.2
Crown Office & Procurator Fiscal	118.7	119.2
Local Government	9,589.9	9,809.0
Scottish Parliament and Audit Scotland	110.9	114.2
Total	29,535.1	29,712.4

Table 2: Annually Managed Expenditure

	2009-10 Budget £m	2010-11 Draft Budget £m
Office of the First Minister	-	-
Finance & Sustainable Growth	2,969.1	3,165.4
Health and Wellbeing	55.0	55.0
Education and Lifelong Learning	132.7	135.0
Justice	-	-
Rural Affairs & the Environment	-	-
Administration	-	-
Crown Office & Procurator Fiscal	-	-
Local Government	2,173.2	2,076.3
Scottish Parliament and Audit Scotland	-	-
Total	5,330.0	5,431.7

Table 3: Departmental Expenditure Limits: Capital/Resource Split

Level 2	2009-10		2010-11	
	Capital £m	Resource £m	Capital £m	Resource £m
Europe and External Affairs	0.0	12.9	0.0	17.1
Culture and Gaelic	22.9	179.8	24.8	182.9
Corporate and Central Budgets	0.0	15.2	0.0	9.8
Historic Scotland	0.8	48.5	0.8	49.0
National Archives of Scotland	2.7	7.6	2.7	7.8
Total First Minister	26.4	264.0	28.3	266.6
Scottish Public Pensions Agency	0.4	10.9	1.1	10.6
Committees, commissions & other	5.4	15.8	5.8	25.0
Rail Services in Scotland	225.0	447.9	225.0	442.1
Concessionary Fares	2.1	187.4	2.1	191.9
Other Transport Agency Programmes	262.9	22.2	175.5	24.4
Motorways and Trunk Roads	280.5	226.3	271.3	232.6
Ferry Services in Scotland	14.4	90.0	14.8	90.2
Air Services in Scotland	7.0	34.1	7.0	32.3
Bus Services in Scotland	0.0	61.2	0.0	61.2
Other Transport Directorate Programmes	36.1	9.9	16.5	21.6
European Structural Funds -local authorities 2007-2013	0.0	0.0	0.0	0.0
European Structural Funds -central government 2007-2013	0.0	0.0	0.0	0.0
Planning	0.3	4.8	0.3	4.7
Enterprise, Energy & Tourism	130.1	392.2	79.1	378.9
Scottish Water and Climate Change	181.8	182.0	150.0	196.2
Third Sector and Social Economy	0.0	32.6	0.0	35.6
General Register Office of Scotland	0.7	15.0	0.8	21.5
Registers of Scotland	0.0	0.0	0.0	0.0
Total Finance & Sustainable Growth	1,146.7	1,732.3	949.3	1,768.8
Health	587.3	10,441.8	577.7	10,715.0
Housing and Regeneration	523.5	177.9	280.0	168.0
Equalities and Social Inclusion	0.0	26.5	0.0	27.6
Sport	10.9	43.0	16.1	38.8
Food Standards Agency	0.1	10.9	0.1	11.0
Total Health and Wellbeing	1,121.8	10,700.1	873.9	10,960.4
Schools	1.2	134.4	11.2	121.7
Children, Young People & Social Care	10.0	96.2	7.1	96.7
Student Awards Agency for Scotland	0.4	379.6	0.4	433.0
Scottish Further & Higher Education Funding Council	184.5	1,565.6	192.2	1,585.0
Other ELL (ELL)	0.1	276.8	0.1	269.5
Total Education & Lifelong Learning	196.2	2,452.6	211.0	2,505.9
Community Justice Services	0.0	23.2	0.0	22.8
Courts Group	0.0	46.3	0.0	47.4
Criminal Injuries Compensation	0.0	28.5	0.0	28.1
Legal Aid	1.0	169.7	1.0	169.5
Miscellaneous	0.0	29.2	0.0	29.1
Police Central Government	22.5	238.0	20.6	246.2
Drugs and Community Safety	0.0	36.2	0.0	36.5
Scottish Resilience	0.3	23.2	0.3	21.0
Accountant in Bankruptcy	0.0	7.0	0.0	6.9
Scottish Court Service	18.7	76.0	20.3	75.8
Scottish Prison Service	108.6	346.5	136.8	349.1
Office of the Scottish Charity Regulator	0.0	3.7	0.0	3.6
Total Justice	151.1	1,027.5	179.0	1,036.0
EU Support and Related Services	40.2	125.7	38.9	123.7
Research, Analysis & Other Services	9.1	85.3	9.1	87.9
Marine & Fisheries	18.0	61.7	7.2	62.4
Natural Heritage & Rural Services	1.8	98.1	1.8	100.3
Environment Protection, Sustainable Development & Climate Change	0.0	84.6	6.9	88.6
Water Quality	0.0	8.6	0.0	5.4
Forestry Commission Scotland	3.5	64.1	4.4	65.7
Forest Enterprise Scotland	1.3	24.9	1.3	25.0
Total Rural Affairs and the Environment	73.9	553.0	69.6	559.0
Total Administration	10.0	260.0	10.0	252.2
Total Crown Office & Procurator Fiscal	6.7	112.0	7.2	112.0
Total Local Government	1,046.2	8,543.7	870.2	8,938.8
Total Scottish Parliament & Audit	2.9	108.0	3.0	111.2
Total DEL	3,781.9	25,753.2	3,201.5	26,510.9

Table 4: COMPARISON 2002-03 to 2010-11

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Est. Outturn	Budget	Budget
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Europe and External Affairs	0.4	0.8	3.6	8.8	9.1	9.9	11.9	12.9	17.1
Culture and Gaelic	103.1	128.5	142.7	148.0	168.9	198.3	190.3	202.7	207.7
Corporate and Central Budgets	1.0	11.3	11.7	13.5	12.8	12.1	14.1	15.2	9.8
Historic Scotland	39.1	37.7	36.9	41.3	41.7	52.2	48.1	49.3	49.8
National Archives of Scotland	10.1	10.3	8.0	8.7	13.2	8.8	12.6	10.3	10.5
Total First Minister	153.6	188.5	202.9	220.3	245.6	281.3	277.0	290.4	294.9
Scottish Public Pensions Agency	211.0	1,052.3	1,341.0	1,782.0	1,583.1	2,187.4	2,540.7	2,385.0	2,528.0
Committees, commissions & other expend	2.2	3.5	2.2	6.0	18.4	38.0	11.4	21.2	30.8
Rail Services in Scotland	115.3	188.5	180.8	188.3	653.0	678.0	699.0	672.9	667.1
Concessionary Fares	0.0	13.2	29.2	36.1	163.0	173.9	193.4	189.5	194.0
Other Transport Agency Programmes	-2.0	30.8	14.6	59.1	182.3	294.0	152.9	285.1	199.9
Motorways and Trunk Roads	855.0	700.2	745.9	729.1	928.2	901.1	1,003.5	1,102.2	1,153.0
Ferry Services in Scotland	32.5	56.2	59.3	76.8	91.2	86.9	96.3	104.4	105.0
Air Services in Scotland	30.4	24.8	23.2	59.8	33.6	44.2	39.7	41.1	39.3
Bus Services in Scotland	49.6	52.7	56.1	56.3	63.9	67.1	63.6	61.2	61.2
Other Transport Directorate Programmes	12.6	21.8	25.1	25.6	36.8	34.3	29.9	46.0	38.1
European Structural Funds - local authoriti	4.5	44.3	44.7	46.0	0.0	0.0	0.0	0.0	0.0
European Structural Funds - central govern	95.5	145.3	132.6	118.1	0.0	0.0	0.0	0.0	0.0
European Structural Funds - local authoriti	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
European Structural Funds - central govern	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Planning	0.0	0.0	0.0	1.5	3.2	5.0	9.1	5.1	5.0
Enterprise, Energy & Tourism	582.8	668.8	645.9	697.9	691.8	818.3	520.1	522.3	458.0
Scottish Water and Climate Change	170.9	42.7	82.0	162.8	0.5	389.4	381.8	363.8	346.2
Third Sector and Social Economy	9.7	10.5	19.4	17.9	24.8	19.9	19.3	32.6	35.6
General Register Office of Scotland	7.2	7.4	6.4	8.2	7.7	12.7	15.7	15.7	22.3
Registers of Scotland	0.0	0.0	0.0	0.0	0.0	0.0	-4.3	0.0	0.0
Total Finance & Sustainable Growth	2,177.3	3,062.9	3,408.3	4,071.5	4,481.3	5,750.2	5,772.1	5,848.1	5,883.5
Health	6,785.4	7,169.2	8,177.5	8,868.4	9,356.4	10,138.7	10,598.9	11,084.1	11,347.7
Housing and Regeneration	510.1	618.9	533.0	423.7	520.9	616.7	484.9	701.4	448.0
Equalities and Social Inclusion	8.0	4.5	15.5	18.1	20.9	20.9	22.3	26.5	27.6
Sport	17.2	14.8	23.3	26.0	32.1	50.9	46.2	53.9	54.9
Food Standards Agency	4.6	6.3	7.7	10.5	9.8	9.7	10.3	11.0	11.1
Total Health and Wellbeing	7,325.4	7,813.7	8,757.1	9,346.7	9,940.2	10,836.9	11,162.6	11,876.9	11,889.3
Schools	117.0	130.4	120.9	124.5	134.6	159.6	98.8	135.6	132.9
Children, Young People & Social Care	56.8	65.0	74.4	101.7	163.1	147.3	98.7	106.2	103.8
Student Awards Agency for Scotland	346.8	337.1	338.8	335.2	491.1	509.3	585.2	512.7	568.4
Scottish Higher Education Funding Council	733.8	749.2	826.2	868.6	-	0.0	0.0	0.0	0.0
Scottish Further Education Funding Council	453.9	439.4	483.5	521.5	-	0.0	0.0	0.0	0.0
Scottish Further & Higher Education Funding Council	0.0	0.0	0.0	0.0	1,714.8	1,807.5	1,731.3	1,750.1	1,777.2
Other ELL (ELL)	40.3	33.3	42.7	46.0	61.4	66.6	247.5	276.9	269.6
Total Education & Lifelong Learning	1,748.6	1,754.3	1,886.4	1,997.6	2,565.0	2,690.3	2,761.5	2,781.5	2,851.9
Student Loans - net new lending (outside	214.6	208.3	187.7	150.4	-	-	-	4.5	4.5

Community Justice Services	60.8	67.9	78.2	90.5	93.4	103.3	11.4	23.2	22.8
Courts Group	25.1	35.0	27.3	40.1	43.9	41.7	42.0	46.3	47.4
Criminal Injuries Compensation	30.9	25.8	21.5	21.1	22.4	21.0	29.4	28.5	28.1
Fire Central Government	6.4	11.1	8.5	10.0	11.1	14.6	-	-	-
Legal Aid	145.4	157.5	164.8	158.9	158.6	169.4	156.9	170.7	170.5
Miscellaneous	25.8	6.1	21.1	9.5	15.6	21.1	20.8	29.2	29.1
Police Central Government	76.5	88.8	109.4	159.6	109.9	148.5	238.9	260.5	266.8
Drugs and Community Safety	0.0	0.0	0.0	0.0	-	9.7	5.7	36.2	36.5
Scottish Resilience	-	-	-	-	-	-	17.9	23.5	21.3
Accountant in Bankruptcy	3.1	3.8	3.7	7.5	7.2	6.9	5.0	7.0	6.9
Scottish Court Service	74.7	73.2	69.6	71.1	75.2	100.6	99.1	94.7	96.1
Scottish Prison Service	267.9	293.7	341.5	349.7	363.3	346.8	431.4	455.1	485.9
Office of the Scottish Charity Regulator	0.0	0.0	0.0	0.0	2.8	3.0	3.0	3.7	3.6
Total Justice	716.6	763.0	845.6	918.0	903.4	986.6	1,061.5	1,178.6	1,215.0
EU Support and Related Services	510.7	574.6	547.7	546.4	50.6	112.6	131.5	165.9	162.6
Research, Analysis & Other Services	93.1	103.8	108.6	105.0	121.3	536.7	91.9	94.4	97.0
Marine & Fisheries	60.4	84.2	49.1	58.7	77.9	62.1	65.2	79.7	69.6
Natural Heritage & Rural Services	55.2	60.2	64.5	83.6	105.0	100.2	101.5	99.9	102.1
Environment Protection, Sustainable Development & Climate Change	35.6	47.6	50.4	66.5	110.4	121.5	68.3	84.6	95.5
Water Quality	11.0	7.3	7.1	7.8	2.1	3.9	2.9	8.6	5.4
Forestry Commission Scotland	38.5	24.3	35.5	44.0	53.7	58.7	55.3	67.6	70.1
Forest Enterprise Scotland	70.6	44.7	28.2	30.7	35.3	37.5	33.1	26.2	26.3
Total Rural Affairs and the Environment	875.1	946.6	891.2	942.8	556.3	1,033.2	549.7	626.9	628.6
Administration	206.0	225.1	245.8	260.8	251.4	265.2	250.2	270.0	262.2
Total Administration	206.0	225.1	245.8	260.8	251.4	262.0	250.2	270.0	262.2
Total Crown Office & Procurator Fiscal	81.3	86.3	87.9	91.4	101.8	96.4	107.9	118.7	119.2
Total Crown Office & Procurator Fiscal	81.3	86.3	87.9	91.4	101.8	96.4	107.9	118.7	119.2
Local Government	7,687.1	8,600.4	9,378.0	9,856.8	10,110.8	10,482.0	11,168.3	11,763.1	11,885.3
Total Local Government	7,687.1	8,600.4	9,378.0	9,856.8	10,110.8	10,482.0	11,168.3	11,763.1	11,885.3
Police Loan Charges	0.0	14.0	16.6	14.5	13.0	11.3	9.2	14.7	14.7
Total Scottish Government Budget	20,970.9	23,440.9	25,703.2	27,705.9	29,155.9	32,419.0	33,110.9	34,754.2	35,029.9

Table 5: Estimated payments under PPP Contracts

	2008-09	2009-10	2010-11
	£m	£m	£m
Office of the First Minister	-	-	-
Finance and Sustainable Growth ¹	302	307	315
Education and Lifelong Learning	156	258	312
Health and Wellbeing	136	141	177
Justice	15	15	16
Rural Affairs and the Environment	-	-	-
Administration	3	2	-
Total	612	723	820

Note

1. F&SGfigure comprises PPP projects undertaken by Local Authorities in the Level Playing Field Support funding round and so includes waste management and some schools PPP projects. Most schools PPP projects are shown under Education and Lifelong Learning.

This table shows the total of the unitary charges of all the PPP projects that are operational in each of the years and represents the total amount that public sector bodies will pay or will expect to pay in each year for the PPP. The unitary charge covers all the integrated services the PPP consortium will provide for the length of the contract and includes the upfront construction cost, lifecycle maintenance and facilities management.

OTHER DOCUMENTS AND WEBSITES

SCOTTISH GOVERNMENT

Choosing Scotland's Future -

<http://www.scotland.gov.uk/Publications/2007/08/13103747/0>

Scotland Performs - <http://www.scotland.gov.uk/About/scotPerforms>

PUBLIC EXPENDITURE

Draft Budget 2009-10 -

<http://www.scotland.gov.uk/Publications/2008/09/12140641/0>

Scottish Budget: Spending Review 2007 -

<http://www.scotland.gov.uk/Publications/2007/11/13092240/0>

Technical notes on 'Spending Review 2007' -

<http://www.scotland.gov.uk/Publications/2007/11/30090722/0>

Statement of Funding Policy (explains how the Barnett Formula operates with regard to the Devolved Administrations) -

www.hm-treasury.gov.uk/documents/public_spending_and_services/devolve/pss_devolve_devolveUK.cfm

Scottish Legislation

Office of Public Sector Information (OPSI) - www.opsi.gov.uk

OFFICE OF THE FIRST MINISTER

Ancestral Scotland (genealogy search) - www.ancestralscotland.com

Architecture and Design Scotland - www.ads.org.uk

Bord na Gaidhlig - www.bord-na-gaidhlig.org.uk

Comunn na Gaidhlig - www.cnag.org.uk

Cultural Commission - www.culturalcommission.org.uk

Historic Scotland - www.historic-scotland.gov.uk

National Galleries of Scotland - www.natgalscot.ac.uk

The National Library of Scotland - www.nls.uk

National Museums of Scotland - www.nms.ac.uk

The National Trust for Scotland - www.nts.org.uk

The Royal Commission on the Ancient and Historical Monuments of Scotland - www.rcahms.gov.uk

Royal Scottish National Orchestra - www.rsno.org.uk

Scotland's Culture - www.scotlandsculture.org

Scottish Arts Council - www.scottisharts.org.uk

Scottish Ballet - www.scottishballet.co.uk

Scottish Opera - www.scottishopera.org.uk

Scottish Screen - www.scottishscreen.com

The National Archives of Scotland - www.nas.gov.uk

Finance & Sustainable Growth

Boundary Commission for Scotland - www.bcomm-scotland.gov.uk
Convention of Scottish Local Authorities (COSLA) - www.cosla.gov.uk
Foreign & Commonwealth Office - www.fco.gov.uk
Local Government Boundary Commission for Scotland - www.lgbc-scotland.gov.uk
Scottish Information Commissioner (Freedom of Information) - www.itspublicknowledge.info
Scottish Public Pensions Agency - www.sppa.gov.uk
Scottish Public Services Ombudsman - www.scottishombudsman.org.uk
Business Gateway - www.bgateway.com
Highlands and Islands Enterprise - www.hie.co.uk
Scottish Development International - www.scottishdevelopmentinternational.com
Scottish Energy Efficiency Office - www.energy-efficiency.org
Scottish Enterprise - www.scottish-enterprise.com
Travel Scotland - www.travelscotland.co.uk
VisitScotland - www.visitscotland.com
British Waterways - www.britishwaterways.co.uk
Caledonian MacBrayne - www.calmac.co.uk
Choose Another Way (public transport, walking and cycling) - www.chooseanotherway.com
First ScotRail - www.firstgroup.com/scotrail
Highlands and Islands Airports Limited - www.hial.co.uk
Scottish Road Safety Campaign - www.srsc.org.uk
Transport Scotland - <http://www.transportscotland.gov.uk/>
Traveline Scotland - www.travelinescotland.com
Scottish Water - www.scottishwater.co.uk
General Register Office for Scotland - www.gro-scotland.gov.uk
Registers of Scotland - www.ros.gov.uk

Health and Wellbeing

Centre for Change and Innovation - www.cci.scot.nhs.uk
Healthyliving - www.healthyliving.gov.uk
Mental Welfare Commission for Scotland - www.mwscot.org.uk
NHS 24 - www.nhs24.com
NHS Education for Scotland - www.nes.scot.nhs.uk
NHS Health Scotland - www.healthscotland.com
NHS Quality Improvement Scotland - www.nhshealthquality.org
Scotland's Health on the Web - www.show.scot.nhs.uk
Scottish Ambulance Service - www.scottishambulance.com
Scottish Pharmaceutical General Council - www.spgc.org.uk
Commission for Racial Equality - www.cre.gov.uk
Disability Rights Commission - www.drc-gb.org
Eaga Partnership (Warm Deal information) - www.eaga.co.uk
Equal Opportunities Commission - www.eoc.org.uk
One Scotland - www.onescotland.com
Planning Portal - www.planningportal.gov.uk
Scottish Civic Forum - www.civicforum.org.uk
Scottish Council for Voluntary Organisations - www.scvo.org.uk
Scottish Refugee Council - www.scottishrefugeecouncil.org.uk
Shelter - www.shelter.org.uk
Volunteer Development Scotland - www.vds.org.uk
Work with us (Gateway to the Voluntary Sector) - www.workwithus.org
sportscotland - www.sportscotland.org.uk

Food Standards Agency - www.food.gov.uk/scotland

Education and Lifelong Learning

Anti-Bullying Network - www.antibullying.net

ChildLine - www.childline.org.uk

HM Inspectorate of Education - www.hmie.gov.uk

Learning and Teaching Scotland - www.ltscotland.org.uk

National Grid for Learning - www.ngfl.gov.uk

Scottish Qualifications Authority - www.sqa.org.uk

YouthLink Scotland - www.youthlink.co.uk

Scottish Funding Council - <http://www.sfc.ac.uk/>

Scottish Qualifications Authority - www.sqa.org.uk

Student Awards Agency for Scotland - www.student-support-saas.gov.uk

Student Loans Company Limited - www.slc.co.uk

Learndirect Scotland - www.learndirectscotland.com

Education Maintenance Allowance Scotland - www.emascotland.com

Justice

Accountant in Bankruptcy - www.aib.gov.uk

Criminal Injuries Compensation Authority - www.cica.gov.uk

The Law Society of Scotland - www.lawscot.org.uk

Police Forces in Scotland - www.scottish.police.uk/mainframe.htm

Scottish Court Service - www.scotcourts.gov.uk

Scottish Drug Enforcement Agency - www.sdea.police.uk

The Scottish Fire Services College - www.scottish-fireservicescollege.org

Scottish Legal Aid Board - www.slab.org.uk

Scottish Legal Services Ombudsman - www.slsso.org.uk

Scottish Prison Service - www.sps.gov.uk

The Sentencing Commission for Scotland - www.scottishsentencingcommission.gov.uk

Victim Support Scotland - www.victimsupportsco.demon.co.uk

Victims of Crime in Scotland - www.scottishvictimsofcrime.co.uk

Office of the Scottish Charity Regulator - www.oscr.org.uk

RURAL AFFAIRS AND THE ENVIRONMENT

Crofters Commission - www.crofterscommission.org.uk

Forestry Commission Scotland - www.forestry.gov.uk/forestry/HCOU-4U4J33

Royal Botanic Garden, Edinburgh - www.rbge.org.uk

Rural Community Gateway - www.ruralgateway.org.uk

Scottish Agricultural Science Agency - www.sasa.gov.uk

Scottish Council for National Parks - www.scnp.org.uk

Scottish Environment Protection Agency - www.sepa.org.uk

Scottish Fisheries Protection Agency - www.sfpa.gov.uk

Scottish Natural Heritage - www.snh.org.uk

Scottish Wildlife Trust - www.swt.org.uk

Crown Office and Procurator Fiscal Service

Crown Office and Procurator Fiscal Service -
www.crownoffice.gov.uk

GLOSSARY

Aggregate External Finance (AEF)

Aggregate External Finance is the name given to the total funding which is centrally distributed to local government. It includes the Revenue Support Grant, specific grants to local government and income from non-domestic rates.

Annually Managed Expenditure (AME)

Annually Managed Expenditure is set each year and contains those elements of expenditure that are not readily predictable. For example, NHS and Teachers pensions.

Audit Scotland

Audit Scotland was set up in April 2000 to audit the accounts of the Scottish Government and other public sector bodies in Scotland, and to ensure that public funds are used properly, efficiently and effectively.

Barnett Formula

The Barnett Formula allocates Scotland a population share of changes in comparable spending programmes in England. For comparable expenditure, Scotland gets exactly the same £s per head increase as in England. Comparability is the extent to which services delivered by Whitehall departments correspond to services delivered by the devolved administrations. Barnett only applies to expenditure classified within Departmental Expenditure Limits - about 85% of Scotland's total budget.

Best Value

Best Value is about continuous improvement, seeking to change what we do in a way that transforms and sustains the delivery of quality public services in Scotland.

Common Agricultural Policy (CAP)

The CAP was set up by the European Union to increase agricultural production, provide a fair standard of living for farmers and make sure that food is available at reasonable prices. CAP accounts for more than 40% of EU spending.

Cost of Capital

A cost of capital charge is a notional non-cash item which reflects the cost of holding assets and liabilities. The theory is that if the asset were sold, overall public sector borrowing would be lower by the value of the asset, so the cost of keeping the asset is the same as the

interest paid on this higher level of borrowing. Cost of capital charges are currently calculated as being 3.5% of net asset and liability value.

Cross-border public authorities

Cross-border public authorities are government departments and agencies that operate in Scotland and other parts of the UK, such as HM Revenue and Customs and the Forestry Commission.

Departmental Expenditure Limits (DEL)

The Departmental Expenditure Limit forms the majority of the Scottish Government's budget and is made up of operating and capital expenditure. DEL is set for three years during the Spending Review process, and the annual DEL spend is subject to End Year Flexibility.

Depreciation

A depreciation charge is a non-cash item which measures the wearing out, consumption or other reduction in useful life of a fixed asset.

End Year Flexibility (EYF)

End Year Flexibility is the mechanism that allows the Scottish Government to carry forward any DEL underspends for use in future financial years.

European Structural Funds

European Structural Funds are the second largest item of EU spending and include the European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Guidance and Guarantee Fund (EAGGF) and Financial Instrument for Fisheries Guidance (FIFG). They are targeted at three main objectives: Objective 1 to promote the development of regions lagging behind the EU average; Objective 2 to support the economic and social conversion of areas facing structural difficulties; and Objective 3 to support education, training and employment. The Scottish Government is the 'managing authority' for the Funds in Scotland.

Executive Agency

Semi-autonomous executive agencies operate within a framework set by the responsible Cabinet Secretary or Minister, which specifies policies, objectives, and available resources. All agencies are set annual performance targets by their Minister, who in turn accounts to Parliament for the work of the agency.

Non-Departmental Public Body (NDPB)

A non-departmental public body (or 'quango') that operates independently of Ministers, although Ministers have ultimate responsibility. There are two main types of NDPB: executive NDPBs, which carry out administrative, regulatory, executive or commercial functions; and advisory NDPBs, which provide independent, expert advice to Ministers.

Prudential Regime

The prudential regime for local authority capital expenditure took full effect on 1 April 2004. It allows local authorities to make their own decisions about how much to borrow or spend, but they are under a duty to determine how much they can afford and to keep that under review

Total Managed Expenditure (TME)

Total Managed Expenditure comprises the Departmental Expenditure Limit and Annually Managed Expenditure.



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