

The Scottish Consolidated Fund Accounts for the year ended 31 March 2023

Laid before the Scottish Parliament by the Scottish Ministers
16 November 2023

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Foreword

Scope of the Account

The Scottish Consolidated Fund (SCF) was set up following devolution in 1999 and received its statutory powers under the Scotland Act 1998.

This account has been prepared under sections 19 (2) and 19 (4) of the Public Finance and Accountability (Scotland) Act 2000 which require the Scottish Ministers to prepare and lay before Parliament an account showing payments into and out of the Scottish Consolidated Fund.

Receipts

The Scottish Consolidated Fund receives, from the Office of the Secretary of State for Scotland (formerly the Scotland Office), sums which have been voted by the UK Parliament for the purpose of “grant payable to the Fund”. A number of other receipts are also paid into the Scottish Consolidated Fund, including receipts from the collection of devolved taxes.

Under devolved powers from the Scotland Act 2012, the Scottish Parliament was granted authority to set a Scottish Rate of Income Tax (SRIT) from 2016-17 onwards. Income tax continues to be administered by HM Revenue and Customs, but Scottish Income Tax revenues from earned income of Scottish taxpayers are assigned to the Scottish Administration. Assigned income tax revenues are drawn down from the UK Exchequer and paid into the Scottish Consolidated Fund.

Also under devolved powers from the 2012 Scotland Act, devolved taxes in respect of Land and Buildings Transactions Tax and Scottish Landfill Tax have been managed in Scotland from 2015-16 onwards. Revenue Scotland was established by the Revenue Scotland and Tax Powers Act 2014 to administer and collect both taxes. The taxes collected by Revenue Scotland are paid to the Scottish Consolidated Fund under sections 28 to 31 of the Scotland Act 2012.

The Devolved Taxes Account is prepared and published separately and can be accessed at www.gov.scot. The grant payable from the UK Parliament has been adjusted to take account of these locally raised tax receipts.

Section 32 of the Scotland Act 2012 as amended by section 20 of the Scotland Act 2016 grants Scottish Ministers enhanced borrowing powers, with any sums borrowed and repaid (including interest) to be paid into and out of the SCF respectively. Loan facilities under these powers provide for both shorter-term (resource) and longer-term (capital) borrowing. These powers were exercised during 2017-18, 2018-19 and 2019-20, when in each year capital loans were taken out, and in 2020-21, 2021-22 and 2022-23 when both capital and resource loans were taken out. All loans were taken out with the National Loans Fund (NLF). More details of sums borrowed and repaid under these provisions are set out in Note 7 to the accounts.

Receipts not authorised to be used to support expenditure shall also, by virtue of section 64 (3) of the Scotland Act 1998, be payable into the Fund, for example monies recovered under the provisions of the Proceeds of Crime legislation.

Payments

Funding is drawn down from the Scottish Consolidated Fund to support the spending plans approved by the Scottish Parliament in the annual Budget Act.

In addition, in accordance with the Scotland Act 1998 (Designation of Receipts) Order 2009 as amended by the Scotland Act 1998 (Designation of Receipts) Order 2017, certain receipts to the Scottish Consolidated Fund are designated to be paid to the Office of the Secretary of State for Scotland.

Sums are paid from the SCF in accordance with sections 4 and 6 of the Public Finance and Accountability (Scotland) Act 2000.

Those bodies that draw down funding from the Scottish Consolidated Fund, principally the Scottish Government, provide annual accounts reporting their stewardship of those funds.

Accounts Overview

These accounts can be read in conjunction with the Devolved Taxes Account and the annual accounts of the Scottish Government and other bodies funded from the Scottish Budget to follow the flow of funds into and out of the Scottish Consolidated Fund, funding the use of resources authorised by the Scottish Parliament. These form a suite of accounts information that describe the fiscal activity of the Scottish Government, and also include the annual accounts of other bodies within the Scottish Administration and of the bodies funded directly from the Scottish Budget, which together report on the use of resources authorised by the Scottish Parliament for the financial year. The Scottish Government Consolidated Accounts and the Devolved Taxes Account can be accessed online at gov.scot.

These accounts show the transactions for the services set out above. The receipts paid into the SCF during the year totalled £50,511 million with payments from the Fund of £50,519 million. The effect of the resulting deficit of £8 million is to reduce the balance at the Government Banking Service by this amount to £197 million.

The main receipts paid into the SCF comprise funding from the Secretary of State for Scotland and the Scottish Income Tax; the source of these receipts is the UK Consolidated Fund, and their maximum value is set by the cash requirement in the UK Main Estimates and any amendments to it. The main payments out of the SCF are the payments authorised by the Budget Acts and any amendments; the maximum value of these is set by the cash authorisation in the Scottish Budget Acts and any amendments to it. The Performance Report section of the Financial Statements in the Scottish Government Consolidated Accounts provides a breakdown of the outturn for the financial year compared to the Budget authorised by the Scottish Parliament.

Principal Accountable Officer

The Permanent Secretary of the Scottish Government, in his role as the Principal Accountable Officer for the Scottish Administration, is required to sign any account prepared in pursuance of section 19 (2) of the Public Finance and Accountability (Scotland) Act 2000.

Audit

The accounts of the SCF are audited by Carole Grant, Audit Director at Audit Scotland, who is appointed by the Auditor General for Scotland as set out in section 21 of the Public Finance and Accountability (Scotland) Act 2000.

John-Paul Marks

John-Paul Marks

Principal Accountable Officer

06 November 2023

Statement of Principal Accountable Officer's Responsibility

Section 19(2) of the Public Finance and Accountability (Scotland) Act 2000 (the Act) requires the Scottish Ministers to prepare and lay before Parliament an account showing the receipts into and payments out of the Scottish Consolidated Fund. The accounts are prepared on a cash basis and, under the terms of the Accounts Direction issued by the Scottish Ministers, must properly present the SCF transactions for the period from 1 April 2022 to 31 March 2023.

I am responsible under Section 14(3)(b) of the Act for signing any account prepared by the Scottish Ministers in pursuance of Section 19(2) of the Act. I am also responsible for ensuring the propriety and regularity of related transactions.

Governance Statement

Strategic governance arrangements in relation to the Scottish Consolidated Fund are covered in this governance statement. Although the SCF itself sits outside the Scottish Government's internal governance arrangements, the operation of the SCF is carried out within Scottish Government Finance, and is subject to the same controls and assurance procedures that apply to the Scottish Government, in particular the certificates of assurance and risk management arrangements, overseen by the Director General for Corporate. The governance arrangements within which the SCF operates are assessed by the Scottish Government, and the Scottish Government confirms that these arrangements comply with generally accepted best practice and relevant guidelines. Assurance is also provided by the work of internal and external audit and to a more limited extent by the Scottish Government Audit and Assurance Committee (SGAAC). Although SGAAC has no formal role in relation to the SCF, it is informed of any issues pertaining to the SCF, and hence exercises some oversight of the its operations.

The operation of the Scottish Consolidated Fund is governed by the provisions of the Scotland Act 1998, the Public Finance and Accountability (Scotland) Act 2000, the Scotland Act 2012, the Revenue Scotland and Tax Powers Act 2014 and the Scotland Act 2016, which set out the conditions for payments to be made out of the SCF and sums to be paid into the SCF. The SCF uses and relies on the financial management systems of the core Scottish Government to carry out associated accounting and payment functions. Specific assurances on the reliability of these central systems have been provided by the Director General for Corporate and relevant senior members of staff. The systems have been in place for the year under review and up to the date of approval of the annual report and accounts.

In 2022-23, Financial Services Division in its operation of the Scottish Consolidated Fund has:

- ❖ Monitored the balance on the account and taken appropriate action to maintain the balance at an appropriate level whilst remaining within the cash limits set by the UK and Scottish Parliaments;
- ❖ Kept its processes and procedures under review, aiming to ensure that they are documented and amended where appropriate to reflect any changes to the SCF operation;

- ❖ Identified and kept under review any risks arising from the operation of the SCF, and included these where appropriate in the Directorate risk register;
- ❖ Assessed the risk management arrangements in place and confirmed that they are operating effectively;
- ❖ Carried out operations on the Scottish Government IT network and on systems managed by the Scottish Government, and hence has been subject to its IT and data security arrangements. There were no breaches of data security relating to the Fund during the year; and
- ❖ Continued to review processes and procedures in relation to the operation of the SCF in light of various changes during the year, including staff changes, with a view to updating documentation and providing training to staff on revised processes and procedures. Scottish Government staff have moved to hybrid working throughout 2022-23, and a review of processes and procedures relating to the operation of the Fund to take account of this has been undertaken and changes implemented, in particular ensuring that all documents supporting the accounting records are held electronically for ease of reference. Review and updating of desk instructions to reflect this change is in progress.

The following procedures to identify, evaluate and manage significant risks have already been implemented:

- ❖ Where appropriate, the risks associated with the operation of the SCF have been incorporated within the Scottish Government Financial Management Directorate Risk Register which applies to the SCF, together with the determination of a control strategy for each risk which is kept under constant review.
- ❖ The Scottish Government's external auditors, Audit Scotland, provide reports on the adequacy and effectiveness of the systems of internal control with recommendations for improvement as part of their annual audit review of the Scottish Government. Appropriate action is taken to address any weaknesses identified as they apply to the SCF and to ensure the continuous improvement of the system.
- ❖ The Scottish Government's internal auditors provide reports from time to time on the adequacy and effectiveness of Financial Services Division's systems of internal control together with recommendations for improvement. Such reports include the Division's operation of the SCF where appropriate. Appropriate action is taken to address any weaknesses identified and to ensure the continuous improvement of the system. The last internal audit report of a review was issued in June 2019, and covered aspects of the Division's governance and internal controls.

John-Paul Marks

John-Paul Marks

Principal Accountable Officer

06 November 2023

Independent auditor's report to the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the Scottish Consolidated Fund Accounts for the year ended 31 March 2023 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Receipts and Payments Account, the Statement of Balances and Notes to the Accounts. The financial reporting framework that has been applied in their preparation is applicable law and the receipts and payments basis.

In my opinion the accompanying financial statements:

- properly present the receipts and payments of the fund for the year ended 31 March 2023 and the balances held at that date; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 16 May 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the fund. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Risks of material misstatement

I report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Principal Accountable Officer for the financial statements

The Principal Accountable Officer is responsible for the preparation and proper presentation of financial statements in accordance with the financial reporting framework, and for such internal control as the Principal Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the fund;
- inquiring of the Principal Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the fund;
- inquiring of the Principal Accountable Officer concerning the fund's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the fund's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of receipts and payments

Opinion on regularity

In my opinion in all material respects the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the payments shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998 and sections 4 to 6 of the Public Finance and Accountability (Scotland) Act 2000.

Responsibilities for regularity

The Principal Accountable Officer is responsible for ensuring the regularity of receipts and payments. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of receipts and payments in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Other information

The Principal Accountable Officer is responsible for the other information in the Scottish Consolidated Fund Accounts. The other information comprises the Foreword, Statement of Principal Accountable Officer's Responsibility and Governance Statement.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Foreword and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Foreword and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the Scottish Consolidated Fund Accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Carole Grant, CPFA
Audit Director
Audit Scotland
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The Athenaeum Building
8 Nelson Mandela Place
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G2 1BT

06 November 2023

Receipts and Payments Account

For the period 1 April 2022 to 31 March 2023

Receipts	Note	2022-23 £000	2021-22 £000
Funding			
Receipts from the Office of the Secretary of State for Scotland	2	28,549,013	31,479,277
Scottish Income Tax	3	13,819,685	11,641,545
Non Domestic Rates Income	4	2,766,000	2,090,000
National Insurance Contributions	5	3,507,538	2,446,456
Devolved taxes	6	954,847	874,152
Borrowing	7	347,000	469,000
Voluntary donations	8	181	1,020
Crown Estate surplus	9	120,696	13,496
Fines, forfeitures and fixed penalties	10	25,409	21,599
Receipt from the Registers of Scotland	11	4,000	17,000
King's and Lord Treasurer's Remembrancer	14	5,022	7,030
Other receipts	15	36,440	10,203
OFGEM Fossil Fuel Levy		-	43,724
		50,135,831	49,114,502
UK Contingencies Fund			
Receipts	12	313,000	23,058,119
		313,000	23,058,119
Receipts not authorised to be used to support expenditure			
Repayment of Loans formerly from National Loans Fund - principal and interest	13	61,713	83,943
Other receipts	15	153	165
		61,866	84,108
TOTAL RECEIPTS		50,510,697	72,256,729
Payments			
Payments authorised under the Budget Act			
Documents	16	49,938,788	49,057,691
		49,938,788	49,057,691
UK Contingencies Fund			
Payments	12	313,000	23,058,119
		313,000	23,058,119
Charges on the SCF			
Judicial Salaries	17	37,400	37,200
Designated receipts	15	153	165
Borrowing repayments	7	159,601	95,025
National Loans Fund repayments to Office of the Secretary of State for Scotland	13	61,713	83,943
Ministerial pension payments		174	281
Proceeds of Crime paid to the SG	18	7,300	6,781
Victim Surcharge paid to the SG	19	688	157
		267,028	223,552
TOTAL PAYMENTS		50,518,817	72,339,362
SURPLUS / (DEFICIT) FOR THE PERIOD		(8,120)	(82,633)

Statement of Balances

As at 31 March 2023

Cash Reserves

	Note	2022-23 £000	2021-22 £000
Balance brought forward from previous year		204,640	287,273
Surplus/(Deficit) of receipts over payments for year		(8,120)	(82,633)
Cash balance at 31 March	20	<u>196,520</u>	<u>204,640</u>

Borrowing by Scottish Ministers

	Note	2022-23 £000	2021-22 £000
Balance brought forward from previous year		1,817,999	1,428,844
Prior year interest accrual		(2,703)	(2,153)
New borrowing in year		347,000	469,000
Repayments		(139,282)	(80,395)
Accrued interest		3,367	2,703
Amounts to be repaid at 31 March	7	<u>2,026,381</u>	<u>1,817,999</u>

The Principal Accountable Officer authorised these accounts for issue on the date signed below. The notes on pages 14 to 22 form part of these accounts.

John-Paul Marks

John-Paul Marks
Principal Accountable Officer

06 November 2023

Notes to the Accounts

1. Basis of accounting

In accordance with Section 19(2) of the Public Finance and Accountability (Scotland) Act 2000, these accounts are prepared on a cash basis.

2. Receipts from the Office of the Secretary of State for Scotland

These receipts are paid into the Scottish Consolidated Fund under Section 64(2) of the Scotland Act 1998.

3. Scottish Income Tax

The Scotland Act 2012 Section 25 empowers the Scottish Parliament to set a Scottish Rate of Income Tax for Scottish taxpayers with effect from 6 April 2016. Income tax revenues derived from Scottish taxpayers were assigned to the Scottish Administration commencing from 2016-17.

4. Non-Domestic Rates Income

Non-Domestic Rates Income (NDRI) is collected by the local authorities. These funds are then pooled and a distributable amount set by the Scottish Government. This distributable amount is then added to the General Revenue Grant funding that local authorities receive through their weekly payments. This funding does not come directly to the SCF as cashflows so it is represented here as a notional receipt. Further information about the NDRI can be found in Non-Domestic Rating Account, last published in December 2022¹.

5. National Insurance Contributions

National Insurance Contributions from Scottish taxpayers are collected by HMRC and paid into the SCF as a funding stream for NHS Scotland.

6. Receipts from devolved taxes

During 2022-23, Revenue Scotland paid £955 million to the Scottish Consolidated Fund in respect of the two fully devolved taxes.

	2022-23	2021-22
	£000	£000
Land and Buildings Transaction Tax (LBTT)	845,139	752,574
Scottish Landfill Tax (SLFT)	109,708	121,578
Total fully devolved taxes	954,847	874,152

¹ [Non Domestic Rating White Paper Account](#)

7. Borrowing by Scottish Ministers

Under Section 32 of the Scotland Act 2012, as amended by Scotland Act 2016 Section 20, additional borrowing powers were conferred on Scottish Ministers with effect from 1 April 2015. Any sums borrowed and repaid under these provisions must be done via the Scottish Consolidated Fund and hence be reflected in these accounts. The first sums borrowed from the NLF were received by the SCF in 2017-18. A summary of the borrowing position is set out as follows:

At 31 March 2023	Principal £'000	Accrued Interest £'000	Total £'000
At 1 April 2022	1,815,296	2,703	1,817,999
New borrowing	347,000	-	347,000
Interest incurred	-	20,983	20,983
Repayments	(139,282)	(20,319)	(159,601)
At 31 March 2023	2,023,014	3,367	2,026,381

At 31 March 2022	Principal £'000	Accrued Interest £'000	Total £'000
At 1 April 2021	1,426,691	2,153	1,428,844
New borrowing	469,000	-	469,000
Interest incurred	-	15,180	15,180
Repayments	(80,395)	(14,630)	(95,025)
At 31 March 2022	1,815,296	2,703	1,817,999

The repayment of borrowing is scheduled as follows:

At 31 March 2023	Principal £'000	Interest £'000	Total £'000
Less than 1 year	186,977	29,750	216,727
1 – 5 years	726,942	99,965	826,907
More than 5 years	1,109,095	137,031	1,246,126
TOTAL	2,023,014	266,746	2,289,760

At 31 March 2022	Principal £'000	Interest £'000	Total £'000
Less than 1 year	139,282	20,318	159,600
1 – 5 years	690,171	66,779	756,950
More than 5 years	985,843	103,286	1,089,129
TOTAL	1,815,296	190,383	2,005,679

Details of loans taken out are as follows:

At 31 March 2023

Financial year	Category	Term (years)	Amount borrowed Principal £'000	Amount outstanding Principal £'000
2017-18	Capital	25	450,000	383,870
2018-19	Capital	10	250,000	165,182
2019-20	Capital	20	200,000	171,506
2019-20	Capital	25	190,000	172,173
2019-20	Capital	25	15,000	13,625
2020-21	Capital	25	150,000	142,151
2020-21	Resource	5	207,000	145,182
2020-21	Capital	25	50,000	47,419
2021-22	Capital	20	150,000	146,751
2021-22	Resource	5	319,000	288,155
2022-23	Capital	15	300,000	300,000
2022-23	Resource	5	47,000	47,000
TOTAL			2,328,000	2,023,014

More details on Scottish Government borrowing can be found in the Fiscal Framework Outturn² Report most recently published in September 2023.

8. Voluntary donations

During 2020-21, a procedure was instituted in co-ordination with the UK Government and the other Devolved Administrations to allow businesses in receipt of non-domestic rates relief to voluntarily repay some or all of that relief. Businesses who chose to do so in Scotland were directed to make repayments into the SCF.

9. Crown Estate surplus

Under the provisions of Section 36 of the Scotland Act 2016, the Crown Estate Transfer Scheme 2017 transferred the existing Scottish functions of the Crown Estate Commissioners to Scottish Ministers. A new body, Crown Estate Scotland, was established to manage those functions. All revenue surpluses generated by Crown Estate Scotland are paid into the Scottish Consolidated Fund with effect from 2017-18. The surplus paid into the Fund in 2022-23 amounted to £121 million (2021-22: £13 million). Compared to 2021-22, additional surplus of £103 million paid in 2022-23 relates to net ScotWind revenues.

10. Fines, forfeitures and fixed penalties

The Scotland Act 1998 (Designation of Receipts) (Amendment) Order 2017, issued under the provisions of Section 67 of the Scotland Act 2016, removed fines, forfeitures and fixed penalties receipts from their previous classification as designated receipts under the Scotland Act 1998 (Designation of Receipts) Order 2009.

² [Scottish Government Fiscal Framework Outturn Report 2023](#)

11. Receipt from the Registers of Scotland

Approval was given by the Scottish Parliament of the Section 17 Order under the Public Services Reform Act on 18 March 2020, coming into force on 31 March 2020, allowing for the repeal of Section 9 of the Public Finance and Accountability (Scotland) Act 2000, and the transfer of reserves from Registers of Scotland. Under these provisions, in 2022-23 £4 million (2021-22: £17 million) represented the balance of retained earnings payable to the Fund.

12. Receipts from and payments to the UK Contingencies Fund

The UK Contingencies Fund is used to finance payments for urgent services in anticipation of UK Parliamentary provision for those services becoming available, and to provide funds required temporarily by government departments for necessary working balances, or to meet other temporary cash deficiencies.

A successful application was made for a short-term Contingencies Fund advance of £313 million based on the forecast funding required in March 2023, being the excess of funding required over the remaining UK Main Estimates Budget cash requirement (available cash funding limit) for Scotland. An increase in the Scotland cash requirement was included in the UK Spring Supplementary Budget, which became available after the relevant legislation received Royal Assent in March. Once the additional Spring Supplementary cash requirement became available, the Contingencies Fund advance was repaid via the SCF and equivalent funding drawn down from the UK Exchequer. The transactions involved are as follows:

	2022-23 £000
Received from UK Contingencies Fund 1 March 2023	(313,000)
Repaid to UK Contingencies Fund 27 March 2023	<u>313,000</u>
	<u>-</u>
	2021-22 £000
Received from UK Contingencies Fund 1 November 2021	(12,000,000)
Paid to Scottish Government 21 March 2022	11,058,119
Received from Scottish Government 21 March 2022	(11,058,119)
Repaid to UK Contingencies Fund 21 March 2022	<u>12,000,000</u>
	<u>-</u>

13. National Loans Fund repayments

Prior to 1 July 1999, the Secretary of State for Scotland lent money to several Scottish bodies out of the National Loans Fund. At 1 July 1999, the right to the sums outstanding was transferred to the Scottish Ministers who must pay the repayments and interest to the Secretary of State for Scotland via the Scottish Consolidated Fund. The remaining NLF loans are with Scottish Water and Registers of Scotland. The SCF Receipts and Payments

account includes receipts from those bodies and corresponding payments to the Office of the Secretary of State for Scotland.

14. Receipts for the King's and Lord Treasurer's Remembrancer

The King's and Lord Treasurer's Remembrancer (KLTR) – previously the Queen's and Lord Treasurer's Remembrancer (QLTR) - is the representative of the Crown in Scotland, and is responsible for dealing with ownerless property ("bona vacantia"). Regulation of the activities of the QLTR was transferred to Scottish Ministers by Schedule 8 Paragraph 1 of the Scotland Act 1998. Bona vacantia covers assets of dissolved companies, assets of missing persons and lost and abandoned property. The realised value of such assets is paid into the SCF and remains there until Scottish Parliament authorisation to draw the balances down is obtained in the Budget Act. Accumulated balance available in the Scottish Consolidated Fund has been drawn down by the Scottish Government in full during 2022-23.

The balance of King's/Queen's and Lord Treasurer's Remembrancer receipts paid into the SCF is as follows:

	2022-23	2021-22
	£000	£000
Balance in the SCF at 1 April	8,052	1,022
Receipts in the period	5,022	7,030
Payments in the period	(13,074)	-
Balance in the SCF at 31 March	-	8,052

15. Analysis of other receipts

As provided for in Section 64(3) of the Scotland Act 1998 (and certain other legislative provisions) all sums received by members of the Scottish Administration (and certain other bodies) are to be paid into the Scottish Consolidated Fund as Consolidated Fund Extra Receipts (CFERs) unless there are alternative statutory provisions. In practice, most of the receipts of the bodies concerned are authorised to be used to support expenditure under the Budget Act and the Budget Orders.

The Scotland Act 1998 (Designation of Receipts) Order 2009 designates certain receipts (designated receipts) and provides that sums equivalent to these are to be paid to the Office of the Secretary of State for Scotland, in practice for paying into the UK Consolidated Fund. As detailed in note 10, the 2009 Order was amended with effect from 2017-18 to remove a category of receipts (fines, forfeitures and fixed penalties) from classification as designated receipts.

The receipts paid into the SCF in 2022-23 include £12 million recovered under the Proceeds of Crime Act (see Note 18) and £470k recovered under the Victim Surcharge provision (see Note 19) by the Crown Office and Procurator Fiscal Service and Scottish Courts and Tribunals Service. CFER receipts surrendered to the SCF in previous years by Scottish Courts and Tribunals Service were repaid during 2022-23 totalling £79k.

In addition, a one-off receipt of £23 million related to JESSICA/SPRUCE scheme surplus cash has been paid into the SCF following the management change from the European Investment Bank to the Scottish National Investment Bank.

With the exception of designated receipts, all others have been classed as receipts authorised to support expenditure and have been included in the Funding section of the Receipts and Payments Account.

2022-23	Receipts paid into Fund during period £000	Receipts classed as Designated £000
Rural Affairs and Islands	153	153
Crown Office and Procurator Fiscal Service	8,879	-
Scottish Courts and Tribunals Service	4,730	-
Net Zero, Environment and Transport	110	-
Social Justice, Housing and Local Government	22,800	-
Assessor's Office	-	-
	<hr/> 36,672	153
Scottish Courts and Tribunals Service	(79)	-
TOTAL	<hr/> 36,593	153 <hr/>

2021-22	Receipts paid into Fund during period £000	Receipts classed as Designated £000
Rural Economy	165	165
Crown Office and Procurator Fiscal Service	4,998	-
Scottish Courts and Tribunals Service	4,087	-
Assessor's Office	1,146	-
	<hr/> 10,396	165
Scottish Courts and Tribunals Service	(28)	-
TOTAL	<hr/> 10,368	165 <hr/>

During 2022-23, CFER payments of £153k were paid to Office of the Secretary of State for Scotland.

16. Payments authorised under the Budget Acts

For the period of this account the Scottish Parliament approved Budget (Scotland) Act 2022 (ASP 3) as amended by the Budget (Scotland) Act 2022 Amendment Regulations 2023 (SSI 2023/2) and the Budget (Scotland) Act 2022 Amendment (No 2) Regulations 2023 (SSI 2023/115).

These Orders appropriate sums out of the Scottish Consolidated Fund for the financial year ending 31 March 2023 for the purposes of meeting expenditure in that year in connection with the functions for which expenditure is, by virtue of the Scotland Act 1998 and provisions made under it, payable out of that fund during the year.

2022-23	£000	£000
Scottish Government and indirectly funded bodies	49,441,416	
Crown Office & Procurator Fiscal Service	195,000	
Scottish Courts and Tribunals Service	161,500	
Food Standards Scotland	19,700	
SCOTTISH ADMINISTRATION		49,817,616
The Scottish Parliamentary Corporate Body	110,000	
Audit Scotland	11,172	
		121,172
TOTAL PAID		49,938,788

2021-22	£000	£000
Scottish Government and indirectly funded bodies	48,609,206	
Crown Office & Procurator Fiscal Service	167,400	
Scottish Courts and Tribunals Service	143,500	
Food Standards Scotland	22,100	
Registers of Scotland	-	
SCOTTISH ADMINISTRATION		48,942,206
The Scottish Parliamentary Corporate Body	104,700	
Audit Scotland	10,785	
		115,485
TOTAL PAID		49,057,691

In 2022-23, the SCF was required by statute to pay funding directly to three recipients, the Scottish Administration, the Scottish Parliament Corporate Body and Audit Scotland. These bodies are referred to as directly funded bodies. Funding paid to the Scottish Government in respect of the Scottish Administration includes funding paid by the Scottish Government to other Scottish public sector bodies. These are referred to as indirectly funded bodies. Registers of Scotland became an indirectly funded body with effect from 2020-21 (see Note 11).

17. Judicial Salaries

The salaries of the judiciary are a matter for the UK Government. Information on salaries payable is set out in a report by the Senior Salaries Review Body. The 2023 report is available online³.

³ [Senior Salaries Review Body Report: 2023](#)

Scottish Government operates a separate bank account, funded directly from the Scottish Consolidated Fund.

Receipts and Payments Account

For the period 1 April 2022 to 31 March 2023

	2022-23	2021-22
	£000	£000
RECEIPTS		
Received from the SCF	37,400	37,200
Income from recovery of overpayments	-	2
Reimbursement of salary costs	-	183
TOTAL RECEIPTS	37,400	37,385
PAYMENTS		
Salary Costs	35,493	36,598
Bank Charges	1	1
TOTAL PAYMENTS	35,494	36,599
SURPLUS/(DEFICIT) FOR THE PERIOD	1,906	786

Summary of the balance held at the Government Banking Service:

Balance brought forward from previous year	2,854	2,068
Surplus/(deficit) of receipts over payments for the year	1,906	786
Balance carried forward	4,760	2,854

The number (FTE) of paid judiciary in post was:

	At 31 March 2023	At 31 March 2022
Judges (Senators of the College of Justice)	36.5	30.5
Sheriffs Principal	6	6
Sheriffs	113.25	114.2
Summary Sheriffs	36.5	42.5
Members of Lands Tribunal Scotland	1.8	1.8
Chair of the Scottish Land Court	1	1
Deputy Chair of the Scottish Land Court	0.8	0.8
Members of the Scottish Land Court	1.6	1.4

18. Proceeds of Crime receipts

The net balance of Proceeds of Crime (POCA) receipts in the SCF is as follows:

	2022-23	2021-22
	£000	£000
Balance in the SCF at 1 April	11,059	10,332
Receipts to the SCF in the period	11,773	7,508
Payments to the Scottish Government in the period	<u>(19,165)</u>	<u>(6,781)</u>
Balance in the SCF at 31 March	<u>3,667</u>	<u>11,059</u>

POCA is a source of SG funding and all Justice requirements for applications of POCA are funded from within the general SG funding envelope. This is reflected in the Receipts and Payments Statement and is separate from the management of the cash within the SCF reflected in note 18. In 2022-23, £7.3 million was used to fund Justice projects.

19. Victim Surcharge receipts

The Victims and Witnesses (Scotland) Act 2014 includes powers to introduce a Victim Surcharge, payable by offenders convicted of specified offences. The Victim Surcharge (Scotland) Regulations 2019 set up a Victim Surcharge Fund, and set out procedures for its administration, including the collection and allocation of funds. Victim Surcharges receipts were paid into the SCF commencing in 2020-21, where they are held pending payment to the Scottish Government for allocation.

	2022-23	2021-22
	£000	£000
Balance in the SCF at 1 April	305	149
Receipts to the SCF in the period	470	313
Payments to the Scottish Government in the period	<u>(688)</u>	<u>(157)</u>
Balance in the SCF at 31 March	<u>87</u>	<u>305</u>

20. Analysis of the balance held in the Scottish Consolidated Fund

	2022-23	2021-22
	£000	£000
Sums due to funded bodies not yet paid	3,758	189,611
Designated receipts not yet paid to UKCF	-	-
KLTR	14	8,052
General SCF Reserve	<u>192,762</u>	<u>6,977</u>
Balance held at the SCF at 31 March	<u>196,520</u>	<u>204,640</u>

Details of the King's and Lord Treasurer's Remembrancer balance held in the Fund and its derivation are set out in Note 14. Sums due to funded bodies not yet paid include balances related to Proceeds of Crime, Victims Surcharge and Restitution Fund receipts.

The balance on the General Reserve of the Scottish Consolidated Fund does not necessarily represent an amount available for appropriation by a Budget Act or other means.



SCOTTISH CONSOLIDATED FUND

DIRECTION BY THE SCOTTISH MINISTERS

In accordance with Section 19(4) of the Public Finance and Accountability Scotland Act 2000

1. The Account of payments into and out of the Scottish Consolidated Fund for the year ended 31 March 2013 and subsequent years shall properly present those payments.
2. When preparing the accounts of the payments into and out of the Scottish Consolidated Fund for the year ended 31 March 2013 and subsequent years the Scottish Ministers shall comply with the accounting principles and disclosure requirements of the edition of the Scottish Public Finance Manual which was in force for that period.
3. The direction shall be reproduced as an appendix to the statement of accounts.
4. The direction given on 2 July 2004 is hereby revoked.



Signed by the authority of the Scottish Ministers

Dated 10 October 2013



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