

# **The Scottish Consolidated Fund Accounts for the year ended 31 March 2020**

**Laid before the Scottish Parliament  
By the Scottish Ministers  
17 December 2020**

SG/2020/148



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

***Table of Contents***

| <b>Page No</b> | <b>Title</b>  |
|----------------|---|
| 3              | Foreword  |
| 5              | Statement of Principal Accountable Officer's Responsibility                                     |
| 5              | Governance Statement  |
| 7              | Independent auditor's report to the Auditor General for Scotland and the<br>Scottish Parliament |
| 10             | Receipts and Payments Account   |
| 11             | Statement of Balances   |
| 12             | Notes to the Accounts   |
| 19             | Accounts Direction  |

## **Foreword**

### *Scope of the Account*

The Scottish Consolidated Fund 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 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](http://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 Fund respectively. These powers were exercised during 2017-18, 2018-19 and 2019-20, when in each year loans to fund capital borrowing were taken out.

Following reclassification of Registers of Scotland as part of central government by the Office of National Statistics, most of the organisation’s retained profits were transferred to the Fund for the first time in 2019-20.

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.

### *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 Fund 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 accounts can be accessed online at [gov.scot](http://gov.scot).

These accounts show the transactions for the services set out above. The receipts paid into the Fund during the year totalled £37,936 million with payments from the Fund of £37,979 million. The effect of the resulting deficit of £43 million is to decrease the balance at the Government Banking Service by this amount to £223 million.

### *Principal Accountable Officer*

The Permanent Secretary of the Scottish Government, in her 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 Fund are audited by Audit Scotland, who are appointed by the Auditor General for Scotland as set out in section 21 of the Public Finance and Accountability (Scotland) Act 2000.



**Leslie Evans**  
**Principal Accountable Officer**

11 December 2020

### ***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 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 Fund's transactions for the period 1 April 2019 to 31 March 2020.

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 (the Fund) are covered in this governance statement. Although the Fund itself sits outside the Scottish Government's internal governance arrangements, the operation of the Fund 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 Organisational Development and Operations. The governance arrangements within which the Fund 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 Fund, it is informed of any issues pertaining to the Fund, and hence exercises some oversight of the Fund's operations.

The operation of the 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 Fund and sums to be paid into the Fund. The Fund 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 Organisational Development and Operations and relevant senior members of staff within her command.

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

- The risks associated with the operation of the Fund have been identified and where appropriate incorporated within the Scottish Government Financial Management Directorate Risk Register 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 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 Fund where appropriate. Appropriate action is taken to address any weaknesses identified and to ensure the continuous improvement of the system.

In the 2019-20 financial year, Financial Services Division in its operation of the 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 Fund's operation. In particular, processes and procedures were further reviewed and updated in respect of the borrowing provisions of the Scotland Act 2012, which came into effect from 2015-16 onwards, as amended by the Scotland Act 2016, and which have had a significant impact on the operation of the Fund, and have had a similar impact on its accounts. The first repayments of borrowing were charged to the Fund in 2018-19.
- Identified and kept under review any risks arising from the operation of the Fund, 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.
- Reviewed processes and procedures in relation to the operation of the Fund during the year 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 in 2020-21.
- During 2019-20, a project to implement the recommendations of the General Data Protection Regulation (GDPR) initiated in the previous year continued. This project, as well as ensuring compliance, will enhance the security of data processed by and held on the systems managed by Financial Services Division. A review of the operation of cash management by the Scottish Government was carried out, and a policy on cash balances held by the Fund and the Scottish Government was agreed and implemented, one result of which is a planned reduction in the balance held in the Fund at the end of 2019-20.

The onset of the Covid-19 pandemic led to Scottish Government staff working remotely from the start of the resulting lockdown starting in March 2020. This has remained the working pattern in 2020-21. One outcome has been that processes and procedures in relation to the operation of the Fund have been reviewed in 2020-21 with a view to 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 underway.

*Leslie Evans*

**Leslie Evans**  
**Principal Accountable Officer**  
11 December 2020

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

### *Report 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 2020 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Receipts and Payments Account, 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 in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers the receipts and payments of the fund for the year ended 31 March 2020 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<sup>1</sup> 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 25 June 2020. 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 have reported in a separate Annual Audit Report, which is available from the Audit Scotland website<sup>2</sup>, the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

#### **Responsibilities of the Principal Accountable Officer for the financial statements**

As explained more fully in the Statement of Principal Accountable Officer's Responsibilities, 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**

---

<sup>1</sup> [http://www.audit-scotland.gov.uk/uploads/docs/report/2016/code\\_audit\\_practice\\_16.pdf](http://www.audit-scotland.gov.uk/uploads/docs/report/2016/code_audit_practice_16.pdf)

<sup>2</sup> <http://www.audit-scotland.gov.uk/our-work/annual-audits>

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 economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website<sup>3</sup>. This description forms part of my auditor's report.

### **Other information in the Scottish Consolidated Fund Accounts**

The Principal Accountable Officer is responsible for the other information in the Scottish Consolidated Fund Accounts. The other information comprises the information other than the financial statements and my auditor's report thereon. 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 matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the Scottish Consolidated Fund Accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### *Report 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**

---

<sup>3</sup> <https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

The Principal Accountable Officer is responsible for ensuring the regularity of receipts and payments. 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.

*Report on other requirements*

**Opinions on matters prescribed by the Auditor General for Scotland**

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 annual report and 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 120 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.

*Michael Oliphant*

**Michael Oliphant FCPFA**

**Audit Director**

**Audit Scotland**

**102 West Port**

**Edinburgh**

**EH3 9DN**

11 December 2020

**Receipts and Payments Account**

For the period 1 April 2019 to 31 March 2020

| Receipts  | Note | 2019-20<br>£000   | 2018-19<br>£000   |
|---|------|-------------------|-------------------|
| <b>Funding</b>  |      |                   |                   |
| Receipts from the Office of the Secretary of State for Scotland   | 2    | 19,864,469        | 17,847,700        |
| Scottish Rate of Income Tax   | 3    | 11,684,000        | 12,115,000        |
| Non Domestic Rates Income   |      | 2,853,000         | 2,636,000         |
| National Insurance Contributions  |      | 2,239,578         | 2,143,291         |
| Devolved Taxes  | 4    | 724,588           | 714,699           |
| Borrowing   | 5    | 405,000           | 250,000           |
| Crown Estate surplus  | 6    | 10,075            | 11,790            |
| Fines, forfeitures and fixed penalties  | 7    | 26,915            | 20,488            |
| Receipt from the Registers of Scotland  | 9    | 50,000            | -                 |
|   |      | <b>37,857,625</b> | <b>35,738,968</b> |
| <b>Receipts not authorised to be used to support expenditure</b>  |      |                   |                   |
| Repayment of Loans formerly from National Loans Fund Principal and Interest                               |      | 66,094            | 72,361            |
| Queen's and Lord Treasurer's Remembrancer   | 8    | 7,369             | 3,978             |
| Other Receipts  | 10   | 4,696             | 9,251             |
|   |      | <b>78,159</b>     | <b>85,590</b>     |
| <b>TOTAL RECEIPTS</b>   |      | <b>37,935,784</b> | <b>35,824,558</b> |
| <b>Payments</b>   |      |                   |                   |
| <b>Payments authorised under the Budget Act</b>   |      |                   |                   |
| Documents   | 11   | 37,833,808        | 35,682,806        |
|   |      | <b>37,833,808</b> | <b>35,682,806</b> |
| <b>Charges on the Fund</b>  |      |                   |                   |
| Judicial Salaries   | 12   | 34,767            | 33,094            |
| Designated Receipts   | 10   | 219               | 278               |
| Capital borrowing repayments  | 5    | 37,096            | 14,796            |
| National Loans Fund repayments to Office of the Secretary of State for Scotland of Principal and Interest |      | 66,094            | 72,361            |
| Ministerial Pension Payments  |      | 218               | 222               |
| Proceeds of Crime paid to the SG  | 13   | 6,300             | 5,439             |
|   |      | <b>144,694</b>    | <b>126,190</b>    |
| <b>TOTAL PAYMENTS</b>   |      | <b>37,978,502</b> | <b>35,808,996</b> |
| <b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>   |      | <b>(42,718)</b>   | <b>15,562</b>     |

The Principal Accountable Officer authorised these accounts, for issue on the date signed below. The schedule of balances and the notes on pages 12 to 18 form part of these accounts.

*Leslie Evans*

11 December 2020

**Leslie Evans**  
Principal Accountable Officer

**Statement of Balances**

As at 31 March 2020

## Cash Reserves

|  | Note      | 2019-20<br>£000 | 2018-19<br>£000 |
|--|-----------|-----------------|-----------------|
| Balance brought forward from previous year           |           | 265,453         | 249,891         |
| Surplus/(Deficit) of receipts over payments for year |           | (42,718)        | 15,562          |
| <b>Cash balance at 31 March</b>                      | <b>14</b> | <b>222,735</b>  | <b>265,453</b>  |

## Borrowing by Scottish Ministers

|  | Note     | 2019-20<br>£000  | 2018-19<br>£000 |
|--|----------|------------------|-----------------|
| Balance brought forward from previous year |          | 694,365          | 450,547         |
| Prior year interest accrual                |          | (1,438)          | (547)           |
| New borrowing in year                      |          | 405,000          | 250,000         |
| Capital repaid                             |          | (26,294)         | (7,073)         |
| Accrued interest                           |          | 1,974            | 1,438           |
| <b>Amounts to be repaid at 31 March</b>    | <b>5</b> | <b>1,073,607</b> | <b>694,365</b>  |

More details on Scottish Government borrowing can be found in the Fiscal Framework Outturn<sup>4</sup> Report published on 1 October 2020.

<sup>4</sup> <https://www.gov.scot/publications/fiscal-framework-outturn-report-2020/>

## 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 Rate of Income Tax

The Scotland Act 2012 Section 25 empowers the Scottish Parliament to set a Scottish Rate of Income Tax (SRIT) for Scottish taxpayers with effect from 6 April 2016. Income tax revenues derived from Scottish taxpayers were assigned to the Scottish Administration commencing in 2016-17. During the year 2019-20, £11,684 million of assigned income tax was paid into the Scottish Consolidated Fund (2018-19, £12,115 million).

### 4. Receipts from Devolved Taxes

During the year 2019-20, Revenue Scotland paid over £725 million to the Scottish Consolidated Fund in respect of the two Devolved Taxes.

|   | 2019-20        | 2018-19        |
|---|----------------|----------------|
|   | £000           | £000           |
| Land and Buildings Transaction Tax (LBTT) | 559,991        | 560,981        |
| Scottish Landfill Tax (SLFT)              | 164,597        | 153,718        |
| <b>Total Devolved Taxes</b>               | <b>724,588</b> | <b>714,699</b> |

### 5. 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:

|                         | Principal        | Accrued Interest | Total            |
|-------------------------|------------------|------------------|------------------|
|                         | £'000            | £'000            | £'000            |
| <b>At 31 March 2020</b> |                  |                  |                  |
| At 1 April 2019         | 692,927          | 1,438            | 694,365          |
| New borrowing           | 405,000          | -                | 405,000          |
| Interest incurred       | -                | 11,338           | 11,338           |
| Repayments              | (26,294)         | -                | (26,294)         |
| Interest paid           | -                | (10,802)         | (10,802)         |
| <b>At 31 March 2020</b> | <b>1,071,633</b> | <b>1,974</b>     | <b>1,073,607</b> |

Repayments of principal and interest in 2019-20 totalled £37.096 million (2018-19 £14.796 million).

| <b>At 31 March 2019</b> | <b>Principal<br/>£'000</b> | <b>Accrued Interest<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-------------------------|----------------------------|-----------------------------------|------------------------|
| At 1 April 2018         | 450,000                    | 547                               | 450,547                |
| New borrowing           | 250,000                    | -                                 | 250,000                |
| Interest incurred       | -                          | 8,614                             | 8,614                  |
| Repayments              | (7,073)                    | -                                 | (7,073)                |
| Interest paid           | -                          | (7,723)                           | (7,723)                |
| <b>At 31 March 2019</b> | <b>692,927</b>             | <b>1,438</b>                      | <b>694,365</b>         |

The repayment of borrowing is scheduled as follows:

| <b>At 31 March 2020</b> | <b>Principal<br/>£'000</b> | <b>Interest<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-------------------------|----------------------------|---------------------------|------------------------|
| Less than 1 year        | 51,943                     | 12,526                    | 64,469                 |
| 1 – 5 years             | 229,171                    | 44,442                    | 273,613                |
| More than 5 years       | 790,519                    | 87,663                    | 878,182                |
| <b>TOTAL</b>            | <b>1,071,633</b>           | <b>144,631</b>            | <b>1,216,264</b>       |

| <b>At 31 March 2019</b> | <b>Principal<br/>£'000</b> | <b>Interest<br/>£'000</b> | <b>Total<br/>£'000</b> |
|-------------------------|----------------------------|---------------------------|------------------------|
| Less than 1 year        | 26,294                     | 10,407                    | 36,701                 |
| 1 – 5 years             | 157,812                    | 38,034                    | 195,846                |
| More than 5 years       | 508,821                    | 78,211                    | 587,032                |
| <b>TOTAL</b>            | <b>692,927</b>             | <b>126,652</b>            | <b>819,579</b>         |

## 6. 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 2019-20 amounted to £10.1 million (2018-19 £11.8 million).

## 7. Fines, forfeitures and fixed penalties

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

In 2019-20, the total of fines, forfeitures and fixed penalties paid into the SCF was £26.9 million (2018-19 £20.5 million).

## 8. Receipts for the Queen's and Lord Treasurer's Remembrancer

The Queen's and Lord Treasurer's Remembrancer (QLTR) is the Crown's representative 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 by the QLTR into the SCF. The balance of Queen's and Lord Treasurer's Remembrancer receipts paid into the Fund is as follows:

|                                       | 2019-20      | 2018-19       |
|---------------------------------------|--------------|---------------|
|                                       | £000         | £000          |
| Balance in the SCF at 1 April         | 59,011       | 55,033        |
| Receipts in the period                | 7,369        | 3,978         |
| Payments in the period                | (65,000)     | -             |
| <b>Balance in the SCF at 31 March</b> | <b>1,380</b> | <b>59,011</b> |

QLTR receipts continue to be categorised under the heading of receipts not authorised to be used to support expenditure in the Income and Expenditure Account. In 2019-20, QLTR receipts accumulated in the SCF were authorised to be used to support expenditure to the extent of £65 million by the Budget Acts. This was paid by the SCF as part of the funding payments to the Scottish Administration in the 2019-20, shown above as payments in the period.

#### 9. 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, £50 million was transferred to the Scottish Consolidated Fund by the Registers of Scotland in 2019-20. The Registers of Scotland published accounts for 2019-20 include a liability to the Fund of £8.254 million, representing the balance of retained earnings payable to the Fund.

#### 10. Analysis of other receipts not authorised to be used to support expenditure

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 were 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 7, 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 majority of the receipts paid into the Fund in 2019-20 relate to the Crown Office and Procurator Fiscal Service, most of which are amounts recovered under the Proceeds of Crime Act (see Note 13).

| 2019-20                                  | Receipts paid into<br>Fund during period | Receipts classed<br>as Designated |
|--|--|-----------------------------------|
|  | £000                                     | £000                              |
| Rural Economy                            | 219                                      | 219                               |
| Crown Office & Procurator Fiscal Service | 4,493                                    | -                                 |
|  | 4,712                                    | 219                               |
| Scottish Courts and Tribunals Service    | (16)                                     | -                                 |
| <b>TOTAL</b>                             | <b>4,696</b>                             | <b>219</b>                        |

During 2019-20, CFER payments were paid to Office of the Secretary of State for Scotland of £219,000. CFER receipts surrendered to the Fund in previous years by Scottish Courts and Tribunals Service were repaid during 2019-20 totalling £16,000.

| <b>2018-19</b>                             | <b>Receipts paid into<br/>Fund during period<br/>£000</b> | <b>Receipts classed<br/>as Designated<br/>£000</b> |
|--|---|--|
| Transport, Infrastructure and Connectivity | 191   | 3  |
| Rural Economy                              | 675   | 275  |
| Justice                                    | 5,357   | -  |
| Crown Office & Procurator Fiscal Service   | 3,028   | -  |
| <b>TOTAL</b>                               | <b>9,251</b>  | <b>278</b>   |

During 2018-19, CFER payments were paid to Office of the Secretary of State for Scotland of £278,000.

### *11. Payments authorised under the Budget Acts*

For the period of this account the Scottish Parliament approved: Budget (Scotland) Act 2018 (ASP 6) as amended by the Budget (Scotland) Act Amendment Regulations 2018 (SSI 2017/363) and the Budget (Scotland) Act Amendment Regulations 2019 (SSI 2018/117).

These Orders appropriate sums out of the Scottish Consolidated Fund for the financial year ending 31 March 2020 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.

| <b>2019-20</b>                                   | <b>£000</b> | <b>£000</b>       |
|--|-------------|-------------------|
| Scottish Government and indirectly funded bodies | 37,478,665  |                   |
| Crown Office & Procurator Fiscal Services        | 137,500     |                   |
| Scottish Courts and Tribunals Service            | 104,574     |                   |
| Food Standards Scotland                          | 15,600      |                   |
| <b>SCOTTISH ADMINISTRATION</b>                   |             | <b>37,736,339</b> |
| Forestry Commission (Scotland)                   | -           |                   |
| The Scottish Parliamentary Corporate Body        | 90,200      |                   |
| Audit Scotland                                   | 7,269       | 97,469            |
| <b>TOTAL PAID</b>                                |             | <b>37,833,808</b> |

In 2020-21, the Fund 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 on by the Scottish Government to other Scottish public sector bodies. These are referred to as indirectly funded bodies.

Forestry Commission (Scotland) was a directly funded body in 2018-19, but following a reorganisation and a change of status for its successor bodies to indirectly funded bodies, ceased to be so from 2019-20 onwards.

During 2018-19 the authorised payments under the Budget Acts was £35,683 million. This is summarised below:

| <b>2018-19</b>                                 | <b>£000</b> | <b>£000</b>       |
|--|-------------|-------------------|
| Scottish Government and Associated Departments | 35,260,390  |                   |
| Crown Office & Procurator Fiscal Services      | 114,150     |                   |
| Scottish Courts and Tribunals Service          | 129,966     |                   |
| Food Standards Scotland                        | 14,500      |                   |
| <b>SCOTTISH ADMINISTRATION</b>                 |             | <b>35,519,006</b> |
| Forestry Commission (Scotland)                 | 67,700      |                   |
| The Scottish Parliamentary Corporate Body      | 89,400      |                   |
| Audit Scotland                                 | 6,700       | 163,800           |
| <b>TOTAL PAID</b>                              |             | <b>35,682,806</b> |

## 12. Judicial Salaries

### Receipts and Payments Account

For the period 1 April 2019 to 31 March 2020

| <b>RECEIPTS</b>                         | <b>2019-20<br/>£000</b> | <b>2018-19<br/>£000</b> |
|---|-------------------------|-------------------------|
| Received from the SCF                   | 34,767                  | 33,094                  |
| Income from recovery of overpayments    | -                       | -                       |
| Reimbursement of salary costs           | 122                     | 235                     |
| <b>TOTAL RECEIPTS</b>                   | <b>34,889</b>           | <b>33,329</b>           |
|   | <b>2019-20<br/>£000</b> | <b>2018-19<br/>£000</b> |
| <b>PAYMENTS</b>                         |                         |                         |
| Salary Costs                            | 35,233                  | 33,110                  |
| Bank Charges                            | 1                       | 2                       |
| <b>TOTAL PAYMENTS</b>                   | <b>35,234</b>           | <b>33,112</b>           |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b> | <b>(345)</b>            | <b>217</b>              |

### Summary of the balance held at the Government Banking Service:

|  |            |            |
|--|------------|------------|
| Balance brought forward from previous year               | 460        | 243        |
| Surplus/(deficit) of receipts over payments for the year | (345)      | 217        |
| <b>Balance carried forward</b>                           | <b>115</b> | <b>460</b> |

A member of the judiciary took up a post as chair of an inquiry in 2016-17, and has continued in post during 2019-20; her salary costs continued to be charged to the Fund. The inquiry reimbursed the Fund for the

member's salary costs commensurate with the time spent on inquiry business, totalling £122,000 (2018-19 £235,000).

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 2017 report is available online<sup>5</sup>.

**During 2019-20 the number of paid judiciary in post at 31 March 2020 was:**

|   |           |
|---|-----------|
| Judges (Senators of the College of Justice) | 34.5      |
| Sheriffs Principal                          | 6         |
| Sheriffs                                    | 115.3 FTE |
| Summary Sheriffs                            | 38.6 FTE  |
| Members of Lands Tribunal Scotland          | 1.8 FTE   |
| Chair of the Scottish Land Court            | 1         |
| Deputy Chair of the Scottish Land Court     | 0.8 FTE   |
| Members of the Scottish Land Court          | 1.4 FTE   |

**Comparative figures for 2018-19, the number of paid judiciary in post at 31 March 2019, are:**

|   |           |
|---|-----------|
| Judges (Senators of the College of Justice) | 34        |
| Sheriffs Principal                          | 6         |
| Sheriffs                                    | 122.8 FTE |
| Summary Sheriffs                            | 35.4 FTE  |
| Members of Lands Tribunal Scotland          | 1.8 FTE   |
| Chair of the Scottish Land Court            | 1         |
| Deputy Chair of the Scottish Land Court     | 0.8 FTE   |
| Members of the Scottish Land Court          | 1.4 FTE   |

*13. Proceeds of Crime receipts 2019-20*

During 2019-20 a total of £6.300 million (2018-19 £5.439 million) was repaid to the Scottish Government in respect of Proceeds of Crime initially surrendered to the Scottish Consolidated Fund.

The net balance of Proceeds of Crime receipts paid into the Fund is as follows:

|   | <b>2019-20</b> | <b>2018-19</b> |
|---|----------------|----------------|
|   | <b>£000</b>    | <b>£000</b>    |
| Balance in the SCF at 1 April                     | 7,879          | 6,321          |
| Receipts to the SCF in the period                 | 4,493          | 6,997          |
| Payments to the Scottish Government in the period | (6,300)        | (5,439)        |
| <b>Balance in the SCF at 31 March</b>             | <b>6,072</b>   | <b>7,879</b>   |

<sup>5</sup> <https://www.gov.uk/government/publications/senior-salaries-review-body-report-2020>

*14. Analysis of the balance held at the Scottish Consolidated Fund*

|  | <b>2019-20</b>        | <b>2018-19</b>        |
|--|-----------------------|-----------------------|
|  | <b>£000</b>           | <b>£000</b>           |
|  |                       | <b>restated</b>       |
| Sums due to funded bodies not yet paid     | 38,047                | 17,551                |
| Designated receipts not yet paid to UKCF   | -                     | -                     |
| NHS Trusts balance                         | 41,611                | 41,611                |
| Scotland Reserve                           | 126,470               | -                     |
| Lochaber Fee Income Scotland               | 7,700                 | 7,700                 |
| QLTR                                       | 1,380                 | 59,010                |
| Returned Funds                             | -                     | 41,418                |
| General SCF Reserve                        | 7,527                 | 98,163                |
| <b>Balance held at the SCF at 31 March</b> | <b><u>222,735</u></b> | <b><u>265,453</u></b> |

As a result of the review of cash management and bank balances carried out by the Scottish Government in 2019-20, as noted in the Governance Statement, components of the balance held in the Fund previously included as part of the General SCF Reserve are shown separately. The 2018-19 balance has been restated on the same basis.

The NHS Trusts balance is the cash balance remaining after these bodies were wound up, which was paid into the Fund in 1999-2000.

The power to create a Scotland Reserve is part of the agreement between the Scottish Government and the United Kingdom Government on the Scottish Government's fiscal framework dated February 2016 ("the Fiscal Framework") to allow a reserve to be built up when tax revenues are higher than forecast in order to smooth spending and manage tax revenue volatility. £126.47 million was transferred to the Reserve in 2019-20, which together with the Lochaber Fee Income Scotland of £7.7 million comprise part of the Scotland Reserve.

Details of the Queen's and Lord Treasurer's Remembrancer balance held in the Fund and its derivation are set out in note 8.

The sums returned by funded bodies are an accumulation of funding paid out to bodies directly funded by the Scottish Consolidated Fund over a number of years, parts of which these bodies have elected to repay into the Fund.

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.

In particular, non-domestic rates paid to and by Scottish Ministers are credited to, or drawn from the Scottish Consolidated Fund and are accounted for in more detail in a separate non-domestic rating account.

*Accounts Direction*



**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



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

© Crown copyright 2020

**OGL**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at [www.gov.scot](http://www.gov.scot)

Any enquiries regarding this publication should be sent to us at  
The Scottish Government  
St Andrew's House  
Edinburgh  
EH1 3DG

ISBN: 978-1-80004-473-9 (web only)

Published by The Scottish Government, December 2020

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA  
PPDAS808006 (12/20)

W W W . g o v . s c o t