

The Scottish Consolidated Fund Accounts for the year ended 31 March 2022

**Laid before the Scottish Parliament
by the Scottish Ministers
01 December 2022**

SG/2022/214

Table of Contents

Page No	Title
3	Foreword
6	Statement of Principal Accountable Officer's Responsibility
6	Governance Statement
8	Independent Auditor's Report
12	Receipts and Payments Account
13	Statement of Balances
14	Notes to the Accounts
23	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 (SCF) 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. 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. 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 when both capital and resource loans were taken out. The 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 5 to the accounts.

A short-term advance of £12,000 million was obtained from the UK Contingencies Fund in 2021-22. This was required as a result of Scottish Rate of Income Tax being erroneously deducted from the cash grant at the UK Main Estimate Process, which was subsequently corrected in the UK Supplementary Estimate.

The advance was paid over to the Scottish Government to support expenditure pending the UK Spring Supplementary Budget, which increased Scotland’s cash authorisation (UK cash limit), receiving Royal Assent. Once the additional Spring Supplementary cash requirement became available, the advance was repaid by the Scottish Government via the Fund and UK funding for the same amount was drawn down.

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 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 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 Fund during the year totalled £72,257 million with payments from the Fund of £72,339 million. Excluding receipts and payments in relation to the UK Contingencies Fund (see Foreword), receipts paid into the Fund were £49,199 million and payments from the Fund were £49,281 million. The effect of the resulting deficit of £82.6 million is to reduce the balance at the Government Banking Service by this amount to £205 million.

The main receipts paid into Fund are funding from the Secretary of State for Scotland, and the Scottish Rate of 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 Fund 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. These decreased by £251 million and increased by £583 million respectively in 2021-22. The Performance Analysis section of the Financial Statements in the Scottish Government Consolidated Accounts provides an outline breakdown of the out-turn for the financial year compared to the Budget authorised by the Scottish Parliament, including any changes from the previous financial year.

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 Fund are audited by Michael Oliphant, 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

Principal Accountable Officer

29 November 2022

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 2021 to 31 March 2022.

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 for Corporate. 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 for Corporate and relevant senior members of staff within her command. The systems have been in place for the year under review and up to the date of approval of the annual report and accounts.

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. The last

internal audit report of a review was issued in June 2019, and covered aspects of the Division's governance and internal controls.

In the 2021-22 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
- ❖ 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
- ❖ Continued to review 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 2021-22. Scottish Government staff have continued to work remotely throughout 2021-22, 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

John-Paul Marks

John-Paul Marks
Principal Accountable Officer

29 November 2022

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 2022 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 financial statements. 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 2022 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 25 June 2020. The period of total uninterrupted appointment is two years. 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

As explained more fully in the Statement of Principal Accountable Officer's Responsibility, 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:

- obtaining an understanding of the applicable legal and regulatory framework and how the fund is complying with that framework;
- identifying which laws and regulations are significant in the context of the fund;
- assessing 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 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 Scotland

4th Floor

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29 November 2022

Receipts and Payments Account

For the period 1 April 2021 to 31 March 2022

Receipts	Note	2021-22 £000	2020-21 £000
Funding			
Receipts from the Office of the Secretary of State for Scotland	2	31,479,277	31,947,738
Scottish Rate of Income Tax	3	11,641,545	11,423,690
Non Domestic Rates Income		2,090,000	1,868,030
National Insurance Contributions		2,446,456	2,217,202
Devolved Taxes	4	874,152	606,771
Borrowing	5	469,000	407,000
Voluntary Donations	6	1,020	125,130
Crown Estate surplus	7	13,496	9,971
Fines, forfeitures and fixed penalties	8	21,599	14,346
Receipt from the Registers of Scotland	9	17,000	8,254
OFGEM Fossil Fuel Levy		43,724	-
		49,097,269	48,628,132
UK Contingencies Fund			
Receipts from the UK Contingencies Fund	10	23,058,119	7,075,122
		23,058,119	7,075,122
Receipts not authorised to be used to support expenditure			
Repayment of Loans formerly from National Loans Fund Principal and Interest		83,943	69,488
Queen's and Lord Treasurer's Remembrancer	11	7,030	4,642
Other Receipts	12	10,368	12,483
		101,341	86,613
TOTAL RECEIPTS		72,256,729	55,789,867
Payments			
Payments authorised under the Budget Act Documents			
	13	49,057,691	48,474,153
		49,057,691	48,474,153
UK Contingencies Fund			
Payments to the UK Contingencies Fund	10	23,058,119	7,075,122
		23,058,119	7,075,122
Charges on the Fund			
Judicial Salaries	14	37,200	36,477
Designated Receipts	12	165	181
Capital borrowing repayments	5	95,025	64,469
National Loans Fund repayments to Office of the Secretary of State for Scotland		83,943	69,488
Ministerial Pension Payments		281	224
Proceeds of Crime paid to the SG	15	6,781	5,215
Victim Surcharge paid to the SG	16	157	-
		223,552	176,054
TOTAL PAYMENTS		72,339,362	55,725,329
SURPLUS / (DEFICIT) FOR THE PERIOD		(82,633)	64,538

Statement of Balances

As at 31 March 2022

Cash Reserves

	Note	2021-22 £000	2020-21 £000
Balance brought forward from previous year		287,273	222,735
Surplus/(Deficit) of receipts over payments for year		(82,633)	64,538
Cash balance at 31 March	17	204,640	287,273

Borrowing by Scottish Ministers

	Note	2021-22 £000	2020-21 £000
Balance brought forward from previous year		1,428,843	1,073,607
Prior year interest accrual		(2,153)	(1,974)
New borrowing in year		469,000	407,000
Capital repaid		(80,395)	(51,943)
Accrued interest		2,703	2,153
Amounts to be repaid at 31 March	5	1,817,998	1,428,843

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

29 November 2022

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 (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 2021-22, £11,642 million of assigned income tax was paid into the Scottish Consolidated Fund (2020-21 £11,424 million).

4. Receipts from Devolved Taxes

During the year 2021-22, Revenue Scotland paid over £874 million to the Scottish Consolidated Fund in respect of the two Devolved Taxes.

	2021-22	2020-21
	£000	£000
Land and Buildings Transaction Tax (LBTT)	752,574	450,490
Scottish Landfill Tax (SLFT)	121,578	156,281
Total Devolved Taxes	874,152	606,771

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:

At 31 March 2022	Principal £'000	Accrued Interest £'000	Total £'000
At 1 April 2021	1,426,690	2,153	1,428,843
New borrowing	469,000	-	469,000
Interest incurred	-	15,180	15,180
Repayments	(80,395)	-	(80,395)
Interest paid	-	(14,630)	(14,630)
At 31 March 2022	1,815,295	2,703	1,817,998

Repayments of principal and interest in 2021-22 totalled £95.025 million (2020-21 £64.469 million).

At 31 March 2021	Principal £'000	Accrued Interest £'000	Total £'000
At 1 April 2020	1,071,633	1,974	1,073,607
New borrowing	407,000	-	407,000
Interest incurred	-	12,705	12,705
Repayments	(51,943)	-	(51,943)
Interest paid	-	(12,526)	(12,526)
At 31 March 2021	1,426,690	2,153	1,428,843

The repayment of borrowing is scheduled as follows:

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

At 31 March 2021	Principal £'000	Interest £'000	Total £'000
Less than 1 year	80,394	14,631	95,025
1 – 5 years	425,675	51,715	477,390
More than 5 years	920,621	99,578	1,020,199
TOTAL	1,426,690	165,924	1,592,614

Details of loans taken out are as follows:

At 31 March 2022

Financial year	Category	Term (years)	Amount borrowed Principal £'000	Amount outstanding Principal £'000
2017-18	Capital	25	450,000	399,055
2018-19	Capital	10	250,000	189,703
2019-20	Capital	20	200,000	181,061
2019-20	Capital	25	190,000	179,334
2019-20	Capital	25	15,000	14,178
2020-21	Capital	25	150,000	147,399
2020-21	Resource	5	207,000	186,421
2020-21	Capital	25	50,000	49,145
2021-22	Capital	20	150,000	150,000
2021-22	Resource	5	319,000	319,000
TOTAL			1,981,000	1,815,296

At 31 March 2021

Financial year	Category	Term (years)	Amount borrowed Principal £'000	Amount outstanding Principal £'000
2017-18	Capital	25	450,000	413,957
2018-19	Capital	10	250,000	213,993
2019-20	Capital	20	200,000	190,559
2019-20	Capital	25	190,000	186,454
2019-20	Capital	25	15,000	14,727
2020-21	Capital	25	150,000	150,000
2020-21	Resource	5	207,000	207,000
2020-21	Capital	25	50,000	50,000
TOTAL			1,512,000	1,426,690

More details on Scottish Government borrowing can be found in the Fiscal Framework Outturn¹ Report most recently published in September 2022.

6. 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 Fund. Voluntary donations totalling £1.02 million were received in 2021-22 (2020-21 £125.13 million).

7. 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 2021-22 amounted to £13.5 million (2020-21 £9.97 million).

8. 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, 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 2021-22, the total of fines, forfeitures and fixed penalties paid into the SCF was £21.6 million (2020-21 £14.3 million).

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, £8.254 million in 2020-21 and £17 million in 2021-22, representing the balance of retained earnings payable to the Fund.

¹ [Scottish Government Fiscal Framework Outturn Report 2022](#)

10. Receipts from and payments to the UK Contingencies Fund

The 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 £12,000 million based on the forecast funding required in November 2021, being the excess of funding required over the remaining UK Mains Estimate 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 mid-March. Once the additional Spring Supplementary cash requirement became available, the Contingencies Fund advance was repaid via the Fund and equivalent funding drawn down from the UK Exchequer. The transactions involved are as follows :

2021-22
£000

Receipts

Received from Contingencies Fund 1 November 2021	12,000,000
Received from Scottish Government 21 March 2022	11,058,119
	23,058,119

Payments

Paid to Scottish Government 21 March 2022	11,058,119
Repaid to Contingencies Fund 21 March 2022	12,000,000
	23,058,119

2020-21
£000

Receipts

Received from Contingencies Fund 1 March 2021	3,537,561
Received from Scottish Government 24 March 2021	3,537,561
	7,075,122

Payments

Paid to Scottish Government 1 March 2021	3,537,561
Repaid to Contingencies Fund 24 March 2021	3,537,561
	7,075,122

11. 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:

	2021-22	2020-21
	£000	£000
Balance in the SCF at 1 April	1,022	1,380
Receipts in the period	7,030	4,642
Payments in the period	-	(5,000)
Balance in the SCF at 31 March	8,052	1,022

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. £5 million originally earmarked for the Scottish Budget in 2021-22 was not utilised and therefore no drawdowns from cumulative QLTR balances took place in 2021-22.

This balance is therefore available to support Scottish Administration expenditure in subsequent years

12. 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 8, 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 2021-22 relate to the Crown Office and Procurator Fiscal Service and Scottish Courts and Tribunals Service. Of these, £7.508 million relate to amounts recovered under the Proceeds of Crime Act (see Note 15) and £313,000 to amounts recovered under the Victim Surcharge provision (see Note 16). CFER receipts surrendered to the Fund in previous years by Scottish Courts and Tribunals Service were repaid during 2021-22 totalling £23,000.

2021-22	Receipts paid into Fund during period £000	Receipts classed as Designated £000
Rural Economy	165	165
Crown Office & Procurator Fiscal Service	4,998	
Scottish Courts and Tribunals Service	4,059	-
Assessor's Office	1,146	-
	10,368	165
Scottish Courts and Tribunals Service	(23)	-
TOTAL	10,345	165

2020-21	Receipts paid into Fund during period £000	Receipts classed as Designated £000
Rural Economy	184	182
Crown Office & Procurator Fiscal Service	5,533	-
Scottish Courts and Tribunals Service	6,766	-
TOTAL	12,483	182

During 2021-22, CFER payments were paid to Office of the Secretary of State for Scotland of £165,000.

13. Payments authorised under the Budget Acts

For the period of this account the Scottish Parliament approved: Budget (Scotland) Act 2020 (ASP 5) as amended by the Budget (Scotland) Act Amendment Regulations 2020 (SSI 2020/197), the Budget (Scotland) Act Amendment (No 2) Regulations 2020 (SSI 2020/348) and the Budget (Scotland) Act 2020 Amendment Regulations 2021 (SSI 2021/163).

These Orders appropriate sums out of the Scottish Consolidated Fund for the financial year ending 31 March 2022 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.

2021-22	£000	£000
Scottish Government and indirectly funded bodies	48,609,206	
Crown Office & Procurator Fiscal Services	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

2020-21	£000	£000
Scottish Government and indirectly funded bodies	48,054,638	
Crown Office & Procurator Fiscal Services	156,500	
Scottish Courts and Tribunals Service	126,262	
Food Standards Scotland	17,490	
Registers of Scotland	15,863	
SCOTTISH ADMINISTRATION		48,370,753
 The Scottish Parliamentary Corporate Body	94,900	
Audit Scotland	8,500	103,400
TOTAL PAID		48,474,153

In 2021-22, 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 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 9).

14. Judicial Salaries

Receipts and Payments Account

For the period 1 April 2021 to 31 March 2022

RECEIPTS	2021-22 £000	2020-21 £000
Received from the SCF	37,200	36,477
Income from recovery of overpayments	2	-
Reimbursement of salary costs	183	367
TOTAL RECEIPTS	37,385	36,844

PAYMENTS	2021-22 £000	2020-21 £000
Salary Costs	36,598	34,890
Bank Charges	1	1
TOTAL PAYMENTS	36,599	34,891
 SURPLUS/(DEFICIT) FOR THE PERIOD	 786	 1,953

Summary of the balance held at the Government Banking Service:

Balance brought forward from previous year	2,068	115
Surplus/(deficit) of receipts over payments for the year	786	1,953
Balance carried forward	2,854	2,068

A member of the judiciary took up a post as chair of an inquiry in 2016-17, and has continued in post during 2021-22 and the member's 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 £183,000 (2020-21 £367,000).

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 2022 report is available online².

During 2021-22 the number of paid judiciary in post at 31 March 2022 was:

Judges (Senators of the College of Justice)	30.5 FTE
Sheriffs Principal	6 FTE
Sheriffs	114.2 FTE
Summary Sheriffs	42.5 FTE
Members of Lands Tribunal Scotland	1.8 FTE
Chair of the Scottish Land Court	1 FTE
Deputy Chair of the Scottish Land Court	0.8 FTE
Members of the Scottish Land Court	1.4 FTE

Comparative figures for 2020-21, the number of paid judiciary in post at 31 March 2021, are:

Judges (Senators of the College of Justice)	34.5 FTE
Sheriffs Principal	6 FTE
Sheriffs	115.6 FTE
Summary Sheriffs	39.6 FTE
Members of Lands Tribunal Scotland	1.8 FTE
Chair of the Scottish Land Court	1 FTE
Deputy Chair of the Scottish Land Court	0.8 FTE
Members of the Scottish Land Court	1.4 FTE

15. Proceeds of Crime receipts

During 2021-22, a total of £6.781 million (2020-21 £5.215 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:

	2021-22	2020-21
	£000	£000
Balance in the SCF at 1 April	10,332	6,072
Receipts to the SCF in the period	7,508	9,475
Payments to the Scottish Government in the period	(6,781)	(5,215)
Balance in the SCF at 31 March	11,059	10,332

² <https://www.gov.uk/government/publications/senior-salaries-review-body-report-2022>

16. 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. Receipts totalling £313,000 were paid into the SCF during 2021-22, and payments totalling £157,000 were made. The balance on the Victim Surcharge Fund at 31 March 2022 is £304,552.

17. Analysis of the balance held at the Scottish Consolidated Fund

	2021-22 £000	2020-21 £000
Sums due to funded bodies not yet paid	189,611	193,100
Designated receipts not yet paid to UKCF	0	1
Scotland Reserve	0	76,470
Lochaber Fee Income Scotland	0	7,700
QLTR	8,052	1,022
General SCF Reserve	6,978	8,980
Balance held at the SCF at 31 March	204,640	287,273

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 was reduced by £50 million in 2020-21. The remaining balance of £76.47 million was utilised in year.

The cash balance of the Scotland Reserve in the Scottish Consolidated Fund does not represent the full Scotland Reserve balance available to support Scottish Government expenditure. Full details of this can be found in the Fiscal Framework Outturn report.

Details of the Queen's and Lord Treasurer's Remembrancer balance held in the Fund and its derivation are set out in Note 11.

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.



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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