



THE SCOTTISH EXECUTIVE'S BUDGET:

2007-08 TO 2010-11

Analysis of Spending Plans of Political Parties

**Jo Armstrong
John Moffat**

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Introduction

The full impact of the latest HM Treasury comprehensive spending review (CSR) on Scotland's public finances is unlikely to be known before the autumn. Meanwhile, all political parties are publishing their election manifestos that will have financial implications for Scotland for at least the rest of this decade. An understanding of what such commitments imply for Scotland's public sector finances requires, first, a forecast of the revenues available to finance such expenditure and then an assessment of the various spending proposals contained in the party manifestos. This paper seeks to provide both. It outlines a plausible revenue position for the Scottish Executive for the period 2008-09 to 2010-11 and develops two scenarios to show how such revenues may be allocated across the existing Scottish Executive portfolios. The paper then provides an analysis of the spending commitments of the main party manifestos. With this framework it is possible to assess where, if any, funding gaps may need to be plugged.

Basis of assumptions underlying the spending forecast

In general, HM Treasury sets the revenue line for the Scottish Executive over a 3-year period by applying the Barnett formulaⁱ, with Scotland receiving its pro-rata share of the increase received by equivalent departments in Whitehallⁱⁱ. To derive a forecast for the Scottish Executive's departmental expenditures (DEL)ⁱⁱⁱ for the period 2008-09 to 2010-11, this analysis has applied the underlying growth derived by the Institute for Fiscal Studies (IFS)^{iv} in its 2007 analyses of the UK government's finances (see Table 1).

Table 1: Annual average real increase in spending between 2008-09 and 2010-11 (%)

	IFS estimate
Overall real increase in DEL pa	2%
Increase in DEL capital pa	2.7%
Increase in DEL resource pa	1.9%

Source: IFS (2007a,b)

Overall spending is forecast to grow no more than 2% pa in real terms from a 2007-08 baseline level, with resource spending (operating costs) rising by only 1.9% pa whilst capital spending is likely to rise faster at around 2.7% pa.

Scottish Executive's budget scenarios 2008-09 to 2010-11

Table 2 and Fig 1 summarise the forecast total Scottish Executive budget available to the incoming administration by financial year 2010-11 and how this might be allocated across the various existing Scottish Executive portfolios assuming one of two derived scenarios^v.

Scenario I assumes the 2% pa real increase is shared equally among all ministerial portfolios with capital spending favoured over operating expenditure. Alternatively, scenario II favours health and education spending over the rest. The recent Budget statement signaled the Chancellor was likely to favour spending on education, setting a 2.5% pa real growth rate for the review period. If the Scottish finances were also capped at 2% pa overall and education was favoured to grow at 2.5% pa in real terms then health spending can rise by no more than 3.85% pa in real terms without the remaining portfolios facing a real terms cut in their budgets. Whilst this may appear generous for Scotland's health budget, put into context it represents a relative decline; in the last review period health spending in Scotland rose 8% pa in real terms. With such real rates of growth for both education and health, Scenario II implies the remaining portfolios face a significant challenge with a real growth of zero.

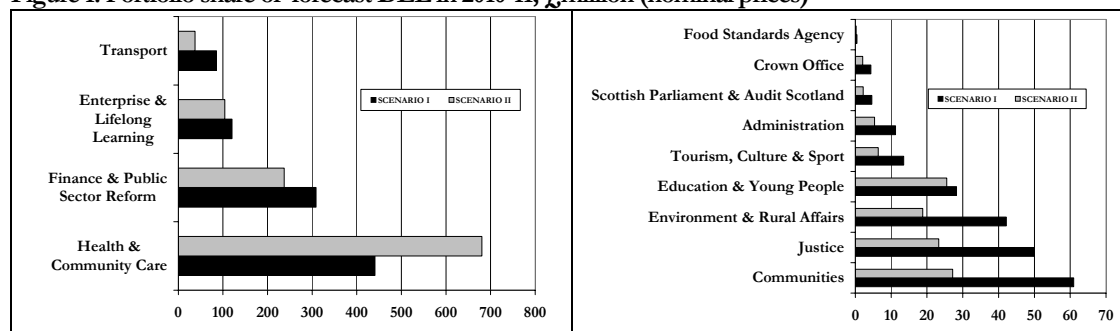
Table 2: Summary of forecast DEL spending, 2007-8 to 2010-2011 (£ million)

	Baseline 2007-08 ^{vi}	Scenario I & II 2010-11	Annual real increase %	Total increase £m	pa increase £m
Total DEL					
- Nominal prices	26,773	30,150	4.0%*	3,377	1,126
- 07-08 prices	26,773	28,411	2.0%	1,638	546

• Note: The underlying annual inflation rate assumed is 2% pa, which means the nominal increase in DEL is 4% pa.

Source: Scottish Executive (2006a); own estimates

Figure 1: Portfolio share of forecast DEL in 2010-11, £million (nominal prices)



Funding available for new spending commitments

This analysis assumes all current spending commitments are maintained. Staff costs account for more than 50%^{vii} of the total public sector expenditure and in the last 5 years the annual average real increase in the public sector wages was 1.9%^{viii}. Wage costs will therefore eat into the real purchasing power of the Scottish Executive's budget. So, to derive an estimate for the net additional funding available for new commitments the underlying cumulative wage cost of £1,688 million (£819 million in 07-08 prices) in 2010-11 needs to be excluded (see Table 3).

Table 3: Forecast DEL after excluding wages uplift of 1.9% real pa, 2010-2011 (£ million)

	Nominal Prices	2007-08 prices
Forecast total DEL	30,150	28,411
Less 2007-08 baseline	26,773	26,773
Less wages uplift	1,688	819
Forecast net DEL for new commitments	1,689	819

Given the various underlying assumptions, the forecast suggests there will be around £1,689 million of additional funding available to spend on new commitments by 2010-11 or £819 million in 2007-08 prices. This amounts to an annual average increase in total DEL of around £563 million (nominal prices) for each of the three years of the review or £273 million pa in 07-08 prices.

The portfolio allocations of this additional funding based on the two scenarios are detailed in Table 4. [It should be noted that these allocations assume the 50% wages uplift is spread pro-rata across all spending areas].

Table 4: Allocation of forecast additional DEL to existing Scottish Executive portfolio by 2010-11
(£ million, nominal prices)

	Scenario I Equal % increase across all portfolios	Scenario II 2% cap overall with education at 2.5% pa and health 3.85% pa
Incremental DEL in 2010-11	1,689	1,689
Health & Community Care	637	965
Finance & Public Sector Reform	446	348
Enterprise & Lifelong Learning	174	151
Transport	123	57
Communities	88	41
Justice	72	35
Environment & Rural Affairs	61	29
Education & Young People	41	37
Tourism, Culture & Sport	19	10
Scottish Executive Administration	16	8
Scottish Parliament & Audit Scotland	7	3
Crown Office	6	3
Food Standards Agency	1	0

Manifesto commitments

Table 5 outlines the cost of commitments made by the four main parties by 2010-11. It also indicates what budget remains to cover any uncosted or unknown expenditure that may arise including, for example, cost pressures within the existing Scottish Executive programmes.

Table 5: Assessment of affordability of costed commitments by 2010-11, £ million (nominal prices)

	Forecast Additional CSR funding ^a	Costed spending ^b	Sub Total ^c	Savings - efficiency	Savings ^d - redirected	Funds for uncosted spending ^e
	Col 1	Col 2	Col 3	Col 4	Col 5	Col 6
Conservative	1,689	-917	772	100	778	1,650
Green	1,689	-936	744	20	575	1,339
Labour	1,689	-1,781	-92	1,200		1,108
Liberal Democrat	1,689	-1,208	481	500	182	1,163
SNP	1,689	-2,538	-849	1,340	1,330	1,821
Solidarity	1,689	-2,363	-674		595	-79
SSCUP	1,689	-1,088	601			601

^a CPPR forecast of DEL in 2010-11 less 2007-08 baseline less estimated wage cost uplift

^b Values provided by parties (details in spreadsheets)

^c Sum of Col 1 plus Col 2

^d Values provided by parties based on current programme spend redirected to new commitments (details in spreadsheets)

^e Sum of Col 3 plus Col 4 plus Col 5

Source: Party Manifestos & supplementary Party information

Transport infrastructure

In assessing the various commitments it is not possible to assess the affordability of the various transport initiatives. Clearly, some parties are committed to canceling major infrastructure proposals whilst others seek to maintain or even boost the extent and coverage of the existing transport programme. The publicly available information on the Scottish Executive's funding baseline for major transport projects is in insufficient detail to assess the affordability of the parties' plans^{ix}. What is known however is first, the current budget line is based on the commitment to spend £3 billion on transport infrastructure between 2002 and 2012, in nominal prices. Projects have been planned and phased over this time horizon so the total funding spend

in any one year will clearly not be £3 billion. As projects are completed, the funding will then be redirected to the next in the queue. Secondly, the method of procurement varies, potentially increasing what is possible within any one year. For example, whilst choosing to use a PPP arrangement could mean longer-term funding commitments for the Scottish Executive, it nevertheless allows projects to be brought on stream faster than would be possible with the more traditional approach of up-front grant funding.

To assess the affordability of any of the parties' transport plans, many of which are expected to be delivered from existing resources, requires answers to the following:

- What is the anticipated timing for delivery of the various transport projects proposed?
- What is the expected procurement route to be adopted?
- What is the annual cash value of any redirected funding and does this match the forecast spend requirement for the preferred alternative scheme(s)?

Individual party positions

The party manifestos provide varying degrees of detail on both the nature and size of possible new policies and programmes as well as support for the continuation or abolition of current Scottish Executives initiatives. The following section provides details on how the main parties have costed these commitments and to what extent this might create tensions within the existing Scottish Executive portfolios.

What the tables show

Col 1 shows the **CPPR forecast** additional DEL in 2010-11 allocated as per scenario I, ie, all portfolios expect to receive a pro-rata share of the total additional funding available namely, the 2% pa real growth in DEL less the wages uplift.

Col 2 is the **party's own forecast** of the cost of their proposed commitments by 2010-11. These are the costs that are either detailed in the manifesto document or supplied to CPPR for this exercise.

Col 3 is simply the balance of DEL less these detailed costs. This column gives an indication of the balance of funding without reliance on savings, assets sales or other revenue raising measures. This would be available to fund any programme cost over-run, above inflationary pressures that may exist within current Scottish Executive initiatives or to fund uncosted commitments.

Col 4 is the **party's own estimate** of savings derived from stopping current Scottish Executive initiatives.

Col 5 is the **party's own estimate** of the efficiency savings that will be made across the Scottish Executive by 2010-11.

Col 6 is the estimate of the net funds that are forecast to be available to fund cost over-runs, inflationary pressures and uncosted commitments should all costs be expended and savings secured by 2010-11.

The allocation of funds to the various Scottish Executive portfolios is **CPPR's own estimate**. It aims to illustrate what the existing portfolios might have expected to receive from the spending review were they to get their "fair" share of available funds. The extent to which the party allocation differs from this simply illustrates where potential portfolio pressures may arise.

CONSERVATIVES

Assessment of affordability of Conservative commitments by 2010-11, £ million (nominal prices)

	Scenario I Additional DEL Col 1	Costed spending Col 2	Sub total Col 3	Savings - redirected Col 4	Savings - efficiency Col 5	Funds for uncosted commitments Col 6
Incremental DEL in 2010-11	1,689	-917	772	778	100	1,650
Health & Community Care	637	-120	517			517
Local Govt. (F&PSR) + Education & Young People (E&YP)	487	-335	152	5	5	162
Enterprise & Lifelong Learning (ELLD)	174	-198	-24	413	22	411
Transport	123	-60	63	119		182
Communities	88	-53	33	25	25	83
Justice	72	-140	-68			-68
Environment & Rural Affairs (ERAD)	61	-11	50	190	28	268
Tourism, Culture & Sport	19		19	11	10	40
Scottish Executive Administration	16		16	15	10	41
Scottish Parliament & Audit Scotland	7		7			7
Crown Office	6		6			6
Food Standards Agency	1		1			1

Notes: The portfolio categories are the current Scottish Executive portfolios and the CPPR team are responsible for the allocation of the various party costs
 Since primary & secondary education spending is in both the finance & public sector reform (F&PSR) and education and young people (E&YP) lines, these been aggregated in this table

Some Examples of uncosted commitments (full results in spreadsheets)

Begin new preparation work for Forth Crossing
 Introduce random drugs testing in prisons
 Secure Commonwealth Games for Glasgow
 Institute a payment by results funding system for elective surgery

GREEN

Assessment of affordability of Green commitments by 2010-11, £ million (nominal prices)

	Scenario I Additional DEL Col 1	Costed spending Col 2	Sub total Col 3	Savings - redirected Col 4	Savings - efficiency Col 5	Funds for uncosted commitments Col 6
Incremental DEL in 2010-11	1,689	-936	753	575	20	1,348
Health & Community Care	637	-5	632			632
Local Govt. (F&PSR) + Education & Young People (E&YP)	487	-263	224			224
Enterprise & Lifelong Learning (ELLD)	174	-301	-127			-127
Transport	123	-210	-87	575		479
Communities	88	-1	87			87
Justice	72	-9	63			63
Environment & Rural Affairs (ERAD)	61	-142	-81		20	-61
Tourism, Culture & Sport	19	-4	15			15
Scottish Executive Administration	16		16			16
Scottish Parliament & Audit Scotland	7		7			7
Crown Office	6		6			6
Food Standards Agency	1	-1	0			0

Notes: The portfolio categories are the current Scottish Executive portfolios and the CPPR team are responsible for the allocation of the various party costs
 Since primary & secondary education spending is in both the finance & public sector reform (F&PSR) and education and young people (E&YP) lines, these been aggregated in this table

Some Examples of uncosted commitments (full results in spreadsheets)

Stock transfer of LA housing without inducement of debt write-off
 Develop & extend role of Allied Health Professional
 Replace council tax & UBR with Land Value Tax
 Ensure all rural households have access to broadband

LABOUR

Assessment of affordability of Labour commitments by 2010-11, £ million (nominal prices)

	Scenario I Additional DEL Col 1	Costed spending Col 2	Sub total Col 3	Savings - redirected Col 4	Savings - efficiency Col 5	Funds for uncosted commitments Col 6
Incremental DEL in 2010-11	1,689	-1,781	-92		1,200	1,108
Health & Community Care	637	-138	499		458	957
Local Govt. (F&PSR) + Education & Young People (E&YP)	487	-1,429	-942		350	-592
Enterprise & Lifelong Learning (ELLD)	174	-36	138		122	260
Transport	123	-13	110		82	192
Communities	88	-65	23		60	83
Justice	72		72		51	123
Environment & Rural Affairs (ERAD)	61	-80	-19		41	22
Tourism, Culture & Sport	19	-10	9		14	23
Scottish Executive Administration	16		16		12	28
Scottish Parliament & Audit Scotland	7		7		5	12
Crown Office	6		6		5	11
Food Standards Agency	1		1		0	1

Notes: The portfolio categories are the current Scottish Executive portfolios and the CPPR team are responsible for the allocation of the various party costs

Since primary & secondary education spending is in both the finance & public sector reform (F&PSR) and education and young people (E&YP) lines, these been aggregated in this table

* Labour forecasts achieving a minimum of 1.5% real savings in the Scottish Executive budgets by 2010-11, ie, £1.2 billion. The individual portfolio estimates are CPPR's and **NOT** Labour's

Some Examples of uncosted commitments (full results in spreadsheets)

Ensure further local train improvements

Cut waiting times to 9 weeks for allied health professionals (AHPs)

Cut business rates for those undertaking R&D

Take forward Forth crossing

LIBERAL DEMOCRATS

Assessment of affordability of Labour commitments by 2010-11, £ million (nominal prices)

	Scenario I Additional DEL Col 1	Costed spending Col 2	Sub total Col 3	Savings - redirected Col 4	Savings - efficiency Col 5	Funds for uncosted commitments Col 6
Incremental DEL in 2010-11	1,689	-1,208	481	182	531	1,194
Health & Community Care	637	-230	407		203	610
Local Govt. (F&PSR) + Education & Young People (E&YP)	487	-494	-7		155	148
Enterprise & Lifelong Learning (ELLD)	174	-319	-145		54	-91
Transport	123	-53	70		36	106
Communities	88	-17	71		26	97
Justice	72	-49	23		22	45
Environment & Rural Affairs (ERAD)	61	-47	14	182	18	214
Tourism, Culture & Sport	19		19		6	25
Scottish Executive Administration	16		16		5	21
Scottish Parliament & Audit Scotland	7		7		2	9
Crown Office	6		6		2	8
Food Standards Agency	1		1		0	1

Notes: The portfolio categories are the current Scottish Executive portfolios and the CPPR team are responsible for the allocation of the various party costs

Since primary & secondary education spending is in both the finance & public sector reform (F&PSR) and education and young people (E&YP) lines, these been aggregated in this table

* The Liberal Democrats forecasts a cumulative efficiency saving of £500 (2007-08) prices by 2010-11. The individual portfolio estimates are CPPR's and **NOT** the Liberal Democrats'

Some Examples of uncosted commitments (full results in spreadsheets)

More new trains on network

Give full support to Glasgow 2014 bid

Introduce personal health records for every child

Resource roll out of anticipatory care pilots across Scotland

SNP

Assessment of affordability of SNP commitments by 2010-11, £ million (nominal prices)

	Scenario I Additional DEL Col 1	Costed spending Col 2	Sub total Col 3	Savings - redirected Col 4	Savings - efficiency Col 5	Funds for uncosted commitments Col 6
Incremental DEL in 2010-11	1,689	-2,538	-849	1,330	1,340*	1,821
Health & Community Care	637	-300	337		512	849
Local Govt. (F&PSR) + Education & Young People (E&YP)	487	-774	-287		391	104
Enterprise & Lifelong Learning (ELLD)	174	-145	29		137	166
Transport	123	-1,127	-1,004	1,100	92	188
Communities	88	-80	8		66	74
Justice	72	-50	22		57	79
Environment & Rural Affairs (ERAD)	61	-50	11		46	57
Tourism, Culture & Sport	19		19		16	35
Scottish Executive Administration	16	-13	3	230	13	246
Scottish Parliament & Audit Scotland	7		7		5	12
Crown Office	6		6		5	11
Food Standards Agency	1		1		1	2

Notes: The portfolio categories are the current Scottish Executive portfolios and the CPPR team are responsible for the allocation of the various party costs

Since primary & secondary education spending is in both the finance & public sector reform (F&PSR) and education and young people (E&YP) lines, these been aggregated in this table

* The £1,340 million cumulative efficiency saving is forecast to be shared equally across all portfolios at a rate of 1.5% pa. The portfolio estimates are CPPR's and **NOT** SNP's

Some Examples of uncosted commitments (full results in spreadsheets)

Back Glasgow's Commonwealth bid

Introduce not-for-profit Scottish Futures Trust

Extend kerbside recycling throughout Scotland

Take action to reduce any inadequate water & sewerage capacity

Risks to the Forecast

The actual expenditure available for Ministers to allocate over the next 3 financial years will inevitably differ from the above forecast. To determine the margin for error requires an assessment of the risks that may lead to funding being substantially higher or lower than forecast.

Issues leading to a reduction in forecast revenues

There are two main reasons why the forecasts may be on the high side and both are related to the final outcome of the current spending review exercise in Whitehall.

CSR leads to lower baselines

First, the CSR2007 may lead to the baseline figure for some Whitehall departments being lowered. This may arise because the current level of service provision is thought too costly and could be delivered for less or that a lower level of service overall is thought appropriate for the future. This would have the knock-on effect of reducing the level of any Barnett consequentials flowing to Scotland.

CSR favours reserved over devolved departments

Secondly, the CSR2007 exercise may lead to a disproportionate increase in the level of funding to departments that are partly or wholly reserved, for example defence.

Issues leading to an increase in forecast revenues

Additional income could arise from a variety of sources. This analysis does not assume any radical changes to the way the Scottish Parliament receives and raises its revenues in the period of the next Parliament. Without such assumptions, significant additional revenues could only be generated in this period from:

- the Scottish Executive selling assets so freeing up resource funding
- the delivery of significant efficiency savings from public service reform initiatives

Sale of assets

One of the most recently discussed assets sales is that of Scottish Water. Taking Scottish Water out of public ownership either by transferring it into a mutual company or indeed by privatising it would free up loan support of around £183 million pa^x. It might also lead to the Scottish Executive receiving a capital receipt from the sale. However, it is not clear whether HM Treasury would seek a share of any sales receipt for this or any other asset sale.

Efficiency savings

The Scottish Executive's efficient government initiative has now been in operation for over 2 years. Recent evidence suggests there are up to £1,470 million of savings^{xi} identified and likely to be delivered by 2007-08 across all its activities. This amounts to £490 million pa for each of the three spending review years. In the first full year of operation the estimate is for savings of around £500 million against a target of £405

million. These savings are aimed at allowing additional or better quality services to be delivered. However, the recent Audit Scotland report^{xiii} on this first year of activity highlights a degree of uncertainty over their ability to confirm these as true efficiency savings^{xiii} and not simply cash cuts.

Whilst additional efficiency savings must be possible, the timing, speed and level of delivery needs careful questioning especially if it is not accompanied by radical change to the way services are delivered.

Whilst not additional to the Scottish Executive, any new administration could also free up resources by spending in full the current balance of the reserve at Whitehall (see below) or redirect spending from existing initiatives.

Reserves and the central unallocated provision (CUP)

Since devolution Scotland has not spent all its Whitehall funding allocation, and any underspend has been held in reserve to be drawndown in future years. The latest published estimate for this reserve at the end of financial year 2005-06 was £1,454 million (see Table 6). The Finance Minister indicated a total of £780 million will be drawn between 2006-07 and 2007-08 to cover specific, one-off payment requirements. This would suggest a balance on reserve of £674 million. However, this does not include any additional EYF balances that may be added in both 2006-07 and 2007-08, information on which will not be made public until summer 2007.

Table 6: Reserves & CUP end of year balances

	End March 2006-07	End March 2007-08
Opening balances @ Whitehall	1,454 ^{xiv}	1,104
Planned drawdown ^{xv}	-350	-430
EYF additions	??	??
Closing balance	1,104?	674?
CUP balances	956 ^{xvi}	925
Additions	75	22
Drawdowns	-106	-2
Closing balances	925	945
Total net reserves?	179 + EYF?	-271 +EYF?

Source: HM Treasury (b), July 2006; Finance Minister's correspondence with Finance Committee; Written answer to PQ S2W-28810

A sub-set of these reserves is the Scottish Executive's central unallocated provision (CUP). This reserve allows the department's to carryforward in full any unspent but committed funding for specific projects, eg, Scottish Water's delayed drawdown of the Scottish Executive's debt support.

The balance on the CUP at the end of March 2006 was £956 million, ie, two thirds of the total reserve sitting with Whitehall. Estimates of balances within portfolios is not publicly available and it is possible that some have a positive balance whilst others actually owe the CUP reserve, having drawn on it in earlier periods. Estimates of the draw on the CUP in 2006-07 and 2007-08 are £106 million and £2 million respectively and additions are estimated to be £75 million and £22 million respectively. This would make the CUP reserve £945 million by then end of 2007-08.

Whilst the reserve at Whitehall appears an attractive free source of funds for use on new spending commitments, the CUP obligation of £945 million would seem to suggest it is already committed. Alternatively, to allow access to these reserves for new initiatives do existing projects and programmes need to be cancelled or postponed?

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End Notes

ⁱ Whilst revenues to the Scottish Executive are mainly driven by the Barnett formula, there are occasions where this methodology has not been applied. For example, although responsibility for the Supporting People initiative transferred from HM Treasury to the relevant Whitehall departments, the Scottish Executive's share of the associated funding was not its pro-rata Barnett share. What was transferred reflected actual funding allocated to Scotland's local authorities, which had accrued on a demand-led basis.

ⁱⁱ HM Treasury is currently undertaking a comprehensive spending review of all Whitehall budgets which could lead to an adjustment in departmental baselines against which the Barnett "consequentials" are derived. This could leave the Scottish Executive's budget disproportionately affected should reserved departments receive an increase that needs to be off-set by compensating reductions in devolved departments.

ⁱⁱⁱ Forecasting DEL and not TME assumes the ratio of DEL to TME remains constant over time or that HM Treasury will fund in full any above trend AME increases. This analysis assumes receipts that are not spent or committed are not remitted back to HM Treasury but held in reserve. Additional receipts may accrue from trading activities such as assets sales, profits sharing arrangements etc. This analysis makes no assessment of what may accrue from such activities viewing them as possible revenue upside which are discussed later in the paper.

^{iv} The Institute for Fiscal Studies, The IFS Green Budget, January 2007; The Institute for Fiscal Studies, Budget 2007, March 2007.

^v Refer to Background report for a detailed description of the underlying methodology used to develop the forecast for DEL and the two scenarios.

^{vi} The DEL total differs from that in the Budget Bill (2007) which is £26,457 million. This latter figure excludes £305 million of local government borrowings, which did not need parliamentary approval. This paper uses the draft budget totals as they permit a more detailed analysis at the portfolio level where the definition of capital DEL is consistent with the forecast DEL for the purposes of the CSR2007 spending allocations. The Budget Bill uses a HM Treasury definition of capital DEL, which differs markedly in some key portfolios from that used in the draft budget document.

^{vii} Finance Committee, (2005), The Scottish Budget: a review of spending 1999-2004, in FI/S2/05/19/1(P)

^{viii} National Statistics, Monthly Digest of Statistics, March 2007, Tables 18.5 and 18.16

^{ix} The detail on transport infrastructure plans can be found on Transport Scotland web site or in the Scottish Executive's draft budget document.

^x The Scottish Executive draft budget (Scottish Executive 2006a) suggest Scottish Water receive loan support of £182.8 million in 2007-08.

^{xi} The Scottish Executive, March 2007, Efficiency Technical Notes

^{xii} Audit Scotland, December 2006, The Efficient Government Initiative: A progress report

^{xiii} For example, were more outputs received for the same level of input or where fewer inputs used to deliver the same level of output.

^{xiv} HM Treasury (b), July 2006, Public Expenditure 2005-2006, Provisional Outturn

^{xv} Taken from correspondence between Minister of Finance and Scottish Parliament's Finance Committee, October 2006

^{xvi} Taken from the Finance Minister's written answer to Derek Brownlee's PQ S2W-28810 lodged in October 2006