

*Scottish Government's Draft Budget 2013-14*

*Briefing No. 1*

**THE SCOTTISH GOVERNMENT'S DRAFT BUDGET 2013-14**

**Executive Summary**

- This was never going to be an easy budget given that the latest Budget Report's headline figures show basically no extra cash to allocate for 2013-14, compared to the current 2012-13 budget, and so a 2.5% fall in real, inflation adjusted, terms.
- However, this headline change figure is complicated by the fact that the tables in the Annexes show small rises, year-on-year, in the overall budget. The difference is not negligible and hopefully greater clarity will be forthcoming on how the two sets of figures can be reconciled in the near future.
- Spending on the, already very large, NHS resource budget has again been favoured at the expense of others, securing an extra £263 million. Whilst this meets the election pledge of passing on the UK Health Barnett Consequentials, it is less clear how it helps secure faster economic growth.
- Whilst Local Government continues to receive a large share of the total budget, its influence over outcomes is diminishing as the impact of establishing and funding the single police and fire services reduces the Local Government budget line and Council Tax remains effectively outside their control.
- Wage increases are to be reintroduced in 2013-14 albeit at a rate (1%) that is less than half that expected for inflation (2.5%). However, anything more than a 1% increase would have significant knock-on effects on other budget lines so it is difficult to see what room for manoeuvre the Scottish Government has.
- Utilising all possible sources of finance to help boost the economy and secure more employment is to be applauded. Should some of this be from higher water charges (ie, Scottish Water surpluses) then, for accountability purposes, this should be made clear. As an alternative, surpluses could have been used to fund yet more investment in Scotland's water infrastructure (and so aid economic growth) or used to keep charges down (and so aid households) as has been done in Wales when surpluses are generated.
- The increased incomes from non-domestic rates (NDR) caused a controversy in last years' budget. No new changes are introduced. However, with far lower rates of growth

than were being assumed this time last year, this income stream remains uncertain. With a desire to create private sector jobs, increasing business costs such as NDR in this way seems likely to make the delivery of this key objective that bit harder.

- The relative winners and losers in this extremely tight budget are outlined in Appendix A and B. Care needs to be taken over interpreting these tables due to the large scale of some budget transfers, eg, for the single police force.

### **Report authors comments**

Jo Armstrong, said *“With little or no extra cash to distribute and a desire to maximise short terms jobs and boost growth, favouring the NHS budget over all others is becoming harder to justify. Using all sources of finance available is to be applauded but uncertainties over the economic impact of raising NDR income remain.”*

John McLaren highlighted that *“A return to wage increases were signalled in last year’s budget. Whether 1% is enough to satisfy public sector staff is a matter for conjecture at this stage. However, if more is to be found then which budgets will suffer as a result? Furthermore, the need for continued wage restraint seems likely and this may be best admitted to upfront.”*

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## **MAIN BRIEFING**

### **Overview**

The Scottish Government's budget for 2013-14 takes place almost half way through the UK Government's fiscal retrenchment process. In comparison to the peak public spending year of 2009-10 and the anticipated trough year of 2016-17, CPPR anticipate there will be a £5.5 billion (-18%) fall in real terms (inflation adjusted) spend. Thus far we have experienced three-quarters of the overall cut in capital spend but only one third of the cut in resource spend. So there is still a long way to go.

With little or no new cash to allocate for next year the Scottish Government clearly faces a number of hard choices in determining its funding priorities.

### **Economic Growth**

The Finance Secretary claimed that "Today I am announcing a Scottish budget for jobs and growth" and that "this government is doing everything within its limited power to stimulate Scotland's economy".

What evidence is there to support such a claim? Certainly renewable energy projects are being boosted, with an additional £45 million of capital in 2013-14, through drawdown of Scotland's Fossil Fuel Levy surplus.

However, beyond that it could be argued that key decisions were being taken which did not comply with such a claim. For example, in 2013-14, while the Enterprise Bodies and Tourism budgets together rise by £8 million in cash terms, the NHS budget rises by £263 million and while Council Tax is frozen, business rates are rising. While these budget preferences may be defended on social grounds it is difficult to support them on economic growth grounds.

The Scottish Government remains keen to produce a short-term economic stimulus and Mr Swinney has managed to both switch and release some funds to help with this. Unfortunately, any further stimulus is very difficult to achieve within a fixed budget. Shifting funds from the resource budget to the capital budget is likely to be good for long run economic growth and jobs prospects but it is not necessarily good for short run job prospects. At best, the shift is jobs will be neutral whilst, at worst, it may employ fewer people, as capital spend tends to be less labour intensive.

### **Budget Figures**

The Budget document is somewhat confusing when assessing just how much the overall budget changes between 2012-13 and later years. As Table 1, below, highlights, different tables in the report showing both rises and falls, year-on-year, in the overall budget. Hopefully greater clarity will be forthcoming on how the two sets of figures can be reconciled in the near future.

**Table 1: Scottish DEL figures in Draft Budget 2013-14, £ million (cash)**

	2012-13	2013-14	2014-15				
	Budget	Draft Budget	Plans	12-13 to 13-14		13-14 to 14-15	
<b>Annex A Table 1</b>	£m	£m	£m	£m	%	£m	%
DEL Resource	25,788.4	26,151.9	26,313.3	363.5	1.4%	161.4	0.6%
DEL Capital	2,471.4	2,386.2	2,477.3	-85.2	-3.4%	91.1	3.8%
<b>Total DEL</b>	<b>28,259.8</b>	<b>28,538.1</b>	<b>28,790.6</b>	<b>278.3</b>	<b>1.0%</b>	<b>252.5</b>	<b>0.9%</b>
<b>Table 1</b>							
DEL Resource	25,896.0	26,064.0	26,225.0	168.0	0.6%	161.0	0.6%
DEL Capital	2,707.0	2,377.0	2,437.0	-330.0	-12.2%	60.0	2.5%
<b>Total DEL</b>	<b>28,603.0</b>	<b>28,441.0</b>	<b>28,662.0</b>	<b>-162.0</b>	<b>-0.6%</b>	<b>221.0</b>	<b>0.8%</b>
<b>Difference</b>							
DEL Resource	-107.6	87.9	88.3				
DEL Capital	-235.6	9.2	40.3				
<b>Total DEL</b>	<b>-343.2</b>	<b>97.1</b>	<b>128.6</b>				

Source: Scottish Government Draft Budget 2013-14

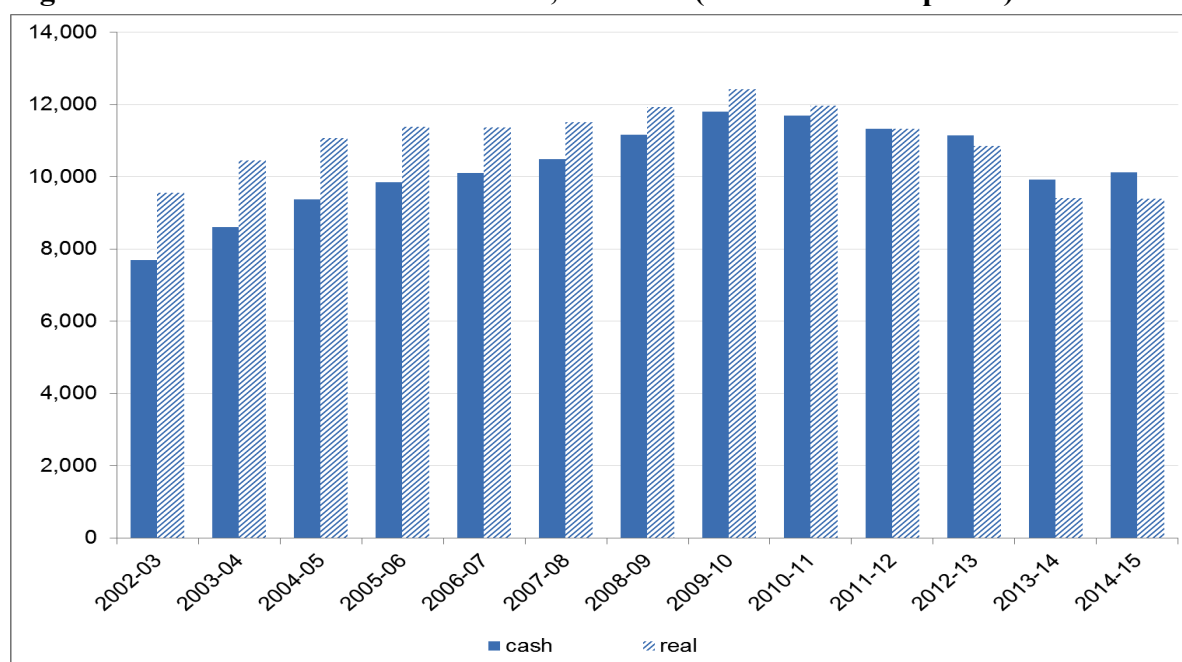
In the Budget Report Annex A, total DEL rises 1% in cash terms between 2012-13 and 2013-14 and a further 0.9% in 2014-15. However, in Table 1 (p2) the Total DEL budget is set to fall 0.6% in cash terms next year whilst then rising by 0.8% in 2014-15.

No explanation has been offered as to the differences. To assist scrutiny this would seem a small but essential addition to the document, not least because without such information it is difficult to ascertain why the budget may be falling or rising and which budget lines are affected, adversely or otherwise.

## Local Government

The funding landscape for Local Government (LG) looks very different now to what it did a few years ago (see Figure 1).

**Figure 1: Local Government settlement, £ million (cash & 2011-12 prices)**



Source: Scottish Government Draft Budget 2013-14

LG's settlement rose year on year from 2002-03<sup>1</sup> to 2009-10, after which it fell in both cash and real terms up to 2013-14.

In this Draft Budget over £1 billion has been removed, in order to fund the set up and operation of the new single police force and single fire service. This had been expected and does not tighten the LG budget, as responsibilities also shift out, but these figures highlight the reduced level of influence LG will now have over the provision of public services in Scotland.

Meanwhile, the Council Tax freeze continues (now in its 6th consecutive year) which means LG's largest single revenue source remains effectively outside its control. Whether such changes are positive or negative, in efficiency and quality terms, is impossible to say but it certainly signifies a different role for LG from the recent past.

### Non-domestic rates (NDR)

At the time of last year's Scottish Spending Review and Budget, CPPR highlighted the rapid rise projected for NDR income, in the years to 2014-15 (see Table 2). We also contrasted this with the continuing freeze in Council Tax.

**Table 2: Scottish Non-Domestic Rates income, £ million (cash)**

	Budget	Draft Budget	Plans	12-13 to 13-14		13-14 to 14-15	
	2012-13	2013-14	2014-15	£m	%	£m	%
Non Domestic Rates & Other AME	2,272.0	2,435.0	2,664.0	163	7.2%	229	9.4%

*Note: 2012-13 includes £ 9 million of non-NDR AME*

*Source: Scottish Government Draft Budget 2013-14*

Over the next two years, the value of the NDR to the Scottish Budget remains significant. It is set to deliver an increase of £163 million next year and a further £229 million in 2014-15. This means that since the Council Tax freeze started in 2007-08, NDR revenues have risen by 38% (almost £ ¾ billion).

This is a political choice, but, within the limitations of the current devolution settlement, one possible route to improving the growth rate, as previously argued by the Scottish Government itself, would be to cut business taxes (be it via Corporation Tax, under independence, or NDR, under devolution).

Furthermore, it is worth noting that the anticipated NDR revenues are not projected to fall even though economic growth is now lower than expected. One of the main reasons the Scottish Government gave last year for NDR revenues rising above RPI inflation was due to the view that "we expect there to be higher levels of economic growth as we move through the spending review period". To date this has not been the case.

### Wages

For the last three years most public sector workers have seen a real terms fall in their living standards, due to a combination of wage freezes and continuing inflation. The latest Scottish

<sup>1</sup> 2002-03 is the initial year in the time series provided by the Scottish Government.

Budget statement suggested an average increase of around 1%. This is in line with the Scottish Government's previous position, which was to aim for "2012-13 to be the last year of a pay freeze and to see modest increases in the years that follow". It is also in line with what has been proposed by the UK government for 2013-14.

However, this is still well below the expected rate of inflation and so will result in a further decline in living standards. It remains to be seen how acceptable public sector workers find this proposal. Given the on-going nature of the financial constraint the Scottish and UK Governments are working within, further years of below inflation wage rises might well continue to be the target for both Governments.

### **Ageing population**

The Cabinet Secretary reiterated the challenge from Scotland's ageing population; with the over 75s increasing by around one quarter in the next decade. This is the cohort that currently costs the NHS the most. The change funds aim to reduce pressures on the NHS. Whilst it is anticipated such interventions will deliver over the longer term, there is currently only anecdotal evidence of such positive outcomes in, for example, reduced rates of emergency admissions and lost bed days due to delayed discharge. More robust evidence is needed to confirm the success and full potential of these preventative measures.

It is not possible to assess what share of the total budget is being allocated to cover all the care-related costs for older people. Measures such as free personal and nursing care (FPNC), free prescriptions, free eye tests, free bus passes alongside the continued freeze on council tax will all help over 65s to remain financially independent in their own homes for longer.

What is less clear is the extent to which the budget allocations between health and social care will ensure FPNC will be sufficient across all 32 local authorities and that no-one in need will fail to get prompt access to the necessary services in their own homes rather than have to end up on waiting lists and or face hidden charges.

### **Scottish Water**

The Cabinet Secretary has again signalled his desire and intent to retain Scottish Water in the public sector. This continues to have knock-on effects to the rest of the Scottish budget; there is no publicly owned water industry in England (or Wales) and so there are no Barnett consequential to help meet Scotland's water expenditures. Delivering efficiency savings over and above those set by the Regulator should help reduce Scottish Water's borrowing needs in the short-term, something that appears to have happened in this current period. Its ability to keep doing so will be curtailed as the Regulator re-sets its prices and so caps its revenues generated from users in future price reviews.

The Draft Budget document does not offer any easy way of following the public pound so far as the Scottish Water budget is concerned. As a consequence of increased procurement efficiencies, loans are to be reduced by £45 million in 2013-14, freeing it up for spending elsewhere.

On the other side, Scottish Water has to repay £50 million of funding it received last year over, the next 4 years, to the original intended recipient of this funding (as made in the UK

Autumn Statement allocation namely, transport for the upgrade to Scotland's sleeper rolling stock). There is also the Business Stream set-up loan that is being paid to be considered.

Whether, in net terms, this leaves Scottish Water better or worse off is hard to tell. What it does show is that Scottish Water is looking more and more like a source of additional income to be used as seen fit by Scottish Ministers. If such surpluses arise in the Welsh Water business, for example, they cannot be syphoned off by the Welsh Assembly Government but are used to pay a dividend to users (ie, a price reduction) or to fund additional capital investment.

## **Health**

The level of budget flexibility was always going to be limited as the budget reductions bite and previous acceleration measures are all but eliminated. Whilst measures to secure short term jobs have been delivered, the largest share of the spending has gone to Health. Although the public sector wage freeze is now over, it is still to be capped at an average of 1%. Just how an above inflation allocation to the NHS resource budget is then justified needs to be further understood as it should not be paying for inflationary wage increases, and wages account for two-thirds of this budget. Furthermore, other parts of the UK, eg, the Welsh Assembly, have not fully protected the NHS in this way.

Continuing to favour Health over other spending areas creates an even greater need to confirm that doing so will not prejudice growth and jobs elsewhere and so Scotland's medium and longer term growth prospects.

## **Outlook**

This is the latest Scottish Budget in a run of at least seven that will involve real terms cuts overall. There will be at least another three such Budgets up to 2016-17. With each year the difficulty in finding savings that do not impact on the quantity or quality of services will increase. Equally, with each passing year the pressure to improve public sector wage settlements will rise, adding further pressure on to the Scottish Government to find savings that do not diminish services.

At present, 2016-17 is expected to signal the last year of real terms cuts. But that estimate was made when UK economic growth was anticipated to be much higher than is now expected. Depending on what the OBR and the UK Chancellor of the Exchequer propose at the time of the next Autumn Statement, the cuts may be further prolonged in both length and depth.

## Winners and losers<sup>2</sup> (see Annexes A and B for details)

### (a) Total DEL

The total spending - capital and resource - or departmental expenditure limit (DEL) available for 2013-14 and 2014-15 is outlined in Table 3.

**Table 3: Scottish Government Draft Budget 2013-14, £ million (Level 1))**

	2012-13	2013-14	2014-15	12-13 to 13-14		13-14 to 14-15	
	Budget	Draft Budget	Plans	£m	%	£m	%
Total Health and Wellbeing	11,587.9	11,877.8	12,109.4	290	2.5%	232	1.9%
Finance, Employment & Sustainable Growth	486.5	532.1	506.7	46	9.4%	-25	-4.8%
Education and Lifelong Learning	2,544.1	2,605.3	2,616.7	61	2.4%	11	0.4%
Justice	1,341.0	2,546.6	2,527.4	1,206	89.9%	-19	-0.8%
Rural Affairs & the Environment	530.9	521.1	522.1	-10	-1.8%	1	0.2%
Culture & External Affairs	237.8	240.8	225.5	3	1.3%	-15	-6.4%
Infrastructure, Investment & Cities	2,231.5	2,324.7	2,413.1	93	4.2%	88	3.8%
Administration	214.7	206.9	197.8	-8	-3.6%	-9	-4.4%
Crown Office & Procurator Fiscal	108.1	108.1	108.7	0	0.0%	1	0.6%
Local Government	8,881.8	7,479.2	7,467.7	-1,403	-15.8%	-12	-0.2%
Scottish Parliament and Audit Scotland	95.5	95.5	95.5	0	0.0%	0	0.0%
<b>Total</b>	<b>28,259.8</b>	<b>28,538.1</b>	<b>28,790.6</b>	<b>278</b>	<b>1.0%</b>	<b>253</b>	<b>0.9%</b>

Source: Scottish Government Draft Budget 2013-14, Annex A

Between 2012-13 and 2013-14:

- the total budget is set to rise by 1% in cash terms or £278 million. With inflation set to run at 2.5%<sup>3</sup> in each of the next two years, this results in a real terms cut of 1.5%.
- the biggest winner appears to be Justice, up 90%, and largest loser Local Government, down 16%, but this largely reflects the reallocation of spending to fund the single police and fire services.
- Finance, Employment and Sustainable Growth (up 9%) and Infrastructure, Investment & Cities (up 4%) are the relative winners in percentage terms. Health & Wellbeing is benefiting from the largest cash terms increase (up £290 million).

Between 2013-14 and 2014-15:

- the total budget is set to rise by a further 1% in cash terms, again a real terms fall given inflation at 2.5%.
- Infrastructure, Investment & Cities (up 3.8% or £88 million) and Health and Wellbeing (up 1.9% of £232 million) are again the relative winners.

### (b) DEL Resource

The allocation of DEL resource is shown in Table 4.

<sup>2</sup> Note that all figures in this analysis are consistent with Budget Report Annex A totals, not with the totals given in Table 1 of the Budget Report.

<sup>3</sup> RPI is assumed to be 2.5% per annum.



**Table 4: DEL Resource, £ million (cash terms)**

	2012-13	2013-14	2014-15				
	Budget	Draft Budget	Plans	12-13 to 13-14		13-14 to 14-15	
	£m	£m	£m	£m	%	£m	%
Health & Wellbeing	11,128.4	11,469.30	11,841.4	340.9	3.1%	372.1	3.2%
Finance, Employment & Sustainable Growth	419.7	421.00	418.8	1.3	0.3%	-2.2	-0.5%
Education & Lifelong Learning	2,395.5	2,496.50	2,508.6	101.0	4.2%	12.1	0.5%
Justice	1,228.6	2,466.50	2,443.3	1,237.9	100.8%	-23.2	-0.9%
Rural Affairs and the Environment	495.8	480.10	478.4	-15.7	-3.2%	-1.7	-0.4%
Culture & External Affairs	222.9	223.80	212.9	0.9	0.4%	-10.9	-4.9%
Infrastructure, Investment & Cities	1,174.5	1,238.80	1,315.3	64.3	5.5%	76.5	6.2%
Administration	207.2	201.80	192.7	-5.4	-2.6%	-9.1	-4.5%
Crown Office & Procurator Fiscal	104.5	104.50	105.1	0.0	0.0%	0.6	0.6%
Local Government	8,318.8	6,957.10	6,704.3	-1,361.7	-16.4%	-252.8	-3.6%
Scottish Parliament & Audit	92.5	92.50	92.5	0.0	0.0%	0.0	0.0%
<b>Total DEL Resource</b>	<b>25,788.4</b>	<b>26,151.90</b>	<b>26,313.3</b>	<b>363.5</b>	<b>1.4%</b>	<b>161.4</b>	<b>0.6%</b>

Source: Scottish Government Draft Budget 2013-14, Annex C

Between 2012-13 and 2014-15:

- the total resource budget is set to rise 1.4% in cash terms next year and 0.6% in 2014-15, translating into a real terms cut over the two years of 2%; a loss in of around £525 million.
- Health and Wellbeing is the largest beneficiary with a cash-terms increase of £341 million in 2012-13 and £372 million in 2014-15, increases of 3.1% and 3.2% respectively. However this is boosted by the Sport allocation which is set to rise by £50 million and £88 million in each of the next two years in the run up to the Commonwealth Games in 2014. Health resource DEL on its own is still set to maintain its real terms value over the period.
- Education and Lifelong Learning is the only other budget line at Level 1 to maintain its real terms value, rising by £100 million next year and a more modest £12 million the year after. Contributing to this overall increase in 2013-14 is the £44 million going to SHEFC (up 2.9%), the £22 million to the Student Awards Agency (up 5.2%) and the £8 million allocated for learning Gaelic (up 7.7%). Of these three, only SHEFC then faces a cash cut in 2014-15 of £21 million.

## DEL Capital

The allocation of DEL capital is shown in Table 5. It is important to note that capital spend can vary markedly one year to the next or between portfolios as new projects are funded and then “disappear” for the budget following completion.

**Table 5: DEL Capital, £ million (cash terms)**

	2012-13	2013-14	2014-15				
	Budget	Draft Budget	Plans	12-13 to 13-14		13-14 to 14-15	
	£m	£m	£m	£m	%	£m	%
Health & Wellbeing	459.5	408.5	268.0	-51.0	-11.1%	-140.5	-34.4%
Finance, Employment & Sustainable Growth	66.8	111.1	87.9	44.3	66.3%	-23.2	-20.9%
Education & Lifelong Learning	148.6	108.8	108.1	-39.8	-26.8%	-0.7	-0.6%
Justice	112.4	80.1	84.1	-32.3	-28.7%	4.0	5.0%
Rural Affairs and the Environment	35.1	41.0	43.7	5.9	16.8%	2.7	6.6%
Culture & External Affairs	14.9	17.0	12.6	2.1	14.1%	-4.4	-25.9%
Infrastructure, Investment & Cities	1,057.0	1,085.9	1,097.8	28.9	2.7%	11.9	1.1%
Administration	7.5	5.1	5.1	-2.4	-32.0%	0.0	0.0%
Crown Office & Procurator Fiscal	3.6	3.6	3.6	0.0	0.0%	0.0	0.0%
Local Government	563.0	522.1	763.4	-40.9	-7.3%	241.3	46.2%
Scottish Parliament & Audit	3.0	3.0	3.0	0.0	0.0%	0.0	0.0%
<b>Total DEL Capital</b>	<b>2,471.4</b>	<b>2,386.2</b>	<b>2,477.3</b>	<b>-85.2</b>	<b>-3.4%</b>	<b>91.1</b>	<b>3.8%</b>

Source: Scottish Government Draft Budget 2013-14, Annex C

Between 2012-13 and 2013-14:

- the total capital budget is set to fall 3.4% in cash terms next year, translating into a real terms fall of 6%.
- Finance, Employment & Sustainable Growth is the largest winner, up £44 million or 66%.
- Infrastructure, Investment & Cities benefit by the 2<sup>nd</sup> largest cash increase but this is only of £30 million which translates into a 2.7% rise ie, a rise just above inflation (at 2.5%). Housing and Regeneration along with Motorways and Trunk Roads (namely, capital land and works) are the key beneficiaries
- The impact of the Forth Road Crossing dominates the figures in both 2013-14 and 2014-15 which are affected by the acceleration of funding from later years into 2012-13.

Between 2013-14 and 2014-15:

- the total capital budget is set to rise 3.8% in cash terms, translating into a real terms increase of 1%.
- Local Government is by far the largest winner with a £240 million increase, and increase well above the rate of inflation projected to arise between 2013-14 and 2014-15.
- Over the two years, Health will face a fall of over 40%, reflecting in part the delivery of the new Southern General hospital.

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**Annex A: Resource DEL, £ million (cash)**

	Budget	Draft Budget	Plans	12-13 to 13-14		13-14 to 14-15	
	£m	£m	£m	£m	%	£m	%
Health	11,029.5	11,322.5	11,606.5	233.0	2.7%	284.0	2.5%
Equalities	20.3	20.3	20.3	0.0	0.0%	0.0	0.0%
Sport	67.7	115.6	203.7	47.9	70.8%	88.1	76.2%
Food Standards Agency	10.9	10.9	10.9	0.0	0.0%	0.0	0.0%
<b>Total Health &amp; Wellbeing</b>	<b>11,128.4</b>	<b>11,469.3</b>	<b>11,841.4</b>	<b>340.9</b>	<b>3.1%</b>	<b>372.1</b>	<b>3.2%</b>
Scottish Public Pensions Agency	11.5	11.9	12.6	0.4	3.5%	0.7	5.9%
Committees, commissions & other expenditure	19.9	10.4	10.4	-9.5	-47.7%	0.0	0.0%
Planning	3.7	3.5	3.4	-0.2	-5.4%	-0.1	-2.9%
Enterprise, Energy & Tourism (inc Employability)	355.0	355.7	352.9	10.7	3.0%	-2.8	-0.8%
Accountant in Bankruptcy	2.0	2.0	2.0	0.0	0.0%	0.0	0.0%
Third Sector and Social Economy	24.5	24.5	24.5	0.0	0.0%	0.0	0.0%
Office of the Scottish Charity Regulator	3.1	3.0	3.0	-0.1	-3.2%	0.0	0.0%
<b>Total Finance, Employment &amp; Sustainable Growth</b>	<b>419.7</b>	<b>421.0</b>	<b>418.8</b>	<b>1.3</b>	<b>0.3%</b>	<b>-2.2</b>	<b>-0.5%</b>
Learning (inc Gaelic)	109.8	118.2	121.4	8.4	7.7%	3.2	2.7%
Children, Young People & Social Care	95.5	95.7	92.9	-0.8	-0.8%	-2.8	-2.9%
Student Awards Agency for Scotland	431.8	454.2	506.4	22.4	5.2%	52.2	11.9%
Scottish Further & Higher Education Funding Council	1,517.0	1,551.2	1,540.4	44.2	2.9%	-20.8	-1.3%
Other ELL (ELL)	240.4	257.2	247.5	26.8	11.1%	-19.7	-7.4%
<b>Total Education &amp; Lifelong Learning</b>	<b>2,365.5</b>	<b>2,466.5</b>	<b>2,508.6</b>	<b>101.0</b>	<b>4.2%</b>	<b>12.1</b>	<b>0.5%</b>
Community Justice Services	31.3	31.8	32.3	0.5	1.6%	0.5	1.6%
Courts, Judiciary & Tribunal support	52.4	52.1	51.6	-0.3	-0.6%	-0.5	-1.0%
Criminal Injuries Compensation	25.5	20.5	17.5	-5.0	-19.6%	-3.0	-14.6%
Legal Aid	155.7	149.2	142.7	-6.5	-4.2%	-6.5	-4.4%
Scottish Police Authority (SPA)	-	1,057.2	1,015.4	-	-	-51.8	-4.9%
Scottish Fire and Rescue Service	-	277.8	255.8	-	-	-12.0	-4.3%
Miscellaneous	17.9	16.2	16.8	-1.7	-9.5%	0.6	3.7%
Police Central Government	214.3	97.9	105.1	-116.4	-54.3%	8.2	8.4%
Drugs and Community Safety	38.3	38.7	39.7	0.4	1.0%	1.0	2.6%
Scottish Resilience	17.7	14.0	14.0	-3.7	-20.9%	0.0	0.0%
Police and Fire Pensions	281.9	291.8	309.8	9.9	3.5%	18.0	6.2%
Scottish Court Service	68.5	67.3	65.4	-1.2	-1.8%	-1.9	-2.8%
Scottish Prison Service	325.1	342.0	356.2	16.9	5.2%	24.2	7.1%
<b>Total Justice</b>	<b>1,226.6</b>	<b>2,466.5</b>	<b>2,443.3</b>	<b>1,237.9</b>	<b>100.8%</b>	<b>-23.2</b>	<b>-0.9%</b>
EU Support and Related Services	97.3	89.5	88.1	-7.8	-8.0%	-1.4	-1.6%
Research, Analysis & Other Services	75.1	72.2	71.2	-2.9	-3.9%	-1.0	-1.4%
Marine & Fisheries	55.6	50.1	49.1	-5.5	-9.9%	-1.0	-2.0%
Environmental and Rural Services	184.8	186.4	189.1	1.6	0.9%	2.7	1.4%
Climate Change	19.5	19.5	19.4	0.0	0.0%	-0.1	-0.5%
Forestry Commission Scotland	42.4	41.3	41.4	-1.1	-2.6%	0.1	0.2%
Forest Enterprise Scotland	21.1	21.1	20.1	0.0	0.0%	-1.0	-4.7%
<b>Total Rural Affairs and the Environment</b>	<b>485.8</b>	<b>480.1</b>	<b>478.4</b>	<b>-15.7</b>	<b>-3.2%</b>	<b>-1.7</b>	<b>-0.4%</b>
Europe and External Affairs	15.9	15.7	15.5	-0.2	-1.3%	-0.2	-1.3%
Culture	137.9	136.2	135.2	-1.7	-1.2%	-1.0	-0.7%
Historic Scotland	42.2	39.7	36.7	-2.5	-5.9%	-4.0	-10.1%
National Records of Scotland	21.5	19.7	19.0	-1.8	-8.4%	-0.7	-3.6%
Young Scots Fund	5.4	12.5	7.5	7.1	131.5%	-5.0	-40.0%
<b>Total Culture &amp; External Affairs</b>	<b>222.9</b>	<b>223.8</b>	<b>212.9</b>	<b>0.9</b>	<b>0.4%</b>	<b>-10.9</b>	<b>-4.9%</b>
Rail Services in Scotland	450.4	515.0	539.9	64.6	14.3%	24.9	4.8%
Concessionary Fares and Bus Services	246.6	246.6	246.6	0.0	0.0%	0.0	0.0%
Other Transport Policy, Projects and Agency	43.7	44.0	44.2	0.3	0.7%	0.2	0.5%
Motorways and Trunk Roads	283.3	247.9	257.8	-20.4	-7.6%	9.9	4.0%
Ferry Services in Scotland	101.9	103.5	109.4	1.6	1.6%	5.9	5.7%
Air Services in Scotland	25.5	34.9	36.0	9.4	36.9%	1.1	3.2%
European Structural Funds -local authorities 2007-2013	-	-	-	-	-	-	-
European Structural Funds -central government 2007-2013	-	-	-	-	-	-	-
Scottish Water and Climate Change	-87.3	-90.3	-94.5	-3.0	3.4%	-4.2	4.7%
Scottish Futures Fund	6.5	15.5	37.5	9.0	138.5%	22.0	141.9%
Other Expenditure	10.2	13.0	12.9	2.8	27.5%	-0.1	-0.8%
Digital Economy & Infrastructure	1.0	1.0	1.0	0.0	0.0%	0.0	0.0%
Housing and Regeneration	101.2	97.9	118.5	-3.3	-3.3%	20.6	21.0%
Parliamentary Business & Government Strategy	6.5	9.8	6.0	3.3	50.8%	-3.8	-38.8%
<b>Total Infrastructure, Investment &amp; Cities</b>	<b>1,174.5</b>	<b>1,238.8</b>	<b>1,315.3</b>	<b>64.3</b>	<b>5.5%</b>	<b>76.5</b>	<b>6.2%</b>
<b>Total Administration</b>	<b>207.2</b>	<b>201.8</b>	<b>192.7</b>	<b>-5.4</b>	<b>-2.6%</b>	<b>-9.1</b>	<b>-4.5%</b>
<b>Total Crown Office &amp; Procurator Fiscal</b>	<b>104.5</b>	<b>104.5</b>	<b>105.1</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.6</b>	<b>0.6%</b>
<b>Total Local Government</b>	<b>8,318.8</b>	<b>6,957.1</b>	<b>6,704.3</b>	<b>-1,361.7</b>	<b>-16.4%</b>	<b>-252.8</b>	<b>-3.6%</b>
<b>Total Scottish Parliament &amp; Audit</b>	<b>92.5</b>	<b>92.5</b>	<b>92.5</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Total DEL</b>	<b>25,788.4</b>	<b>26,151.9</b>	<b>26,313.3</b>	<b>363.5</b>	<b>1.4%</b>	<b>161.4</b>	<b>0.6%</b>

## Annex B: Capital DEL, £ million (cash)

	2012-13	2013-14	2014-15				
	Budget	Draft Budget	Plans	12-13 to 13-14		13-14 to 14-15	
	£m	£m	£m	£m	%	£m	%
Health	463.5	390.5	264.0	-63.0	-13.9%	-126.5	-32.4%
Equalities	-	-	-	-	-	-	-
Sport	6.0	18.0	4	12.0	200.0%	-14.0	-77.8%
Food Standards Agency	-	-	-	-	-	-	-
<b>Total Health &amp; Wellbeing</b>	<b>469.5</b>	<b>408.5</b>	<b>268.0</b>	<b>-51.0</b>	<b>-11.1%</b>	<b>-140.5</b>	<b>-34.4%</b>
Scottish Public Pensions Agency	0.5	1.1	12	0.6	120.0%	0.1	9.1%
Committees, commissions & other expenditure	-	-	-	-	-	-	-
Planning	0.1	0.1	0.1	0.0	0.0%	0.0	0.0%
Enterprise, Energy & Tourism (inc Employability)	66.2	109.9	86.6	43.7	66.0%	-23.3	-21.2%
Accountant in Bankruptcy	-	-	-	-	-	-	-
Third Sector and Social Economy	-	-	-	-	-	-	-
Office of the Scottish Charity Regulator	-	-	-	-	-	-	-
<b>Total Finance, Employment &amp; Sustainable Growth</b>	<b>66.8</b>	<b>111.1</b>	<b>87.9</b>	<b>44.3</b>	<b>66.3%</b>	<b>-23.2</b>	<b>-20.9%</b>
Learning (inc Gaelic)	83.4	61.5	50.8	-21.9	-26.3%	-10.7	-17.4%
Children, Young People & Social Care	4.1	1.0	0.5	-3.1	-75.6%	-0.5	-50.0%
Student Awards Agency for Scotland	0.4	0.4	0.4	0.0	0.0%	0.0	0.0%
Scottish Further & Higher Education Funding Council	60.7	45.9	56.4	-14.8	-24.4%	10.5	22.9%
Other ELL (ELL)	-	-	-	-	-	-	-
<b>Total Education &amp; Lifelong Learning</b>	<b>148.6</b>	<b>108.8</b>	<b>108.1</b>	<b>-39.8</b>	<b>-26.8%</b>	<b>-0.7</b>	<b>-0.6%</b>
Community Justice Services	-	-	-	-	-	-	-
Courts, Judiciary & Tribunal support	-	-	-	-	-	-	-
Criminal Injuries Compensation	-	-	-	-	-	-	-
Legal Aid	0.1	0.1	0.1	0.0	0.0%	0.0	0.0%
Scottish Police Authority (SPA)	-	18.3	25.2	-	-	6.9	37.7%
Scottish Fire and Rescue Service	-	15.3	22.3	-	-	7.0	45.8%
Miscellaneous	-	-	-	-	-	-	-
Police Central Government	28.1	17.9	0.0	-10.2	-36.3%	-17.9	-100.0%
Drugs and Community Safety	-	-	-	-	-	-	-
Scottish Resilience	0.2	-	-	-	-	-	-
Police and Fire Pensions	-	-	-	-	-	-	-
Scottish Court Service	8.5	6.0	4.0	-2.5	-29.4%	-2.0	-33.3%
Scottish Prison Service	75.5	22.5	32.5	-53.0	-70.2%	10.0	44.4%
<b>Total Justice</b>	<b>112.4</b>	<b>80.1</b>	<b>84.1</b>	<b>-32.3</b>	<b>-28.7%</b>	<b>4.0</b>	<b>5.0%</b>
EU Support and Related Services	19.1	15.9	15.2	-3.2	-16.8%	-0.7	-4.4%
Research, Analysis & Other Services	2.0	2.0	2.0	0.0	0.0%	0.0	0.0%
Marine & Fisheries	3.6	3.8	8.1	0.2	5.6%	4.3	113.2%
Environmental and Rural Services	8.4	17.9	16.8	9.5	113.1%	-1.1	-6.1%
Climate Change	-	-	-	-	-	-	-
Forestry Commission Scotland	-	-	-	-	-	-	-
Forest Enterprise Scotland	2.0	1.4	1.6	-0.6	-30.0%	0.2	14.3%
<b>Total Rural Affairs and the Environment</b>	<b>35.1</b>	<b>41.0</b>	<b>43.7</b>	<b>5.9</b>	<b>16.8%</b>	<b>2.7</b>	<b>6.6%</b>
Europe and External Affairs	-	-	-	-	-	-	-
Culture	11.3	12.0	12.1	0.7	6.2%	0.1	0.8%
Historic Scotland	3.1	3.9	-	0.8	25.8%	-3.9	-100.0%
National Records of Scotland	0.5	1.1	0.5	0.6	120.0%	-0.6	-54.5%
Young Scots Fund	-	-	-	-	-	-	-
<b>Total Culture &amp; External Affairs</b>	<b>14.9</b>	<b>17.0</b>	<b>12.6</b>	<b>2.1</b>	<b>14.1%</b>	<b>-4.4</b>	<b>-25.9%</b>
Rail Services in Scotland	300.5	322.4	306.4	-8.1	-2.5%	-16.0	-5.0%
Concessionary Fares and Bus Services	2.0	2.0	2.0	0.0	0.0%	0.0	0.0%
Other Transport Policy, Projects and Agency	14.0	32.3	15.7	18.3	130.7%	-16.6	-51.4%
Motorways and Trunk Roads	387.1	442.5	433.3	56.4	14.3%	-9.2	-2.1%
Ferry Services in Scotland	5.2	5.7	5.5	0.5	9.6%	-0.2	-3.5%
Air Services in Scotland	9.0	5.0	5.0	-4.0	-44.4%	0.0	0.0%
European Structural Funds -local authorities 2007-2013	-	-	-	-	-	-	-
European Structural Funds -central government 2007-2013	-	-	-	-	-	-	-
Scottish Water and Climate Change	100.0	66.0	190.0	-34.0	-34.0%	124.0	187.9%
Scottish Futures Fund	-	-	-	-	-	-	-
Other Expenditure	-	1.0	-24.0	1.0	#DIV/0!	-25.0	-2500.0%
Digital Economy & Infrastructure	9.6	3.0	-	-6.6	-68.8%	-3.0	-100.0%
Housing and Regeneration	199.6	206.0	163.9	6.4	3.2%	-42.1	-20.4%
Parliamentary Business & Government Strategy	-	-	-	-	-	-	-
<b>Total Infrastructure, Investment &amp; Cities</b>	<b>1,057.0</b>	<b>1,085.9</b>	<b>1,097.8</b>	<b>28.9</b>	<b>2.7%</b>	<b>11.9</b>	<b>1.1%</b>
<b>Total Administration</b>	<b>7.5</b>	<b>5.1</b>	<b>5.1</b>	<b>-2.4</b>	<b>-32.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Total Crown Office &amp; Procurator Fiscal</b>	<b>3.6</b>	<b>3.6</b>	<b>3.6</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Total Local Government</b>	<b>563.0</b>	<b>522.1</b>	<b>763.4</b>	<b>-40.9</b>	<b>-7.3%</b>	<b>241.3</b>	<b>46.2%</b>
<b>Total Scottish Parliament &amp; Audit</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>
<b>Total DEL</b>	<b>2,471.4</b>	<b>2,386.2</b>	<b>2,477.3</b>	<b>-85.2</b>	<b>-3.4%</b>	<b>91.1</b>	<b>3.8%</b>