

MEETING: 12 MARCH 2020

REPORT BY: DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

BRIEFING: THE 2020/21 BUDGET

Purpose

1. The purpose of this paper is to brief the Commission on the Scottish Government's Budget 2020/21, highlighting some of the key implications for local government finances.

Background

2. The 2020/21 budget process has been characterised by delay, ongoing uncertainty and unexpected events. The Scottish Budget was announced on 6 February, and approval of stage 3 of the budget bill is planned to occur on 5 March. This allows less time between the stages of the budget bill compared to a standard year. The UK budget is scheduled to proceed as planned on 11 March 2020, the date by which local authorities must have set their council tax.
3. 2020/21 will be the first year that Social Security will become a significant part of the Scottish Budget, with forecast spending of £3.6 billion, or around 10 per cent of resource spending. This is forecast to reach a minimum of £3.8 billion by 2024/25.
4. The team have developed a briefing on the 2020/21 budget, split into two sections:
 - The first focuses on the Scottish Government's overall budget and trends.
 - The second focuses on budget plans for local government, using information from the Scottish Government's budget and local government finance settlement.
5. The main sources for these briefings are the Scottish Government's budget for 2020/21; the local government finance settlement published alongside the budget, and the Scottish Parliament's associated briefing papers published shortly after the budget.¹
6. These briefings have been prepared after the publication of the budget in February 2020. At time of writing, the budget has passed stage 1, but has not yet been finalised and there may be changes at stages 2 and 3.

Conclusion

7. The Commission is invited to note this report.

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4 March 2020

¹ *Scottish Budget: Budget 2020/21*, Scottish Government, 6 February 2020. *Local Government Finance Circular 01/2020*, Scottish Government, 6 February 2020. *Financial Scrutiny Unit briefings: Scottish Budget 2020-21*, Scottish Parliament Information Centre, 10 February 2020, *Local Government Finance: Budget 2020-21 and Provisional Allocations To Local Authorities*, Scottish Parliament Information Centre, 14 February 2020