

**2018 No. 213**

**PUBLIC BODIES**

**The Scottish Fiscal Commission (Modification of Functions)  
Regulations 2018**

*Made* - - - - *26th June 2018*

*Coming into force* - - *1st July 2018*

The Scottish Ministers make the following Regulations in exercise of the powers conferred by section 8(1) and (5) of the Scottish Fiscal Commission Act 2016<sup>(a)</sup> and all other powers enabling them to do so.

In accordance with section 8(4) of that Act, the Scottish Ministers have consulted the Commission and such other persons as they consider appropriate in preparing these Regulations.

In accordance with section 8(3) of that Act, a draft of this instrument has been laid before and approved by resolution of the Scottish Parliament.

**Citation and commencement**

1. These Regulations may be cited as the Scottish Fiscal Commission (Modification of Functions) Regulations 2018 and come into force on 1st July 2018.

**Amendment of the Scottish Fiscal Commission Act 2016**

2.—(1) The Scottish Fiscal Commission Act 2016 is amended as follows.

(2) In section 2(2) (forecasts and assessments)—

(a) the “and” immediately following paragraph (a)(ii) is repealed;

(b) after paragraph (a)(iii) insert—

“and

(iv) assigned VAT receipts,”; and

(c) in paragraph (aa) for “demand led” substitute “devolved”.

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<sup>(a)</sup> 2016 asp 17, as amended by S.S.I. 2017/86.

- (3) In section 3 (meaning of terms used in section 2)—
- (a) after subsection (2) insert—  
“(2ZA) “Assigned VAT receipts” means amounts payable under section 64A of the Scotland Act 1998.”; and
  - (b) in subsection (2A) for ““Demand led social security expenditure” means payments” substitute ““Devolved social security expenditure” means financial or other assistance to or in respect of an individual where there is an entitlement to a devolved social security benefit expended”.
- (4) In section 5 (reports)—
- (a) for subsections (1) and (2) substitute—  
“(1) The Commission must send a report prepared under section 2(2) to the Scottish Ministers in sufficient time for them to use the report to prepare—
    - (a) the Scottish budget document for the subsequent financial year; and
    - (b) the medium term financial outlook.  
“(2) The Commission must lay before the Scottish Parliament a report prepared under section 2(2) on each day on which—
    - (a) the Scottish Ministers lay before the Parliament the Scottish budget document for the subsequent financial year; and
    - (b) a member of the Scottish Government publishes the medium term financial outlook.”; and
  - (b) after subsection (6) insert—  
“(7) In this section—  
“5-year forecast” has the same meaning as in section 3(2) in respect of a report prepared under section 2(2);  
“medium term financial outlook” means the Scottish Government’s rolling 5-year financial outlook document informed by 5-year forecasts; and  
“Scottish budget document” means the Scottish Government’s budget document setting out proposals for the use of resources and associated matters in a financial year.”.
- (5) In section 7 (Scottish Ministers’ statement)—
- (a) in subsection (1)(a) for “draft Scottish budget” substitute “Scottish budget document”;
  - (b) in subsection (1)(b) for “Bill for a Budget Act” substitute “medium term financial outlook”;
  - (c) in subsection (3)(a) for “draft Scottish budget” substitute “Scottish budget document”;
  - (d) in subsection (3)(b) for “introduces the Bill for a Budget Act” substitute “publishes the medium term financial outlook”; and
  - (e) after subsection (3) insert—  
“(4) In this section, “medium term financial outlook” and “Scottish budget document” have the same meanings as in section 5(7).”.

*DEREK MACKAY*  
A member of the Scottish Government

St Andrew’s House,  
Edinburgh  
26th June 2018

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations expand the functions of the Scottish Fiscal Commission (“the Commission”) to allow the Commission to forecast assigned VAT receipts payable under section 64A of the Scotland Act 1998. They also remove the requirement for the Commission to prepare a report for introduction of the Budget Bill. There is a new requirement to publish a report to support the preparation by the Scottish Government of a medium term financial outlook. The medium term financial outlook is the Scottish Government’s rolling 5-year financial outlook document informed by 5-year forecasts.

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