

*These notes refer to the Scotland Act 1998 (c.46)  
which received Royal Assent on 19th November 1998*

# SCOTLAND ACT 1998

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## EXPLANATORY NOTES

### COMMENTARY

#### Part III: Financial Provisions

#### SECTION 64: Scottish Consolidated Fund

##### Purpose and Effect

The purpose of this section is to make provision for a Scottish Consolidated Fund and for:

- (a) sums to be paid into the Fund by the Secretary of State from time to time, out of monies provided by Parliament (i.e. the Parliamentary grant);
- (b) sums received by an office-holder in the Scottish Administration to be paid into the Fund subject to any provision made by, or under, an Act of the Scottish Parliament for the disposal of, or accounting for, such sums;
- (c) sums to be paid to the Secretary of State, by the Scottish Ministers in respect of certain receipts designated by order of the Treasury, and for these sums to be charged on the Fund; and
- (d) the Fund to be held by the Paymaster General.

##### General

Section 65 deals with the circumstances in which sums may be paid out of the Scottish Consolidated Fund, and the purposes for which such sums may be applied. Section 119 makes general modifications of enactments including modifications for the purpose of ensuring that sums are, where appropriate, paid into or out of the Scottish Consolidated Fund instead of the UK Consolidated Fund or National Loans Fund.

Paragraph 4 of Schedule 4 allows the Scottish Parliament to modify some parts of the Scotland Act in relation to the Scottish Consolidated Fund.

For the financial year 1999/00, transitional financial arrangements were made by [S.I. 1999/441](#) and [3273](#) and transitional appropriations by [S.I. 1999/674](#), [S.S.I. 1999/175](#) and [S.S.I. 2000/69](#). Financial arrangements are now regulated by and under the [Public Finance and Accountability \(Scotland \) Act 2000 \(asp 1\)](#).

##### Parliamentary Consideration

<i>Stage</i>	<i>Date</i>	<i>Column</i>
CC	12-Feb-98	568
CC	12-Feb-98	569
CC	12-Feb-98	612

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<i>Stage</i>	<i>Date</i>	<i>Column</i>
CR	19-May-98	754
CR	19-May-98	759
LC	30-Jul-98	1654
LC	30-Jul-98	1657
<b>Stage</b>	<b>Date</b>	<b>Column</b>
LC	30-Jul-98	1658
LC	30-Jul-98	1660
LC	30-Jul-98	1679
LC	30-Jul-98	1697
LC	30-Jul-98	1701
LR	28-Oct-98	2045

### **Details of Provisions**

Subsection (1) establishes a Scottish Consolidated Fund.

Subsection (2) requires the Secretary of State from time to time to make payments into the Fund out of money provided by Parliament of such amounts as he may determine (i.e. the Parliamentary grant). There is no provision for the Secretary of State to make an order determining the sums to be transferred. Parliamentary approval will be granted by the normal means of approving estimates, through the annual Appropriation Act and the various Consolidated Fund Acts.

Subsection (3) provides, subject to subsection (4), for sums received by an office-holder in the Scottish Administration (as defined in section 126(6)) to be paid into the Fund.

Subsection (4) enables the Parliament, through such provision as may be made by or under an Act of the Scottish Parliament, to authorise the retention of receipts by any office-holder in the Scottish Administration to set against expenditure. This is so as to enable the Scottish Parliament to make equivalent arrangements as apply to the UK Consolidated Fund whereby provision can be made by the UK Parliament for sums to be appropriated in aid of the sum voted. It will also enable the Scottish Parliament to make arrangements for net accounting of receipts in certain circumstances. Such provision was made in the [Public Finance and Accountability \(Scotland\) Act 2000 \(asp 1\)](#); section 7 enables receipts to be applied in connection with relevant authorised expenditure and section 9 enables the Keeper of the Registers of Scotland to retain his receipts and apply them towards his expenditure.

Subsection (5) provides that the Treasury may, after consulting with the Scottish Ministers, by order designate receipts of any description specified in the order which are payable into the Fund, as receipts to be paid to the Secretary of State. Further provision about the making of this order is to be found in sections 112 to 115 and Schedule 7.

This power was exercised in making the Scotland Act 1998 (Designation of Receipts) Order 2000 ([S.I. 2000/687](#)) which designated, with effect from 1 April 2000, certain receipts for this purpose.

Subsection (6) provides that the Scottish Ministers shall make payments to the Secretary of State at such times and by such methods as the Treasury may from time to time determine, of sums equal to the amount outstanding in respect of designated receipts.

The purpose of subsections (5) and (6) is to ensure that certain receipts (such as interest payments, fines, return on public dividend capital) which are currently paid into the UK

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Consolidated Fund continue to be paid into that Fund after devolution by the Scottish Ministers, through the Secretary of State.

Subsection (7) provides that amounts required for the payment of sums under subsection (6) shall be charged on the Fund so that they can be paid out without first requiring the approval of the Scottish Parliament.

Subsection (8) provides that the Fund shall be held with the Paymaster General.