Finance Committee

Review of the Budget Process

Submission from Peter Collings, former Chair of FIAG

I should start by pointing out that while I was heavily involved in these processes from well before devolution up to 2003, I have had much less involvement since then.

The consultation paper asks at various points whether the arrangements fit with the key principles of the CSG and FIAG. We need to bear in mind where we came from. The Westminster process was dominated by the executive with minimal input by Parliament. When I was Finance Director prior to devolution we occasionally had to provide small amounts of briefing but the scrutiny impacted so little that I was not normally aware when it was taking place. After devolution we certainly felt that the budget was subject to effective scrutiny and there were certainly occasions when the budget was changed as a result of that scrutiny. So while the system may not be perfect, it is an enormous advance on what we had before.

Regarding Stage 1, it needs to be borne in mind that the Comprehensive Spending Review took place when FIAG’s report was already in draft. Although the new approach was discussed in FIAG, at that stage it was not clear how it would work in practice, so the report owed more to the previous PES arrangements than the Spending Review model. I do find it hard to see how a Stage 1 as envisaged by FIAG could work effectively in a year when there is no SR and changes to expenditure plans are small.

In the years when I was involved, we received fewer suggestions from Committees regarding expenditure priorities than we had expected. Those specific ideas which we did receive were helpful and were acted on.

The issue of alternative spending proposals was debated a great deal in FIAG but I think it fair to say that nobody expected them to feature highly. The zero sum arrangement was intended to avoid amendments which allocated extra resources without saying where they should come from.

Stage 3 was seen as being about the Government putting its proposals to the Parliament for approval with active participation by Committees having been done earlier.

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