

*Draft Regulations laid before the Scottish Parliament under section 8(3) of the Scottish Fiscal Commission Act 2016, for approval by resolution of the Scottish Parliament.*

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DRAFT SCOTTISH STATUTORY INSTRUMENTS

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**2017 No.**

**PUBLIC BODIES**

**The Scottish Fiscal Commission  
(Modification of Functions) Regulations 2017**

*Made* - - - - 2017  
*Coming into force* - - 1st April 2017

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>(1)</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 non-statutory Commission (within the meaning given by section 28(6) of that Act)<sup>(2)</sup> 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 2017 and come into force on 1st April 2017.

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(a) the “and” immediately following paragraph (a) is repealed; and

(b) after that paragraph insert—

“(aa) containing its 5-year forecasts of demand led social security expenditure,

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(1) 2016 asp 17.

(2) S.S.I. 2016/326 modifies the duty in section 8(4) in the period until 1st April 2017.

- (ab) containing its forecasts in respect of Scotland’s gross domestic product excluding the value of oil, gas and other hydrocarbons produced in the Scottish sector of the UK continental shelf for each of—
  - (i) the remaining quarters (if any) of the financial year in which the report is made and each of the quarters of the subsequent financial year, and
  - (ii) the 4 subsequent financial years, and”.
- (3) In section 3 (meaning of terms used in section 2)—
  - (a) after subsection (2) insert—

“(2A) “Demand led social security expenditure” means payments by the Scottish Ministers or a local authority which are—

    - (a) made under any provision relating to a matter within—
      - (i) exceptions 1 to 10 in Section F1 of Part 2 of schedule 5 of the Scotland Act 1998,
      - (ii) exception 1 in Section H3 of that Part, or
      - (iii) any further exception added to Section F1 or Section H3 of that Part after 31st March 2017, or
    - (b) attributable to regulations made by the Scottish Ministers by virtue of section 29 or 30 of the Scotland Act 2016 (powers in relation to universal credit).”;
  - (b) after subsection (4) insert—

“(4A) “Quarter”, in respect of a financial year, means a period of 3 months ending with the last day of June, September, December or March.”.
- (4) In section 4(1) (review of forecasting accuracy), after “2(2)(a)” insert “to (ab)”.

St Andrew’s House,  
Edinburgh  
Date

*Name*  
A member of the Scottish Government

## EXPLANATORY NOTE

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

These Regulations expand the functions of the Scottish Fiscal Commission to reflect the powers devolved through the Scotland Act 2016 and the content of the Fiscal Framework agreed between the Scottish and UK Governments.

In summary, the functions of the Commission are expanded as follows (to take effect from 1st April 2017):

- addition of a function to prepare forecasts of demand led social security expenditure;
- addition of a function to require the Commission to prepare Scottish GDP forecasts (not covering the value of oil, gas and other hydrocarbons produced in the Scottish sector of the UK continental shelf).

The effect of the Regulations is to add to the Commission's functions so as to ensure fiscal transparency in relation to the new powers and to give effect to the provisions of the Fiscal Framework agreement.