



The Scottish Parliament  
Pàrlamaid na h-Alba

# A Scottish Parliament Guide: The Scottish Budget Process

## How does the Scottish budget process work?

This is a year-round process.

The Scottish Government proposes how to use the money it receives through a block grant from the UK Government and from taxes raised in Scotland.

It does this by introducing the Budget Bill. This is shaped by – and needs approval from – the Scottish Parliament.

## So, what happens?

Committees in the Scottish Parliament deal with different subjects such as health, education and the environment.

They can seek views from relevant Scottish Government Ministers, organisations and members of the public at any time of the year to find out how effective previous spending has been and where money needs to be spent in the future.

Each committee prepares a pre-budget report between the summer and October, recommending how the Scottish Government should spend YOUR money in the coming year.

These reports are sent to the relevant Scottish Government Minister (or Ministers) at least 6 weeks before the Scottish Budget is published.

The Scottish Government considers and decides how the pre-budget reports will influence its spending plans, which it sets out in the Scottish Budget.

The UK Government's Budget Statement to the UK Parliament generally takes place in the autumn.

The Scottish Budget is normally published 3 weeks after that. The Scottish Government's Budget Bill is then introduced to the Scottish Parliament a week later.

The Scottish Government also responds to each pre-budget report, and the committees will debate these in the Chamber.

## **What are the stages to pass the Budget Bill?**

Once the Budget Bill is introduced, it must go through 3 stages.

There is a stage 1 debate in the Chamber on the general principles of the bill, when MSPs can put forward alternative proposals. This usually takes place in January.

At stage 2, the Finance and Constitution Committee examines the Budget Bill in detail and any proposed amendments (changes). Only Scottish Government Ministers can propose amendments at stages 2 and 3.

Stage 3 takes place in the Chamber. MSPs consider any further amendments. They then debate and vote on whether to pass the bill.

## **What happens next?**

If the Budget Bill is passed, there is a 4-week period before it can receive Royal Assent and become an act of the Scottish Parliament.

As the new financial year starts in April, the Scottish Government aims to have the bill passed by the end of February.

## **What happens after the Budget Bill becomes an act?**

From April, the Scottish Government and other public bodies start to implement the spending commitments set out in the act.

Scottish Parliament committees look at the impact of how the budget is being spent and future spending priorities. This work will feed into their next pre-budget reports.

## **How are income tax levels decided?**

Proposed income tax rates and bands are not part of the Budget Bill. They are set out by the Scottish Government in a Scottish rate resolution (SRR).

A motion to agree the SRR needs to be approved by MSPs in the Chamber before stage 3 of the Budget Bill. The agreed rate will apply from April.

## **Can I help shape the Scottish Budget?**

Yes! Give your views to committees!

You can watch live on the Scottish Parliament website, and attend committee meetings and debates.

Find out more at [parliament.scot/scottish-budget](https://parliament.scot/scottish-budget) and follow the Scottish Parliament Information Centre (SPICe) blog at [www.spice-spotlight.scot](https://www.spice-spotlight.scot)