

PUBLIC FINANCE AND ACCOUNTABILITY (SCOTLAND) ACT 2000

EXPLANATORY NOTES

THE ACT

Section 3: Contingencies

General Purpose

14. This section sets out contingency arrangements to allow for the use of resources in certain circumstances where the proposed use of resources has not been authorised by a Budget Act. Parallel provisions on cash will be made in Budget Acts. This is intended to cover instances where there is an urgent need, but no time to seek Parliamentary approval. All use of the power must be reported to the Parliament.

Subsection (1)

15. This explains that this section applies where the Scottish Administration or any other direct funded body proposes to use resources in any financial year without the authority of a Budget Act relating to that year.

Subsection (2)

16. This subsection ensures that the use of resources under these contingency arrangements must have the authority of the Scottish Ministers.

Subsection (3)

17. This subsection sets out the circumstances in which Scottish Ministers may authorise the use of resources where there is no Budget Act authority. These are where:
- (a) Scottish Ministers consider the use of resources is necessary in the public interest; and
 - (b) resources are required so urgently that Budget Act authority could not be obtained in time.

Subsection (4)

18. This limits the total amount of the resources which the Scottish Ministers may authorise under this section in any financial year to no more than 0.5% of the aggregate amount of resources authorised at the beginning of the year by Budget Act to be used in that year.

Subsection (5)

19. This ensures that where the use of resources is authorised under this section, the Scottish Ministers are required, as soon as possible, to lay before the Parliament a report setting out the reasons for using these contingency arrangements.