



Item 5.1 - Business bulletin

Finance and Resources Committee

10.00am, Thursday 15 January 2015

Dean of Guild Court Room, City Chambers, High Street, Edinburgh

Finance and Resources Committee

Convener:	Members:	Contact:
<p>Convener Cllr Alasdair Rankin</p>  <p>Vice – Convener Cllr Bill Cook</p> 	<ul style="list-style-type: none"> ▪ Cllr Adam McVey ▪ Cllr David Walker ▪ Cllr Denis Dixon ▪ Cllr Paul Edie ▪ Cllr Frank Ross ▪ Cllr Gavin Corbett ▪ Cllr Iain Whyte ▪ Cllr Joan Griffiths ▪ Cllr Ricky Henderson ▪ Cllr Paul Godzik ▪ Cllr Allan Jackson ▪ Cllr Andrew Burns (ex officio) ▪ Cllr Steve Cardownie (ex officio) 	<p>Veronica MacMillan Committee Clerk Tel: 0131 529 4283</p> <p>Linda Fraser Professional Support Manager Tel: 0131 469 3928</p> <p>budgetcommittee@edinburgh.gov.uk</p>

Recent news	Background
<p>Following confirmation of the Scottish Independence Referendum result on 19 September, the Prime Minister announced the creation of the Smith Commission. The Commission was tasked with convening cross-party talks to facilitate an inclusive engagement process across Scotland to develop Heads of Agreement with recommendations for further devolution of powers to the Scottish Parliament. The Commission’s deliberations were also informed by some 18,000 submissions from members of the public and over 400 contributions from groups.</p> <p>The Commission’s recommendations were announced on 27 November. The principal recommendations of potential relevance to local government include:</p> <ul style="list-style-type: none"> • full devolution of the setting of rates and thresholds for Income Tax to the Scottish Parliament; 	

- retention of a significant element of VAT revenues currently raised in Scotland;
- increased borrowing powers for the Scottish Parliament, likely to include the ability to issue bonds;
- devolution of a number of welfare benefits, including Personal Independence Payments (PIPs), winter fuel payments and the housing elements of Universal Credit (including the Underoccupancy component);
- linked to the above, new powers to make discretionary payments in any area of welfare without the need for prior permission from the Department for Work and Pensions;
- continuing use of the Barnett formula to determine Scotland's level of block grant (amended, as appropriate, to reflect the transfer of spending and income-raising powers from the UK Government); and
- extending the ability to vote to 16- and 17- year olds in time for them to participate in the next Scottish Parliamentary elections in May 2016.

The UK Government has undertaken to producing draft legislative clauses reflecting the Commission's recommendations and publishing these later this month. These clauses will then form part of a bill anticipated later in the year.

Forthcoming activities

None.