

## OFFICIAL-SENSITIVE

RESTRICTED HANDLING

SC(20)13th Conclusions

## SCOTTISH CABINET

MINUTES OF MEETING HELD IN ST ANDREW'S HOUSE, EDINBURGH  
AT 9.30 AM ON TUESDAY, 7 APRIL 2020

<b>Present:</b>	Rt Hon Nicola Sturgeon MSP	First Minister
	John Swinney MSP	Deputy First Minister and Cabinet Secretary for Education and Skills (*)
	Aileen Campbell MSP	Cabinet Secretary for Communities and Local Government (*)
	Roseanna Cunningham MSP	Cabinet Secretary for the Environment, Climate Change and Land Reform (*)
	Fergus Ewing MSP	Cabinet Secretary for Rural Economy and Tourism (*)
	Kate Forbes MSP	Cabinet Secretary for Finance (*)
	Jeane Freeman MSP	Cabinet Secretary for Health and Sport
	Fiona Hyslop MSP	Cabinet Secretary for the Economy, Fair Work and Culture (*)
	Michael Matheson MSP	Cabinet Secretary for Transport, Infrastructure and Connectivity (*)
	Michael Russell MSP	Cabinet Secretary for the Constitution, Europe and External Affairs (*)
	Shirley-Anne Somerville MSP	Cabinet Secretary for Social Security and Older People (*)
	Humza Yousaf MSP	Cabinet Secretary for Justice (*)
<b>In Attendance:</b>	Leslie Evans	Permanent Secretary
	LPP	LPP
	Graeme Dey MSP	Minister for Parliamentary Business and Veterans (*)
	Dr Gregor Smith	Interim Chief Medical Officer (*) (part of meeting only)
	David Rogers	Director of Constitution and Cabinet (*)
	James Hynd	Head of Cabinet Secretariat
	Liz Lloyd	Special Adviser
	Stuart Nicolson	Special Adviser (*)
	Aileen Easton	First Minister's Official Spokesperson (*)
	Chris Mackie	FM COVID Briefing Unit (*)
	Tabitha Stringer	PS/First Minister
	NR	PS/First Minister (*)
	NR	Cabinet Secretariat (*)

(\*) by teleconference

**OFFICIAL-SENSITIVE*****The Scottish Budget and COVID-19***

24. In relation to the item in paper SC(20)43 concerning the impact of the COVID-19 pandemic on the Scottish Budget, Ms Forbes noted that the projected net shortfall in the 2020-21 Resource Departmental Expenditure Limit (DEL) budget of £1.6 billion was the highest ever recorded by the Scottish Government at the opening of a financial year, and represented an increase of some £900 million beyond what had been expected when the Budget Bill was approved by the Parliament.

25. On the basis of discussions with HM Treasury to date, it was not expected that there would be any further significant consequentials beyond those included in arriving at that position. In addition, any cost estimates were – due to the nature of the outbreak – highly susceptible to change.

26. Further reprioritisation and savings options would be essential in order to move towards delivering a balanced budget. To this end, a series of targeted interventions were to be launched at portfolio level to identify further options, the outcome of which were to be included in a paper for consideration by Cabinet later in April.

27. The project positions for Capital DEL and Financial Transactions budgets were being updated to take account of the impact of the pandemic, with a commitment to prioritising the economy and health. The delayed Capital Spending Review and Infrastructure Investment Plan would now focus on economic recovery.

28. It was noted in discussion that a large number of sectors would be facing further financial pressure as they looked towards the future. An example would be the reliance of Scotland's universities on income from international students, and it was unknown when they might return; universities had estimated a resulting shortfall in excess of £1.6 billion. The higher education sector throughout the UK would, however, face similar issues, and it was hoped that the UK Government might, in due course, provide additional assistance which would give rise to Barnett consequentials. Ms Forbes undertook to continue to make representations to HM Treasury on this and similar issues.

29. **Cabinet agreed** that further consideration should be given, at portfolio level, to the urgent identification of discrete areas of business which, in normal times, the Government would need to take forward, but which might now need to be deferred or cancelled in the changed context of the COVID-19 pandemic.

**(Action: Cabinet Secretary for Finance; Budget and Public Spending Directorate)**

***Scottish Government Economic Response Plan***

30. In relation to the item in paper SC(20)43 concerning the Scottish Government's Economic Response Plan to initiate recovery from the current and future effects of the COVID-19 pandemic, Ms Hyslop emphasised the importance of a phased approach, organised in four key stages: Response, Reset, Re-start and Recovery.