

Registers of Scotland

RoS Board

28 April 2020

Reclassification Update

Purpose

1. To provide the Board with an update on the activity following reclassification of RoS by the Office of National Statistics.
2. The board are asked to note the paper.

Background

3. The Office of National Statistics decided in March 2019 that RoS should be reclassified from a public corporation to a central government body for the purposes of the National Statistics. We appealed the decision, but found out in September our appeal had not been successful.
4. We worked with Scottish Government colleagues to consider the implications of reclassification for RoS. In particular there was a discrepancy between our financial arrangements, set out in the Public Finance and Accountability (Scotland) Act 2000, and the HMT budget guidance for central government bodies. Following legal advice, Scottish Ministers decided to use the secondary legislation route under the Public Sector Reform Act to bring our financial arrangements into line with other central government bodies.
5. To manage the various strands of activity involved in the transition we set up a reclassification project, which is now coming to a close.

Recent activity

6. Scottish Government consulted on the Public Services Reform (Registers of Scotland) Order 2020 in November. This Order set out the repeal of Section 9 of the 2000 Finance Act, so that going forward the Keeper's fees would be paid into the Scottish Consolidated Fund and RoS would become part of the annual Scottish Government budgeting process. Also the Order set out that we would transfer the remaining reserve held by RoS to the wider Scottish Government reserve on 31 March 2020.
7. The Keeper responded to the consultation, setting out the various risks that would be transferred to the Scottish Government, and this letter was shared with the Finance Committee. At Committee stage, the Minister confirmed to Parliament that 'the effect of this order need therefore have no impact on the day to day activities of the Registers of Scotland or its delivery of services to the public. It simply brings Registers of Scotland in line with the internal accounting and budgeting of the rest of Scottish Administration'. The Order was approved by the Parliament.

8. We agreed that the reserves would be transferred in tranches, with the majority transferred on 31 March 2020, a further instalment made once the accounts were nearing finalisation in May, and a final amount in August, when the final retained profits figure for 2109-20 had been audited. £50 million was transferred on 31 March, and we expect a further £9 million will be transferred between now and August.

9. In parallel, we input to the Scottish Government draft Budget process, and have been able to reflect the budget level approved by the Parliament over and above our fee income in the Corporate Plan that was published at the beginning of April. The RoS framework document has also been reviewed, consulted on, and this now just needs sign off by the Minister. We have also developed closer working relationships with SG finance to facilitate the ongoing budget monitoring process through the year, including how we would expect to handle any unusually large compensation claims.

Conclusion

10. The Board are asked to note this update.

Accountable Officer
28 Apr. 20