

Finance and Public Administration Committee

Pre-Budget scrutiny 2024-25: The Sustainability of Scotland's Finances

Summary of written submissions

Introduction and purpose of paper

The Committee agreed to focus its pre-budget scrutiny this year on the sustainability of Scotland's finances in both the short and longer-term, as well as drawing on evidence gathered from its earlier [Public Service Reform inquiry](#).

The Committee issued a call for views over summer recess, and received 26 submissions. [All submissions can be found on the Parliament's website](#).

This paper provides a summary of the main themes from the submissions. It does that in two ways:

- By grouping questions asked by the Committee in its call for views into broad themes and using automated text analysis to draw out the overall message and sentiment from the submissions.
- Picking out key quotes from the submissions, again under the four broad themes identified, along with signposting towards particularly noteworthy proposals presented in detail in specific submissions.

Some respondents chose not to answer the Committee's specific questions, and/or not use the submission software. There is a separate section of the paper looking at text analysis from these submissions, although relevant quotes have been added under the themes where possible.

With the automated text analysis, two charts are included under each theme:

- A "wordcloud", which the Committee will likely be familiar with – this shows the frequency of words used in the submissions, excluding certain very regularly used words.
- A "network map", which shows the frequency with which words are connected to each other. A darker line indicates a stronger, more regular, connection.

On tax, **the FAI** noted that “While there have been hints at potential future wealth taxes, they look very difficult not just in the context of devolution, but in terms of any realistic timeline for implementation. The Scottish Government already has responsibility for council tax, which is intended to be a tax on the value of properties. But the valuations that form the tax base are so old (1991) that it bears little relation to them, and despite numerous attempts, reform has not yet taken place, and is likely to be difficult because of the large number of potential losers – especially if it were intended to raise revenue in net terms.”

Audit Scotland, on behalf of the Auditor General for Scotland: “Given the urgency of reform, both for financial sustainability and more effective service delivery, the status of these reforms should be clearly reported at least annually, with the financial impact of any delays and overspends reflected in future budgets and medium-term plans ... Both the Auditor General and the Accounts Commission have highlighted previously how difficult it is to reform public services, for example in their papers on health and social care integration, Scotland’s colleges, drug and alcohol policy, and police and fire reform. Audit work has consistently shown a major implementation gap between policy ambitions and delivery on the ground.”

The STUC: “the Scottish Government can and should do more to raise tax in order to reduce inequality, invest in our public services and tackle climate change. STUC research from last year shows that the Scottish Government could raise more than £3 billion through a package of short and long-term tax measures.” These include increases to the top rate of income tax and an additional band, increases to high value council tax properties, and in the longer term a wealth tax, carbon emissions land tax and more.

Child Poverty Action Group Scotland: “The Scottish government must ensure it has the additional revenues needed to meet all the commitments it has already made to tackle child poverty, as well as to fund the further action needed to meet child poverty targets ... The approach to economic growth and the generation of tax revenues (pillar 2) must be focussed on ensuring growth simultaneously reduces child poverty. This means ensuring the kind of jobs created and sustained in our economy are decent, accessible, financially rewarding and family friendly. Child poverty is inextricably linked to women’s poverty and gender inequalities in the labour market.”

Citizens Advice Scotland: “public spending in Scotland should reflect the principles outlined in the Christie Commission, particularly around preventive spend. This is why we would outline the reduction and eventual eradication of poverty as being a central element in public spending decisions.”

The ALLIANCE: “The principles of human rights budgeting go beyond simply the setting of the budget and can be applied to scrutiny, and we would similarly encourage the Finance and Public Administration Committee to apply the principles

to their pre-budget scrutiny. Human rights should be recognised as a golden thread, relevant to all areas of government and parliamentary activity, and should be a focus for scrutiny every year.”

Alcohol Focus Scotland: “we propose that the Scottish Government use its fiscal powers to raise revenue from the sale of alcohol, making the ‘polluter pay’, to fund public services, including improved recovery-oriented services. An alcohol harm prevention levy could be applied to retailers licensed to sell alcohol via a supplement on non-domestic business rates.” More detail on this proposal is provided in submission

Scottish Women’s Budget Group: “A key point to ensure that the Scottish Government’s Budget 2024-25 and any other future budgets better respond to the challenges posed by financial pressures is to make use of intersectional gender budget analysis across all policy portfolios. ... Intersectional Gender Budgeting is an approach to budget analysis focused on achieving equality by analysing the effect that the collection and spend of public resources has on women and men. It also recognises how other characteristics may affect women and men’s lived realities, such as age, socioeconomic situation and background, disability, race, ethnicity, religion and rural or urban location.”

Federation of Small Businesses: “the Scottish Government budget needs to be designed specifically to help smaller businesses weather the storm, take particular account of their needs, and use every lever at its disposal to keep overheads down. ... There is not an abundance of breathing space for many small firms, and the position is exacerbated by the fact that, in many key markets such as energy, they have a bargaining position more akin to that of a domestic consumer but enjoy fewer protections than those afforded to households. ... To help consumers and businesses, both Governments could consider raising the VAT threshold from £85,000 to £100,000. This move could cushion the some of the hardest blows of inflation, preventing tax increases from exacerbating the impact of price hikes on businesses and in turn, their customers.”

STUC: “On economic growth, we recognise the need for economic development that creates well-paid, good, unionised jobs, and creates tax revenues. However, the way in which this is done is crucial. Investment in infrastructure – whether that be childcare or public transport – plays a critical role in supporting positive economic development. Blanket tax reliefs to companies, whether they provide Fair Work or not (such as the Small Business Bonus Scheme), does not.”

Professor David Heald: “The message that the Scottish Parliament will face the most difficult period since devolution is credible. Enough damage has already been done by the lack of attention to the marginal rates of combined Scottish Income Tax and National Insurance Contributions, so much greater attention should now be paid to what can be done to alleviate problems within the existing powers of the Scottish Parliament ... Although it is reasonable to structure policy-making in terms of

missions and pillars, the danger is that these become so general that the specific content is unclear. I do not accept that the Scottish Government has prioritised economic growth or has demonstrated a strategic approach to tax. If this had been the case there would have been much more attention to the dysfunctional marginal rate of Scottish Income Tax schedule and to the fact that a very large proportion of Scottish Income Tax revenues come from the upper end of the income distribution.”

COSLA, SOLACE and CIPFA Directors of Finance Section made a wide range of comments in this area, including: “The approach taken in Scottish Budgets in recent years has meant continuing to focus funding in areas where things have already gone wrong in people’s lives, rather than providing funding to stop them going wrong in the first place. By contrast, Local Government services - like housing, education, childcare, employability, and leisure and culture - play a significant role in preventing poor health outcomes, reducing demand for healthcare services, supporting people into employment and helping to reduce dependence on the welfare system.”

And: We welcome the Scottish Government's commitments as part of the Verity House Agreement ... Fulfilment of these commitments will require a significant shift in approach to the funding of Local Government but has the potential to substantially address the concerns we have raised in this and other submissions and crucially, support Councils in delivering positive outcomes in relation to our shared policy priorities.”

On outcomes, **COSLA, SOLACE and CIPFA Directors of Finance Section**: “The focus of the approach must shift from input measures to outcomes. There remains a continued focus on short term input measures and outputs rather than outcomes when it comes to public spending. This drives behaviour and spending in ways that are not necessarily best value. An industry has been created to track spend however there is little evidence that this has added value, at the expense of understanding the outcomes achieved and if spending is in the right priorities. This is exacerbated by the number of different policy announcements from within the same or different government portfolios which lack a cohesive and joined up approach to improving outcomes.”

South Lanarkshire Council: “Other than Scottish Government, Local Government is the only part of the public sector with a footprint covering so many inter-related aspects of population wellbeing, the economy and the climate change and sustainability agenda. However, funding arrangements limit the ability of Councils to plan and invest in dealing with long-term systemic challenges around poverty and inequality, wellbeing, climate change, and the economic recovery following the pandemic.”

Children in Scotland: “We would be interested to see the 2024-25 budget laid out in terms of how it will support progress towards the three missions. We would also be in favour of further clarity from Scottish Government about the links between these missions and the National Performance Framework.”

Theme 2: short to medium term – focus on capital and resource spending

Three questions from the Committee’s call for views are included under this theme:

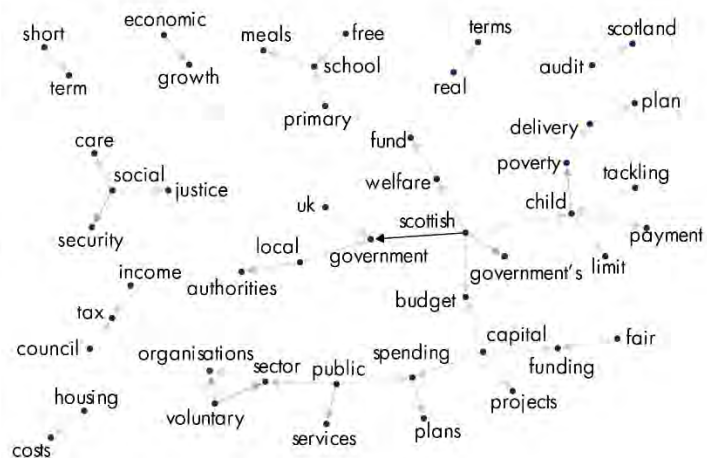
- 10. Given the pressures on the capital budget, how should the Scottish Government prioritise its capital spend in the Scottish Budget 2024-25 and over the medium-term?**
- 11. What are the implications of a declining capital budget, including on the productive capacity of the Scottish economy?**
- 12. The Scottish Government’s spending plans for resource (day-to-day spending needed to run public services) and capital (investment in assets and infrastructure) for 2024-25 until 2026-27 are to be updated and published alongside the Scottish Budget 2024-25 later this year. Where should the Scottish Government protect or prioritise spending in these multi-year plans?**

Text analysis of responses to these questions:

Top 25 most frequent words



How the words are connected



Again, the frequently used words in response to these questions is probably as might be expected, with words related to the “public” “sector”, “spending”, “funding” etc coming up regularly. Also of note is the prominence of words like “poverty”, “social” “voluntary” and “support”, as well as connections like social care/justice/security. Relevant quotes from the submissions:

Audit Scotland, on behalf of the Auditor General for Scotland: “The Scottish Government’s decisions on prioritising or de-prioritising spending should be based on a clear understanding of the impact these changes will have on the outcomes that it wishes to achieve. ... To do this, Scottish Government will need to have sufficient data available to identify how particular spending programmes work towards its priorities, and to ascertain that programmes it supports are the best use of public money to achieve its goals.”

COSLA, SOLACE and CIPFA Directors of Finance Section: “Within the current financial context, we will not meet zero emission or net zero targets by 2038 or 2045 respectively - a radical overhaul of how we deliver net zero policy is required. This will require new investment, but with scarce resources funding must be aligned against the most critical programmes in the high-carbon sectors of transport and heat and must take the unavoidable decision of deprioritising other areas. It is also necessary to factor in the significantly higher revenue costs of decarbonised heat sources, which are frequently higher than gas and the impact this will have for ongoing budgets. The scale of this challenge is perhaps best illustrated by the experience of one Council who have estimated that the cost of reaching zero emissions on their nondomestic estate would be in excess of £1.2bn – a figure equivalent to more than twenty-five times the size of that council’s 2023/24 General Capital Grant allocation.”

Professor David Heald: “There is a considerable amount that the Scottish Government itself can do. First, the project management of capital projects must be improved, for which a prerequisite is understanding what has gone wrong on existing projects. It is important to distinguish between problems associated with the types of projects undertaken by Scottish public authorities and problems that derive from the public sector not being competitive in the market for project management talent. Second, the erratic profile of capital availability has made it difficult for public authorities to maintain in-house project skills. In less-pressured times, leading Scottish local authorities were able to display agility in commissioning capital projects when funds became suddenly available.”

Professor Heald also noted that: “the political climate makes it difficult for the Scottish Government to set any social security benefit below the level applicable in England. Second, the demand-led nature of such expenditure, recognised in the UK distinction between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME), places unpredictable pressures on the Scottish Budget because devolved social security expenditure is treated as DEL not as AME. In England, it remains AME.”

Scottish Council for Voluntary Organisations (SCVO): “Scotland’s voluntary sector is an employer, a partner, and a vital social and economic actor. It should be of significant concern to the Scottish Government and Scottish Parliament that this crucial sector – which employs over 135,000 paid staff and works with more than 1.2 million volunteers– remains under severe pressure. The pandemic, inflation, and the resulting cost-of-living and running cost crises have strained sector finances and increased demand for the support and services of many organisations.”

SCVO also set out a detailed 14 point set of recommendations around multi-year funding, transparency and more and further noted that “Despite commitments in previous Programmes for Government and cross-party support for multi-year funding across the Scottish Parliament, there has been little progress on these issues, and we have yet to see a clear plan on how the Scottish Government will make good on its latest commitment by 2026.” Again, SCVO provides specific recommendations in its submission.

Child Poverty Action Group Scotland: “The Scottish Government must increase the Scottish child payment to at the least £30 per week from April 2024, as

committed by the First Minister. However, to be sure of bringing child poverty below the interim target level a £40 Scottish child payment is needed.”

Living Streets Scotland: “Degraded facilities for walking pose huge downstream risks to the NHS, in terms of older people’s health declining through lack of exercise. The cost of trips on falls to the NHS is another area where the implications of underfunding in local transport infrastructure isn’t understood.”

The ALLIANCE: “The ALLIANCE would urge spending on essential services including health, social care and social security to be protected and prioritised in this and future budgets. Spending in these areas supports wellbeing, reduces poverty, and helps to realise human rights. We would also wish to see adequate and sustainable support for third sector organisations. The financial situation facing third sector organisations has been difficult for several years, particularly as a result of short term funding arrangements.”

Citizens Advice Scotland “CAS would strongly argue for energy efficiency spending to be protected in capital budgets. The climate emergency won’t become less of an urgent priority because of Scotland’s shifting demographic population and investing in energy efficiency measures will create or sustain jobs to contribute to economic growth and in the long term better insulated homes will pay less for energy – if that isn’t seen as an urgent priority after the year consumers in Scotland have faced due to the energy crisis then it is hard to see when it ever will.”

Scottish Women’s Budget Group covered these issues in a lot of detail, and included recommendations in a range of areas, including that “An intersectional gendered analysis of these figures makes it obvious that women, especially disabled women and single parents, are at the losing end of the current economic crisis. The Scottish Government must prioritise spending on policies designed to protect women from the effects of inflationary pressures.” The SWBG includes specific policy recommendations in its submission.

Fraser of Allander Institute: “A big issue in the UK’s public sector delivery of capital projects is the ability to actually deliver investment, despite it being budgeted for in advance, as OBR analysis shows. Underspends tend to be large due to delays, especially in getting projects up and running. The Scottish Government will need to consider whether to prioritise existing projects or new ones, with all the risks that either would entail.”

COSLA, SOLACE and CIPFA Directors of Finance Section: “Where capital projects are critical and there is not the necessary capital funding available, Local Government may find it is in a position where it is required to borrow more for capital projects committing to revenue payments over the long term which impacts on the budget available year to year for in year revenue costs for service delivery as part of the revenue budget is committed to repaying the debt. Given the significant increases in interest rates this is a much higher pressure than previously and may not be affordable.”

Comhairle nan Eilean Siar: “The implications of a declining capital budget are severe as has been seen across Scotland in recent years with a halt to new investments, even where these would deliver public service reform, and in an

ongoing and serious decline in asset quality, particularly in roads and building maintenance.”

South Lanarkshire Council (SLC): “From a local government perspective, capital grant allocations have seen significant cuts in recent years with almost 30% cuts in grant. This has meant that the replacement and renewal of assets is simply not happening more often than not. This results in increasing revenue costs to maintain and operate our assets, so these become unaffordable and increase the imperative to withdraw services and close facilities. While councils can borrow, there is a hugely reduced scope to fund borrowing through revenue budgets.”

SLC also stated that: “There is an argument to be made that increased spending on health on its own has not improved health outcomes and that actually the increased demand for health services is exacerbated by the loss of preventative services offered by local authorities. Better outcomes would result from prioritisation of the type of preventative work in which local authorities can lead and excel.”

Colleges Scotland: “The current funding of colleges is not sufficient enough to ensure adequate economic growth, especially in Green Skills areas where more investment is required. There is an inherent need for funding to reflect the value and significance that colleges bring to the economy of Scotland.”

Theme 3: longer term financial challenges

Four questions from the Committee’s call for views are included under this theme:

13. The Scottish Government plans to address the budgetary implications of the expected long-term fall in population through growing the economy and tax base, public service reform, and an upcoming ‘Addressing Depopulation Action Plan’. Are these the right priorities to address the implications of this fall in the population and, if not, how could the Scottish Government be more effective in this area?

14. How should the Scottish Government start to address the forecast funding gap of 1.7% each year up until 2072-73?

15. How should the Scottish Government balance its short and long-term financial planning and where can improvements in this area be made?

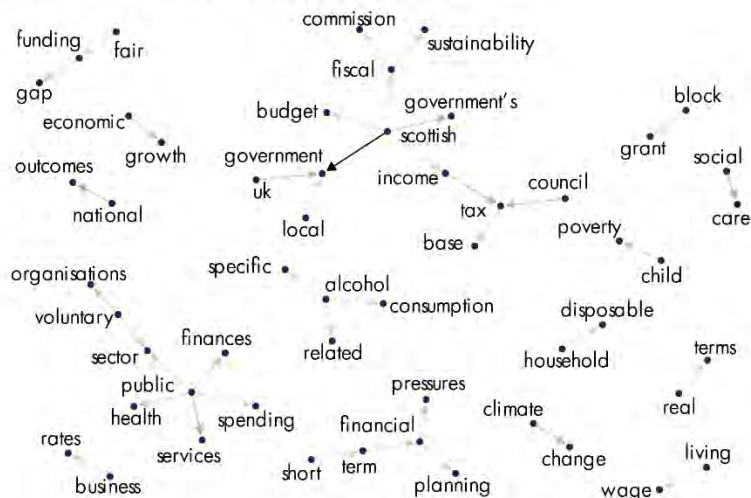
16. How will long-term financial pressures impact on the delivery of national outcomes and climate change targets and what steps can the Scottish Government take to alleviate these impacts?

Text analysis of responses to these questions:

Top 25 most frequent words



How the words are connected



On the longer term financial challenges, the text analysis produces similar results to the shorter term questions above, although the national outcomes, climate change and financial planning also come through.

Relevant quotes from the submissions:

Audit Scotland, on behalf of the Auditor General for Scotland: “Following a review of the fiscal framework by the Scottish and UK governments, the Index Per Capita (IPC) method of determining block grant adjustments has been made permanent. This protects block grant funding should Scotland’s population change differently to the rest of the UK. However, a relatively faster decline in the working age population in Scotland compared to the rest of the UK could negatively impact relative tax revenues in Scotland.”

Audit Scotland, on behalf of the Auditor General for Scotland also noted that “the Scottish Government will have to manage the public finances across three horizons – the short, medium, and long term. ... Although these horizons relate to different time periods, this approach highlights that organisations must think about and manage their activities towards these horizons concurrently. Experience from business shows that short-term pressures can mean that horizon 1 issues dominate business activities, and senior leaders must devote more of their time to planning for the future (horizons 2 and 3) to overcome this.”

Professor David Heald: “My view is that long-term fiscal sustainability projections should not be taken too seriously in terms of precise numbers, but that these are valuable in drawing attention to long-term policy issues. They draw attention to the fact that present tax structures cannot support the present pattern of public service provision, and that adaptation in advance will avoid a cliff edge. The UK Government would not be allowed by public debt markets to have the level of debt/GDP ratios projected by the Office for Budget Responsibility and the Scottish Government would not be allowed to sustain the budget gap projected by the Scottish Fiscal Commission.”

Professor Heald also stated that: “The Scottish Government’s Medium-Term Financial Strategy (May 2023) contains an irritating amount of whingeing about the constraints of the current constitutional settlement. This sits oddly in a technical policy document. This feature will encourage the UK Government to ignore the substantive points which are made, particularly around the inadequacy of revenue borrowing powers to cope with the much greater fiscal risks deriving from devolved Scottish Income Tax.”

Fraser of Allander Institute: “An ageing population will mean a higher proportion of the population being above retirement age, and therefore a smaller proportion of the population will be available to work and provide tax revenues. At the same time, as people age, they tend to require more frequent and more expensive health care, which will mean further pressures on the health service.”

The **FAI** went on to say that “...if one assumes that the UK Government will take action to avoid the public finances continuing on an unsustainable path, the Scottish Government’s funding gap looks very different. The SFC’s illustrative projection for a UK Government adjustment split equally between tax and spending would put the annual funding gap for the Scottish Government at an average of 10.1% of total spending a year as a result of lower Block Grant higher Block Grant Adjustments for tax. More or less spending-focussed adjustments might create slightly different results, but the direction of travel is fundamentally the same.”

The STUC: “While the STUC is not opposed to reform to improve public services, reform should have an aim of strengthening public services rather than trying to ‘do more with less’. Genuine reform, rather than reform as code for cuts, is best undertaken in conjunction with workers and their trade unions alongside increased investment in both overall size and the remuneration of the frontline workforce.”

The STUC also noted that: “A number of Scotland’s national outcomes are showing performance declining, while Scotland has missed its climate change targets eight times in the last 12 years. Clearly financial pressures, caused in large part by the UK Government, will only make this situation worse. As well as increasing taxes, and investing in public services there is a pressing need to ensure that the Scottish Government maximises the impact of its spending programmes – ensuring that the billions of pounds spend on public procurement, grants and funding programmes delivers Fair Work and important social outcomes. Despite positive initiatives in this area, too often this is not the case.”

The ALLIANCE: “Public sector reform has the potential to significantly reduce financial pressures, but it must be undertaken with the aim of improving outcomes and upholding human rights, not simply cost-cutting. Failure to properly invest in public services, and in particular preventative services, may instead result in additional costs in the longer term. It is nonetheless clear that some services require significant reform, in particular social care.”

Alcohol Focus Scotland: “The Scottish Government has an opportunity to safeguard lives over the next decade by investing in services and support for people at risk of alcohol problems now, in line with its Rights, Respect and Recovery strategy for substance misuse and the 2018 Alcohol Framework. Effective treatment

and support can prevent episodic problems becoming life threatening and ensure communities are not further affected by alcohol.”

Children in Scotland: “It is important to recognise the importance placed on tackling the climate crisis for children and young people. We know it is an area they are highly invested in and want to see clear action on.”

COSLA, SOLACE and CIPFA Directors of Finance Section: “Depopulation represents a problem for Councils as there are many statutory duties and service which must be provided, regardless of population size. This means that there are still significant fixed costs, a reducing ability to benefit from economies of scale and reduced income streams all culminating to create increased financial pressure. ... It is worth noting however, in contrast to the national picture of depopulation, some areas such as the Lothians are projected to see substantial increases in population, bringing very different challenges and requiring substantial additional resources in order to provide local services to more people and households. Recognition of these changing challenges should be factored into budget discussions alongside a commitment to support other areas which are facing depopulation and indicate that fundamentally there are not enough resources to provide services for the population across Scotland.”

South Lanarkshire Council: “Having delivered efficiencies for more than a decade in response to real-terms cuts to core funding, increasing policy direction from Scottish Government and limits on Councils' ability to raise revenue, any 'easy' savings have been made – any further reductions will have a major impact on services and jobs. There is also the potential for over-estimating the savings that can be made through, for example, estate rationalisation – cuts to premises may lead to higher costs and other negative impacts elsewhere, for example as a result of reduced access to services.”

Comhairle nan Eilean Siar: “Depopulation needs to be addressed and the challenge is particularly acute in the Western isles which faces long term population decline and a demographic imbalance. An Action Plan would be welcome and the Comhairle suggests that those areas such as the Western isles which are facing the steepest population decline be prioritised.”

Federation of Small Businesses: “When addressing depopulation, it is important that the Government also considers the business population and how it can play its part in growing the economy and wider tax base. Our survey findings show that more than half of the businesses who responded do not feel Scotland is currently an attractive place to start up a business. With more than two thirds (68%) citing the state of the economy as a main barrier to starting up a business and 44% citing lack of government support.”

Theme 4: transparency around budgetary decisions

One question from the Committee’s call for views is included under this theme:

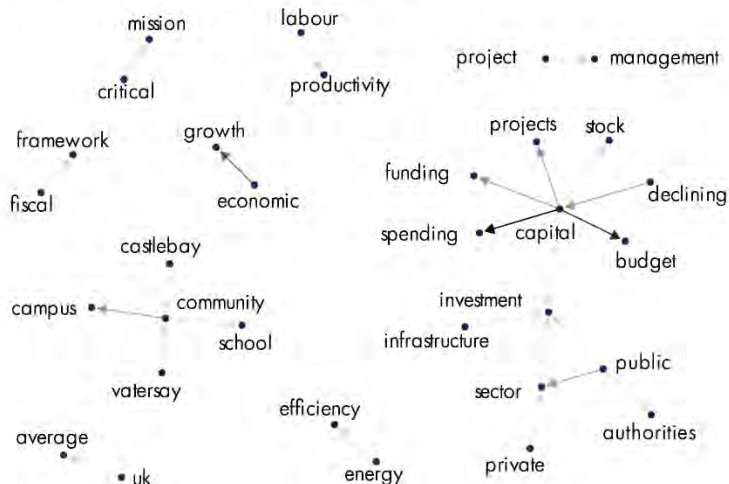
17. In follow-up to the Committee’s inquiry on effective decision making, how can transparency be improved around how the Scottish Government takes budgetary decisions?

Text analysis of responses to these questions:

Top 25 most frequent words



How the words are connected



On the transparency question, caution needs to be taken as fewer submissions responded in detail. Obviously words like “transparency” and “data” are included. Notable perhaps is the focus on capital. Relevant quotes from the submissions:

Audit Scotland, on behalf of the Auditor General for Scotland: “There is limited publicly available information about how the Scottish Government takes budgetary decisions. ...In the past, Audit Scotland has identified that when it is taking funding decisions, the Scottish Government should to consider and set out more clearly what it intends achieve for the funding provided, and how this impact would be measured. This would help ensure resources go to where they can best provide value for money and have the maximum benefit in achieving outcomes. This would help decision making, transparency around budgetary decisions and improve overall outcomes.”

Scottish Women’s Budget Group: “There is a concern that EQIAs can often be retrofitted to the policy process rather than being an integral part of the decision-making process. The Committee has an important role to play in ensuring the Government meets its commitments to transparency and holding Government to account in the forthcoming budget cycle. In this regard, the Committee should:

- Ask the Scottish Government for evidence as to how EQIAs influenced the different revenue allocations in the Budget.
- Ensure that EQIAs include a plan to monitor progress towards intended outcomes,
- Follow up any monitoring reviews planned by the Government and provide feedback.”

Fraser of Allander Institute: “A critical issue that would improve transparency is the baseline for comparisons of changes across years. Currently Scottish Government publications tend to compare new plans for spending with previous year’s plans, rather than estimates or outturns. This has two fundamental consequences. The first

is that because it is not what is used by other sources (e.g. SFC), it creates confusion in the public debate because if plans have changed in the meantime (as they often do through Main Estimates and Supplementary Estimates) then the figures used by the Scottish Government and the SFC will differ, which is not conducive to a transparent public debate. But comparing plans with plans also misses any insights on in-year budget execution and whether planned spending actually takes place. Analysis at UK level by the OBR suggest that there are significant underspends of DEL allocations, particularly on capital, and it is important that the Scottish Government publish this information in a way that makes it easy to understand how much is actually being spent. This information is reported to the Treasury and ONS as part of the Public Sector Finances release, so it would be good for the Scottish Government to also include it in its releases.”

Professor David Heald: “Despite the difficult circumstances in terms of budgetary pressures and decision-making timetables, there is scope to improve the budgetary documentation which goes to the Scottish Parliament. In previous submissions to this Committee and to the Scottish Government I have argued that budget documentation should set out clearly the additional costs of ‘above-parity’ expenditure and the reduced costs from ‘below-parity’ expenditure. In practice, the former are expensive and the latter, if they exist, minimal. This is not to argue against policies such as free university education for Scottish residents or for free prescriptions, but to argue that these costs should be transparently reported. Some of these items are effectively demand-led and very difficult to control once the policy is established. As with above-parity social security benefits, these take resources away from core public services such as health, education and local government.”

Colleges Scotland: “College students deserve parity of investment and Colleges Scotland has consistently called for stronger, longer-term funding to help colleges thrive. The gap between secondary school, college and university funding should be closed as soon as possible. ...Currently, college funding is to cover the teaching element, but colleges require additional resource to ensure a great student experience, equity of opportunity and to ensure the necessary support for those cohorts of students requiring additional interventions.”

Scottish Council for Voluntary Organisations: “Transparency can be significantly boosted by publishing grant data in user-friendly formats. The UK Government’s initiative of providing a Government Grants Register and using the 360Giving platform is commendable. The Scottish Government can mirror this approach, ensuring alignment with the 360Giving data standard.”

Age Scotland: “Transparency can be improved by boosting the ease with which individuals and organisations can engage with the budget process. Currently, it is not straightforward for members of the public to engage with the budget process, and unless you have previous experience it can be daunting and inaccessible. If you are a member of the public, it is hard to see how you would effectively engage or be heard. If you are not digitally connected, it is even harder to engage with the process or access documentation in the first place.”

Alcohol Focus Scotland: “Since the 2023-23 budget, alcohol use has been recognised as a public health emergency alongside drugs deaths, and although increased investment is welcome, one cannot see what is being spent on alcohol.

- These are projections rather than forecasts.
- They are based on a largely static spending and tax framework.
- People generally place more value on losses rather than equivalent gains.
- Concentration on inputs rather than on outcomes.

IPPR Scotland, Oxfam Scotland, Poverty Alliance, CPAG in Scotland, Scottish Women’s Budget Group, One Parent Families Scotland, and the Wellbeing Economy Alliance Scotland submitted a joint briefing note “on the need for fairer and better tax to fund action on poverty and inequality, while investing in care and tackling the climate crisis.” Specific proposals include a redesign of income tax, replacement of council tax, introduction of a wealth tax and potentially introduction of new taxes.

Public Health Scotland’s submission noted that “While we fully appreciate the challenges facing the Scottish Government, PHS concludes that there is currently a major opportunity to change the way the public sector works and reports on its progress. This shift would require a fundamental rethink, with improved ways of working and a commitment to greater transparency helping to drive investment in for the people and places that need it most.”

Allan Campbell, Head of Research and Financial Scrutiny
Andrew Aiton, Data Visualisation Manager, SPICe Research
12 September 2023

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