

Equalities, Human Rights and Civil Justice Committee

Pre-Budget Scrutiny 2024-25

What impact do the Scottish Government's spending and taxation plans have

Analysis of survey evidence

Introduction

As an alternative to a Call for Views using a targeted set of detailed questions aimed at stakeholders, the Equalities, Human Rights and Civil Justice Committee agreed to take a broader approach to gathering evidence during pre-Budget scrutiny 2024-25.

To support the Committee's focus on participation in the budget process, a set of open, broad questions were asked, in a survey designed to be answerable within 5-10 minutes. The hope was that this would be more accessible to the public and would help to reach more individuals and hear from people other than 'the usual suspects' (organisations and witnesses who contribute regularly to committees).

This paper sets out an analysis of the survey responses, along with additional evidence sent to the Committee. The summary is split into two parts – a key themes analysis of the individual responses, and a summary of the points made by the 11 organisations who provided either survey responses or written submissions.

Although this survey was carried out on behalf of the Equalities, Human Rights and Civil Justice Committee, matters like equalities, human rights (and the principles of participation, transparency, and accountability) are mainstreamed and cross-cutting issues. It's likely that there will be detail within the responses of interest to all committees, so a final section of this paper highlights the key themes and issues raised under each committee's remit.

Survey approach

The aim of the four survey questions asked was to understand how much people understand about the Scottish Budget and how it affects them, which areas of the Budget people feel most impact them, and what approaches and improvements might improve the level of public participation in the Budget process.

These questions were:

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

[This was followed by further detail on the spending and tax raising powers of the Scottish Government for those who may be less familiar with this information]

After looking at this, do you want to say anything more or different about how the spending decisions of the Scottish Government affect you, or other people?

How do you think the way the Scottish Government raises money through tax affects your life and the lives of people around you?

What do you think would make it easier for people to understand and have their say on how well public money is used?

In the interests of keeping the survey short, respondents were not asked demographic questions, but they were asked whether they were giving their own views (or those of an organisation), if they had shared their views on public spending before, and if they had shared their views with the Scottish Parliament before.

The survey opened on 4 July 2023 and ran over the summer recess, closing on 25 August 2023.

Who responded

The survey received 121 responses, broken down as follows:

- 114 of the 121 responses were from individuals.
- 94 of these individuals were sharing their views on public spending for the first time.
- 65 had never shared their views with the Scottish Parliament on any matter before.
- Seven of the 121 survey responses came from voluntary and advocacy organisations. These were AMINA Muslim Women's Resource Centre, Inclusion Scotland, Jubilee Scotland, Scottish Council for Voluntary Organisations (SCVO), The Scottish Women's Budget Group, Health and Social Care ALLIANCE Scotland, and Shelter Scotland.

Outwith the survey platform, NASUWT (The Teachers' Union), Equality and Human Rights Commission (EHRC), Public Health Scotland and the Scottish Human Rights Commission (SHRC) also made written submissions.

Analysis of survey responses made by individuals

This section summarises the following:

- The range of understanding respondents have about how the Scottish Budget impacts them.
- The aspects of Scottish Budget decision-making people felt positive about.
- The concerns people had about Scottish Budget decisions, and where they thought things could be improved.
- The groups and protected characteristics people spoke about.
- People's views on taxation when asked about it directly.
- What people thought could increase participation in the budget.

Note: There is some repetition on themes relating to taxation as people mentioned this in advance of the specific question, but the repetition has been retained to best demonstrate people's understanding, concerns and priorities in response to the first two questions.

The evidence covered all spending portfolios, and issues outwith the budget remit of the EHRCJ Committee have been included here in recognition of the fact that equalities is a mainstreamed issue, and that participation in the budget process is a human rights issue. The portfolios most mentioned by individual respondents, in order of prominence, were:

- Health and social care
- Local government
- Education
- Transport and infrastructure and Economy had similar numbers of mentions
- Housing and Social security has a similar number of mentions
- Environment/climate, Energy and Police & Fire services had a similar number of mentions
- Justice, Culture and the Third Sector all had similar levels of focus

Range of understanding

Unsurprisingly, the range of understanding varied widely among respondents, and there were both positive and negative statements about the decisions made. A few respondents used to opportunity to express general political mistrust rather than focusing on the Budget. The wide range of ideological and political stances among respondents was clear, suggesting that a good range of viewpoints were captured.

There were no respondents that said that the Scottish Government's (SG) spending and taxation decisions did not affect them, though one person said "I'm not affected very much", and around a fifth of respondents focused on a single issue. These single-issue comments mostly related to tax rates (perceived as too high), but other issues mentioned included social security, free prescriptions, transport (particularly roads and buses), local government, and funding for feasibility studies, "ideological groups", "failed projects", and policies that the contributor disagreed with.

Many people understood that the Scottish Budget has a significant effect on individuals, with some people saying, simply, “everything”. One person summed this up by saying that the Scottish Government makes the “bulk of spending and tax decisions that affect my everyday life”. Others highlighted the role of the Scottish Government in the wellbeing, mental health and prosperity of citizens in the context of spending. Public services reliant on Scottish Government decision-making were mostly clearly identified and understood.

Some people made the differentiation that the impact on them came from the provision of public services, and one person identified that the key impact of SG decisions is on the “access to and quality of” services. Others expressed that SG decisions can have wider impacts, for instance on the affordability of housing and food, and noted that the prioritisation of one area of spend would impact on others.

A large variance was seen in the level to which people thought they were personally affected, with some people saying that they thought SG spending policy affects everyone roughly the same. Others thought this was more dependent on the specific services people used, and the extent of this. These people referenced spending decisions around social security and free school meals as examples, and there were suggestions that the Budget has a higher impact on low-income people as this group are more reliant on services and have smaller ‘financial margins’ to work within.

There was clear and frequent mention of spending decisions linked to SG policies, such as free prescriptions, bus passes and university education, as well as an understanding that some spending and tax decisions also promote certain policies (for instance to counter climate change or provide housing). There were also several comments which demonstrated an understanding that decisions are dependent on the political party in government, and in turn on manifesto commitments.

There was an understanding among some people that funding comes to the Scottish Government through the UK Block Grant and that this impacts on overall funding availability. One person said they felt that the SG decisions didn’t have as high an impact as those made at a UK level, and another felt that the UK Government could just override Scottish decision-making rendering devolved power limited.

There were some incorrect statements made, such as a notion that the uplift in Scottish Income Tax had directly funded gender reform and bottle recycling policy, and that alcohol and sugar are subject to higher tax rates in Scotland than the rest of the UK. There was also some confusion of what was and wasn’t a tax (as opposed to a levy or charge), and the limits of devolved power.

Sentiment around decision-making

Most people used the opportunity given by the survey to talk about their concerns, what they felt could have been, or could be, done better, and what they thought should be prioritised. The concerns and issues raised outweighed the positive points made, however there were some respondents who felt satisfied with the Scottish Government’s approach to date.

Positives

The following praise was given in the context of decision-making in the Scottish Budget:

- Where money has been invested it's been effective, with one person saying that the Scottish Government spends money on "real life situations in real time".
- Several respondents gave support to spending which they understood was to help those less fortunate, but there was some anger when money hasn't been spent as expected or been available when in need (this related to both Scottish and UK level decisions).
- There were a few mentions of the Scottish Government mitigating for UK policies which were seen as harmful i.e., the bedroom tax and the right to buy council homes, though it was also noted that the 'need' to mitigate restricted the Scottish Government's spending abilities. There was also praise given for the divergence from UK Government policy, such as offering free prescriptions, free bus passes for long term incapacity, and historic support for those who had been adopted.
- The 'mentality' of Scottish decision-making was supported, with one person explaining "I trust the Scottish government to make good decisions - I've spent time England and prefer the Scottish health service, transport systems, housing assistance. Progressive taxation is a benefit even though I pay £1500 more in Scotland than England".

Concerns

Several people raised concerns about the level of tax paid, particularly in relation to the disparity in the level of Income Tax paid in Scotland vs the rest of the UK.

Understanding the reasoning for this was a key point – there were many comments that related to wanting to know more about why decisions had been made, the alternatives and the underlying data, but this was mentioned in relation to tax policy more than any other policy area. The concerns about the impact on middle income earners and the possibility of people moving outwith Scotland were a common thread.

Connected to transparency, people wanted to know more about what money had been spent so far, and more about where money was coming from (block grant vs tax income).

There were also concerns about the lack of transparency within the accounts of public bodies (relating to a perceived mismanagement of funds) and assets which had come under public ownership such as the Ferguson shipyard.

Whilst there were positive comments about some subsidised services, such as free prescriptions and baby boxes, there were concerns about the sustainability and wider impacts of these schemes. Similarly, free university education was supported but there were concerns about quotas and equality of opportunity for low-income

families. One person questioned whether the non-means-tested approach was in fact detrimental to those who didn't quite qualify for additional support beyond universal measures, and whether offering free prescriptions for all diverted funds away from where they were most needed.

Some people raised concerns about the level of legitimacy of the Scottish Government's spending decisions, and whether it had the mandate from the public. There were also concerns about what people described as 'unelected MSPs' making spending decisions.

There was a suggestion from some that there was a trade-off, and that policies focused on economic growth were funded at the expense of the most vulnerable in society. One person said there was a clear need to understand the wider impacts of decisions and how they interconnected across portfolios and impacted on crosscutting issues like climate change and employment. One example given was the prospect of whether energy policy focused on using heat pumps was effectively connected to the skills pipeline. Another person explained:

"I would love to see the cost value equation laid out for each of the investment areas. They are not all created equal and there are many reasons and value propositions which should get funding. I do believe it's the right areas but perhaps the mix is not right and just because something was funded last year does not mean it passes the threshold for next year as it's based on value."

Topical concerns included the privatisation of health services, a lack of mitigation for the impacts of the costs crisis, and both cuts and ringfencing within local authority budgets and the impact on public services. The distribution of Local Authority Covid Economic Recovery (LACER) Funds was also highlighted as a worry.

Only one person said that the Scottish Government was spending too much (and that the resulting tax increase was not acceptable).

People said that in some cases basic needs were not being met, with health, social housing and employment being referenced in this context. Specific services or areas that people mentioned having degraded in recent years focused mainly, but not exclusively, on local government services, health and social care, and transport. These included:

- Walkways and roads
- Street sweeping and refuse
- Bins
- Libraries
- Leisure facilities and culture
- NHS waiting times and service, GPs
- Care services
- Support for disabled people, including day-care for people with special needs
- Public transport
- Economic expenditure (shops closing, Aberdeen specifically)
- Music lessons

What would people change, and priorities

Areas where people said decisions could be better, and suggestions for different approaches, included:

- Concerns that there hasn't been enough focus on preventative spend, with specific mention of early years, families, and prison reform.
- A feeling that balance needs to be found for those in work – one person said it was important to 'let people off' (through benefits) or 'penalise' people for working (through income tax).
- One person said that Council Tax in its current form is unfair on those in social or affordable housing. There were broader comments that Scottish Government tax policy should be "more progressive and fair".
- One person described the priorities as being wrong, saying that the focus should be on "heating, eating, energy, [and] schooling", and another felt there had been a "squandering" of money on "pet projects". An example given was installing landlines in prison cells. Another said that the Scottish Government should stop spending money on constitutional matters.
- A suggestion that Income Tax bands should have risen with inflation during the latest Budget.
- Concerns that because of a focus on children, families and older people, there is never any analysis of impacts of budget decisions on those without children.
- One person suggested that there be a cost saving or productivity plan on all major areas of spend to assess efficiency and identify which areas of spend could be reduced to free up funding.

The areas which people said there should be more investment in were:

- Housing and construction, especially social housing (rather than affordable housing).
- Sport, and leisure facilities.
- The arts.
- Fair pay in health/social care.
- Education, particularly in support for children and young people with additional support needs.
- Roads and transport infrastructure.
- The third sector.
- Youth clubs (including after school clubs allowing parents to work full time).
- Legal aid.
- Adult learning, especially English for asylum seekers

More radical suggestions for change included calls for local government reform, removing means testing from child support payments, reducing tax and coupling this with reduced benefits which would be based on previous National Insurance contributions, and a flat rate Council Tax system based on number of adult occupants per household. Some suggestions were outside the competence of the

Scottish Parliament, such as Scotland having control over the electricity grid and employment law, or the notion that tax should be increased in the rest of the UK to Scottish levels.

Protected characteristics and specific groups mentioned

Although demographic data wasn't collected, people mentioned the circumstances that they were in that concerned them, or the groups they thought different spending decisions did, or should, support.

Looking only at the responses from individuals, the focus on those with characteristics protected under equalities legislation was on children and young people. This was typically in the context of investing in education and opportunities for the next generation, with some mention of funding for additional support needs in an education setting.

Older people and those with disabilities were mentioned, usually by people describing their own situation and additional support they received or might need in the future. Disabilities were mentioned in an intersectional context against age groups.

Gender was mentioned very little, with one respondent identifying as a single mum and expressing concerns about her daughter's future. The only other gender references related to dissatisfaction with the SG's aspirations for gender recognition (also the only context in which LGBTQ issues were mentioned).

No individual respondents referenced minority ethnic status explicitly, though one highlighted a need to "establish decent facilities for adult learning and particularly English learning for people seeking asylum and refugees that were welcomed and assigned to this part of the country."

There were two groups not protected under equalities legislation that were mentioned – single parents, and low or single-income households. These comments were mostly in relation to concerns that these groups are most vulnerable to taxation and economic pressures, but also not always eligible for support. There was an understanding shown that low-income households are a focus of policy, but varying sentiments about whether policy was effective, or if it should be a priority. Several comments suggested that middle-income earners are unfairly taxed and disadvantaged, particularly in the context of the cost of living crisis.

Understanding of and attitudes to tax

As noted earlier in this paper, people's understanding of what is, and is not, a tax varies. Many comments on tax were about levies and charges that are applied locally at the discretion of councils, such as parking charges. The biggest focus in comments was on Income Tax and Council Tax. The survey question did provide some background on which taxes are devolved. This may have increased mention of some taxes like the Transient Visitor Levy and LBTT, as some respondents chose to give an opinion on all forms of taxation listed.

The language and phrasing used around tax, and its impacts, gave an insight into people's framing of the system. For example:

"I think Scottish citizens are paying too much on tax on everything. We don't do enough to support working families or promising business people."

Compared to

"The income tax system in Scotland is fair and progressive. Most people I know appreciate the way in which it is helping those in lower incomes."

Or

"[tax] reduces my spending power whilst only really offering in return a bin that gets emptied once per week!"

Compared to

"The Scottish government provides free health and social care and free university education which has a positive impact on Scotland as a society."

Almost half of people responding focused their comments specifically on the impact of paying tax at a household or individual level. This was usually in terms of either reducing household income, or not feeling that the standard of public services reflected the rate of tax they paid. Some people extended this to a local economic level, citing the perceived damage on local business and services when disposable income is reduced.

In contrast, fewer than a third of respondents spoke about tax by linking it to spending on public services or social security. Many that did spoke about the perceived falling standards of local government services. People wanted to see proof that increased tax revenue has gone where it was earmarked for, i.e. LBTT to home building, Income Tax to NHS, rather than to "vanity projects". People also spoke about wanting to have more of a say in how their taxes were spent, particularly when rates were increased.

Overall, just over half of respondents said that taxes were too high or improperly targeted. Many gave reasons as being that they did not feel they benefited, or that they felt the Scottish Government wasted money or spent on priorities they did not agree with.

A far fewer number, around a sixth of people said they felt that paying tax, and/or the level they paid was fair or appropriate, with individual comments including acknowledgement of the need to invest in young people and support those on low incomes. One response explained:

"As long as tax is fair it's fine. We have to pay for services. If we want better services we need to pay more tax. It seems impossible to me for us to have Scandinavian public services and North American tax rates. We need to choose one or the other"

Seven people said they thought that tax should be higher, either overall or for specific groups/businesses. One person said that they thought the Scottish Government hadn't used its powers fully, but noted that it would be heavily criticised if it did.

Across all views on the level and appropriateness of tax, there were people who suggested that reform was needed (ranging from individual taxes, especially Council Tax, to the taxation system as a whole). Finland and Norway were both mentioned as aspirational models.

There were also comments across groups with opposing views that more transparency about how tax income was used was needed to educate people how tax was used so that they would be happier paying it, and from a due diligence perspective. One person suggested that the ability to raise tax was being used by the Scottish Government when it would be better for it to assess waste and losses within each portfolio to make efficiency savings.

There were several comments on the impact on middle-income and those just within the higher tax rate band and a feeling that current Income Tax brackets and Council Tax banding are unfair. On Income Tax the disparity with England was mentioned, and people said that tax policy should be based on "attracting people not driving them away". Suggestions were that the ultra-wealthy, those that are paid in stocks and shares, large businesses, and international corporations and second homeowners should all be taxed more, and that middle-high income earners would be less aggrieved about their own tax contributions if they saw this happening. One person said, when explaining they thought the Income Tax they paid was too high, that:

"It feels like the scottish government do not care about ambitious young people. Why study hard at school, University and then work hard in your job seeking progression only to be absolutely hammered income tax? The government don't realise they are curbing ambition. I do not see the point in seeking progression at work for negligible pay increases for much greater stress, I work in the NHS. In Scotland it feels like you are punished more and more for making the right decisions."

Opinions on smaller tax revenue streams, like a tourist tax or forms of carbon taxation, were mixed. Concerns were raised in particular about TVL income not being used to support local authorities' wider financial pressures. Non-Domestic Rates were little mentioned, though there was a perception that high rates were damaging the composition of neighbourhoods by driving out smaller businesses. Parking levies were mentioned by a few people, with anger expressed about this being applied in the context of poor infrastructure investment and public transport provision.

Suggestions for including more people in the budget

The following suggestions were made in response to the question, “What do you think would make it easier for people to understand and have their say on how well public money is used?”.

Advertising/reach and education

- Generating more awareness about the budget and budget process by considering which channels people used most. Suggestions included social media (TikTok was the only platform mentioned by name), adverts in ‘mailers’, on TV, and on the radio, and emailing specific groups.
- People said things like “Contact people - by leaflet, social media, with examples of how much is spent on what and invite comments; then invite subset of individuals for further discussion in person.” or “Give people early site of proposed budgets & compare proposed with previous. Explain how an individuals’ comments & suggestions could make a difference”
- One person suggested that citizens should be send a document detailing statistics, budget breakdowns etc as part of a consultation, providing paid response envelopes.
- More education on role of government and understanding the budget, on tax raised and how it is spent, and including financial education in the curriculum.
- One person thought that a TV programme educating people about the budget fronted by a well-liked but unbiased presenter might help.
- In terms of who to talk to, one person said the focus should be on those most affected by a spending decision. Another said that professional bodies were important, suggesting the actuarial profession.

Online engagement and participation

Several people mentioned making use of online methods of engagement and participation, for instance:

- Offering “virtual online sessions that individuals could sign up to then put us together in breakout groups”.
- More online surveys which are easily available to people, with a preference for multiple choice. Several people said surveys like the one they were completing were ideal (though some others criticised the simplicity of the questions and challenged the relevance of the activity).
- More short and focused consultations.
- One person noted the analysis resource needed if there was to be an increase in survey and consultation activity.

One example comment, indicative of what many people said, is:

“I think a survey/questionnaire that can be completed by members of the general public could/should be done. This would enable the government to

gauge how more people feel about their spending and give them information on the things that matter most to people”.

Face-to-face engagement

Other people preferred in-person communications, including engaging with people in the street. Suggestions included:

- Open days within local communities to hear the views of local people (both SP and SG), more regular interaction with the public and actually listening to them. People said that it was important not to rely just on online methods.
- There was support for Committees getting out and about - “Make it mandatory for the Parliament to take their committees out on the road across Scotland to engage with local people in their own area.”. People also said that SG Ministers should also be carrying out face-to-face engagement.
- Many people spoke about using a focus on local issues, for instance by carrying out surveys with this focus, and holding local Q&A sessions. Similarly, people said that public consultation on services should happen close to the point of delivery. Conversely though, one person said that getting people to see beyond “small local issues” was a challenge.
- Citizen’s/People’s Assemblies were mentioned by a few people, with one person suggesting there should be one in each local authority.
- A few people mentioned the role of community councils and how they could help, but one noted that they needed to be better resourced.
- “Offer regular, ideally hybrid meetings out of office hours to discuss government/council policy on the kind of issues that are currently dealt with by consultations like this one.”.

Trust and transparency

- One person said there should be more open, public debates. Another felt it was important that the Scottish Government respond more clearly to FOI requests.
- People called for more transparency about the decisions that need to be made and the process. One person said simply “give people real information”.
- Suggestions for improvements included:
 - Show the whole and relative choices (to help people understand that money is finite and get them past thinking of only their ‘pet problem’).
 - More transparency at a Local Government level on decision-making and strategies.
 - Support the public in understanding who the ‘external experts’ that the SG and SP use in budget scrutiny are, and why they should be listened to.
 - Easily understandable data tables which are accessible to the public, and information that doesn’t need to be downloaded.
- One person said “public spending information / expenditure should be made available and shared in an independent publication. Which is easily available

and accessible. Public consultation should be considered before spending decisions are made”. Another said that “periodic publication of taxation plans and outcomes may make an impact”.

- People said that where surveys and consultation had taken place, it was important to share the results.
- Where there are potential alternative decisions to be made, people should be made aware of pros and cons of each.
- One person said “Use an uncorruptible [sic] blockchain voting system and let the public decide what needs the money spent on.”.
- One person suggested it was hard to get involved in budget consultation unless ‘you know the right people’ (specifically in relation to council budgets).
- “More regular information on the committee’s, how to get involved and what they do. Tell people how and when decisions are made and what can effect these such as other committees recommendations for budgets etc.”
- There were several comments about the accessibility of budget documents:
 - “Would like to see some simple charts instead of the glut of information on the Scottish website. Great to have it but it’s not really digestible. I’d like to see a simple chart showing how much individual council areas are being given by the Scottish government per head in their region.”
 - “Content designed to be accessible and/or in other languages that is circulated amongst trusted community networks or venues could be helpful.”
 - “Produce one simple set of accounts for Scotland, like the UK WGA, and press release it each year on the same day.”
 - One person said that SG publications online are not easy to find or understand, describing how one is often routed from one page to another when trying to find detail.
- Concerns raised around trust included concerns about “missing money” from the 2021/22 Budget.
- There was a sentiment expressed by several people that there is little interest in what ‘ordinary people think and need’, and that individuals don’t get involved as “there is no simple way to interact with the SG, and feel that their input is of value”. One person said “If people felt there views were being heard I believe they would become more involved”.
- One person said simply that “Well delivered budget spending would get the public to a better place” In terms of being more involved.”
- People suggested that their local MSPs being more accessible and visible would increase trust.
- A concern noted was that consultation was only effective if the recommendations were taken on board, citing Government consultations which had not been acted upon.

Illustrative quotes

The following contributions show the nuance and language used in more detailed/forthright comments on how to include more people in budget scrutiny:

- “Need to look at the investment decisions in terms of how these will contribute to tackling climate/nature emergencies and the innovations and stability of the science research base underpinning these.”
- “I would be far more impressed if the Scottish Parliament could be properly supported to do its job and helped to really understand issues and develop real clout to challenge Budget and non-implementable legislation.

WE are supposed to be a representative democracy. What we need is for the Scottish Government to held accountable by Scottish Parliament. What we don't need is more time and resource wasting meaningless consultation beloved of SG and civil servants.” *[Researcher's note: impression here is the person assumed this was a SG consultation]*

- “If you only ever consult professionals you're only ever going to get a certain view and set of opinions. Widen the net, filter the rubbish and create a new department dedicated to the future of Scotland and allow unique and way out there views and ideas to be heard and taken seriously (and not so seriously crucially!). The key is there is no point in any of this if those who have the power are unwilling to listen. No politician should ever bring their own personal opinion and views over others where there are questions about the morality of the situation being discussed or debated. Open your minds, take a chance and just try something that's never been done before.”
- “We need more information and we need it presented in a way that is not a bun fight.

Much of information on Tax and Spending is very politically run and, via the media, very adversarial. It is also utterly over simplified and focuses too much on catch phrase and not enough on how to simplify enough for people to understand without losing meaning.

Perhaps we could have an independant body that looked at different tax regimes around, say, Europe, how they worked and what were the benefits and disadvantages of each; how the money was socially spent and how that compared to us.

This would then mean we were making decisions based on a wider knowledge rather than sound bites about a broken system.”

- “Have a breakdown in our tax letters similar to UK govt.

Have [the Scottish Government] demonstrate how they spend every £100 raised through Scottish rate of income tax.

Promote the work of Audit Scotland more.

Try to actually hold the executive to account rather than being an extremely weak and compliant legislature.”

Responses from organisations

The following summary highlights the key and overlapping points made by individual organisations and charities responding to the call for views. As each represents a different protected characteristic or group, points on these matters have not been summarised. Rather, submissions are included in full as an annexe to this paper.

The organisations that responded to the survey were:

- **AMINA Muslim Women's Resource Centre** (“an organisation that works exclusively with Muslim and BAME women resident in Scotland”).
- **Inclusion Scotland** (“a ‘Disabled People's Organisation’ (DPO) – led by disabled people ourselves”).
- **Jubilee Scotland** (“an independent coalition of organisations and local groups across Scotland who campaign for cancellation of the unjust and unpayable debts”).
- **Scottish Council for Voluntary Organisations** (“The Scottish Council for Voluntary Organisations (SCVO) is the national membership organisation for the voluntary sector”).
- **The Scottish Women's Budget Group** (SWBG, “work to promote equality through gender budgeting to build a fairer and more equal Scotland”).
- **Health and Social Care ALLIANCE Scotland** (“The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector intermediary for health and social care”).
- **Shelter Scotland** (“Shelter is a registered charity that campaigns for tenant rights in Great Britain”).

Of these organisations, all but AMINA expressed that they had shared views on public spending in Scotland before. All seven organisations had given evidence to the Scottish Parliament before.

The other written submissions the Committee received were from:

- **NASUWT** (“the Teachers' Union”).
- **The Equality and Human Rights Commission** (EHRC).
- **Scottish Human Rights Commission** (SHRC).
- **Public Health Scotland** (This was a graphics based submission which has not been included in the annexe for formatting reasons but will be available online).

The protected characteristics represented by organisations cover ethnicity, disability, and gender explicitly.

Submissions also include consideration of:

Key common themes across organisation submissions

Note: A more detailed analysis of the points made in organisation submissions will be made public to support Committee evidence sessions.

The areas of spending of most concern to the organisations submission evidence were:

- **Social security**, particularly access to support and the impact on women, BAME people, disable people and single parents who are more reliant or may be struggling to access support. There was a suggestion that the support needed from these systems by people with protected characteristics is proportionately greater than it would be on people who are unaffected by additional challenges. The need to ensure the Scottish Welfare Fund is well resource was emphasised.
- **Council Tax** was mentioned often, with great emphasis, with calls for urgent reform to both Council Tax itself, and the Council Tax Reduction scheme. This was linked to increased pressures arising from the cost of living crisis.
- **Childcare** was seen as crucial to supporting women, especially BAME women and single mothers, and tied heavily to both access to employment and to preventative spend and the wellbeing economy.
- **Social housing** was mentioned by several organisations as being under immense pressure and being significant lever in protecting human rights.
- **Local Government** funding was mentioned in the context of services and support, and in terms of Local Government being a significant employer. This was linked to social care provision and the crucial role of the Third Sector.
- **Transport and Infrastructure** were seen as a key investment area, particularly public transport, with underinvestment being seen to have a significant impact on women in particular.

The Common themes which spanned all or multiples submissions included:

- A support of using a human rights budgeting approach, and applying fair funding criteria where applicable. A gender based and intersectional approach to budget analysis and budget setting was also called for.
- The need for clear, publicly available information which would help people to understand the powers of the Scottish Government and Parliament, what changes had been made year on year to budgets, and the outcomes of spending decisions. There were concerns that in the past cuts had been 'hidden' by reprofiling and presentational changes. Information and data on the grant system was one area noted by name for improvement,
- The need to be clear on what the potential impact of consultation could be, and how consultation had informed decision making, was seen as crucial in involving more people in the budget process. There were also suggestions that budget scrutiny should be opened up beyond the Parliamentary process,

and that it was important for analysis to take place to show who was and was not being heard from in the consultation process.

- The need for EQIAs to be published on the Budget was emphasised [This has been expected for the 2023-24 Budget but the data is not yet published]. The need to trace the impact of decisions was raised by several organisations.
- The costs and energy crises were mentioned across all submissions, in the context of both household finances and running costs for local government and third sector organisations.
- The protected characteristics that organisations focused on were gender, race and disability. Outside of protected characteristics, supporting single-income and low-income households was seen as the key priority

Contrast against individual responses

The main points of contrast between the individual survey responses and those coming from organisations were the focus on spend (NHS was prominent in individual surveys but not organisations), and on taxation (individual responses focused more on Income Tax, organisations on Council Tax).

Both individuals and organisations expressed concerns about low income and single-income households, but organisations did not raise concerns about middle income households.

View on supporting more participation in the budget were consistent and in agreement across both individuals and organisations.

Annexe A: Organisation responses to survey

Amina MWRC (Muslim Women's Resource Centre)

I am providing views informed by my experience as a project coordinator with Amina MWRC (Muslim Women's Resource Centre), an organisation that works exclusively with Muslim and BAME women resident in Scotland.

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

Spending decisions by the Scottish Government have a profound impact on the lives of the women Amina works with. The majority of our beneficiaries are in receipt of government money, in the form of Universal Credit, Scottish Adult Disability Payment, the New Scots grant scheme, or similar. Decisions made about money allocated to social welfare, and how it is distributed, will change how much state support women are able to access, how easy it is to access, and how much of their expenses can be covered. Common issues brought up by Amina clients are the cost of childcare/poor availability of free or affordable childcare; the cost of public transport; the cost of utilities; the cost of rent payments; and the price of everyday essentials. The Scottish Government has the opportunity to prioritise spending in high impact areas for our clientele. Muslim and BAME women are more likely to be sole or primary carers for children, and are also more likely to be economically inactive, often due to the barriers of racism, Islamophobia, and inflexible work that doesn't accommodate women's responsibilities as carers. Compared to white and non-Muslim peers, the women Amina works with are tangibly "worse off".

After looking at this, do you want to say anything more or different about how the spending decisions of the Scottish Government affect you, or other people?

As much as the Scottish Government does not have complete autonomy in all areas of governance, it has the power and capacity to make changes in some of the largest areas of concern. Namely: housing; health and social services; economic development; and justice and policing. Amina as an organisation is an advocate for "cash first" based approaches to poverty alleviation. The women we work with can often not simply budget their way out of poverty: they need a radically different level of income to allow them to attain stability and then be able to focus on income maximisation, financial literacy, and more. I would also like to raise, on behalf of Amina, concerns around the Scottish Government's definition of domestic abuse, and how this is policed. At present, the law only recognises DA as coming from an intimate partner/spouse, but Amina frequently witnesses cases of DA from within the larger family or household unit (such as in-laws, siblings, and parents). An expanded definition of the perpetrators of abuse would enable more women to access DDV orders or to bring their cases to mainstream support services.

How do you think the way the Scottish Government raises money through tax affects your life and the lives of people around you?

Taxes are broadly understood as good and for the benefit of the wider community amongst our client base. Some women have voiced frustration that they are de-incentivised from taking higher paying jobs because they can end up worse off after entering a new tax bracket. We have observed a squeeze on low-income and middle-income earners and an absence of corresponding government support. Higher taxes for Scotland's very richest could address this perceived discrepancy where the highest income earners appear to "get away with" paying little or no tax, and middle-income earners feel as if they are losing a significant portion of income that eats into their day-to-day lives.

What do you think would make it easier for people to understand and have their say on how well public money is used?

A large number of the women we work simply don't know how public money is collected, allocated, and used. This is partly because these women are in situations of active crisis and do not have the time or capacity to consider other subjects, and partly because there is an absence of clear and accessible publicly available information that women feel they can trust. Public spending has historically been misrepresented by the media or spoken about in terms that feel academic or exclusionary to a broad audience, or which are not available in languages other than English. Content designed to be accessible and/or in other languages that is circulated amongst trusted community networks or venues could be helpful. Community groups or organisations (such as Mosques, village halls, or charities) could act as bridges between individual opinion and the Scottish Government.

Inclusion Scotland

Inclusion Scotland is a 'Disabled People's Organisation' (DPO) – led by disabled people ourselves. Inclusion Scotland works to achieve positive changes to policy and practice, so that we disabled people are fully included throughout all Scottish society as equal citizens.

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

Inclusion Scotland is a 'Disabled People's Organisation' (DPO) – led by disabled people ourselves. Inclusion Scotland works to achieve positive changes to policy and practice, so that we disabled people are fully included throughout all Scottish society as equal citizens. Spending decisions of the Scottish Government have potentially huge impacts on the human rights of disabled people and their families.

Scottish Government has powers over many of the areas which impact directly on disabled people and their ability to live independently in our society e.g social care support provision, healthcare, social security, taxation (both local and Scottish Income Tax), social work, school, higher and further education, transport, local government and the services it provides, housing, economic development & business support.

There is virtually no area of Scottish Government spending that does not impact on disabled people's lives because they are active in all aspects of Scottish economic, social, cultural, political and community life.

However, because of the barriers to participation that continue to exist they are less active - particularly in employment, higher education, social and cultural life - than the average non-disabled member of Scottish society. As disabled people are much less likely to be in employment (less than half of Scots disabled people of working age are in employment compared to over 80% of non-disabled people of working age) they are more likely to be dependent on social security benefits for some or all of their income. Thus the level and adequacy of devolved disability benefits and the additional support provided by devolved benefits such as the Scottish Child Payment are disproportionately important to disabled people's ability to attain an adequate income.

Similarly disabled people, because of their exclusion from well paid employment, are more likely to be in relative poverty (JRF estimates that once additional costs disability benefits are discounted almost half (48%) of all households containing a disabled adult or child are in relative poverty). Households living on a low income are more likely to be reliant on services supplied by their local authority than more affluent households. Thus the funding of the NHS & local government and the services they provide are of greater importance to disabled people and their families as they will often have no means to seek alternative provision.

Disabled people are particularly reliant on housing provided by local authorities and other social landlords as they are less likely to own their own homes. Thus 59% of socially rented homes contain a disabled adult or child and as of January more than 24,000 disabled people and their families were on housing waiting lists for a house that meets their needs. An increase in the supply of accessible social housing properties is therefore a key concern of disabled people.

Disabled people are also reliant on the funding of social care support at a level that supports them to lead independent lives - and not just to survive. Charging for social care support is an additional tax on disabled people at a time when their finances are already stretched due to the Cost-of-Living crisis.

Similarly cuts to Local Authority funding often result in additional revenue through charges for services. Disabled people often cannot avoid these charges as they are either unique to them (e.g. personal alarms for falls) or fall disproportionately on them (e.g. parking at work when disabled people have no alternative means of reaching work).

After looking at this, do you want to say anything more or different about how the spending decisions of the Scottish Government affect you, or other people?

Yes. From our own engagement work we know that there is a relatively poor understanding amongst Scots disabled people about what powers and responsibilities the Scottish Government has and which are reserved to the UK Government.

This is not unique to disabled people as most Scottish citizens have only a limited understanding of devolved and reserved powers. It is therefore difficult for many people to understand why the Scottish Government doesn't raise the level of benefits - whether reserved or devolved - to provide more assistance with cost of living issues or act to limit the profits of energy companies and supermarkets to ensure that people can afford to heat their homes and feed their families.

This may be unfair but it reflects commonly held beliefs.

How do you think the way the Scottish Government raises money through tax affects your life and the lives of people around you?

The system of local government taxation (i.e. the Council Tax) and its method of collection has profound impacts on disabled people and other low income households.

The Council Tax is a regressive tax which takes proportionately more from low income households than from more affluent households i.e. a billionaire living in a mansion can pay just over three times as much as a social tenant in council housing earning the Living Wage. In comparison domestic rates had a ratchet of 1:10 where occupiers of the highest valued properties paid ten times that paid by those in the lowest valued homes. In addition to the initial unfairness of Council Tax properties have not been revalued in Scotland for over 30 years (since 1991). This has led to widespread unfairness as property values have changed considerably over this

period with some rising at a much greater rate than others previously in the same Council Tax Band - yet both will currently pay the same amount because of the outdated valuation.

The manifestly unfair nature of the Council Tax is often excused by reference to the Council Tax Reduction (CTR) scheme. However, this ignores the fact that despite increased income inequality and the impact of the Cost of Living Crisis on disabled people, the numbers claiming a rebate have not increased since the scheme was introduced but have instead fallen (from the introduction of the CTR scheme in April 2013 to March 2023, the number of households receiving CTR in Scotland has gradually decreased from 552,380 in April 2013 to 454,350 in March 2023).

In addition, eligibility to CTR is withdrawn rapidly as income increases meaning that those moving into work or increasing their hours can often face significant increases in their Council Tax bills. The year on year fall in the number of households claiming CTR should be of a concern to the Scottish Government as it means that an increasing number of low income households are faced with paying the full amount of Council Tax.

The decline in the numbers claiming CTR suggests that local authorities are not doing enough to promote the scheme to those on low incomes. Disabled people tell us that many local authorities are also using their full panoply of debt recovery powers in the first instance rather than making any attempt to support those struggling to pay their bills. The use of bank and wage arrestments to recover Council Tax debt leaves people with less income than they need to meet basic necessities such as fuel and food costs. It also ruins credit ratings making it impossible to borrow at an affordable rate. This in turn makes replacing essential goods (such as fridges and cookers) unaffordable. All this increases disabled people's debt including unmanageable debt which has a long-term impact.

We have not asked for some time but previously when we consulted on local government taxation disabled people favoured a reform of the Council Tax to make it fairer. More recently disabled people have told us that local authorities should provide much more support to those in arrears rather than automatically handing the debt recovery process over to Sheriff Officers.

More support would include full benefits checks and assistance in applying for other benefits that might be available from both the Scottish and UK Governments such as CTR, Universal Credit, Scottish Child Payment, CDP and ADP, Carers Assistance and Pension Credits.

At a recent webinar held by Inclusion Scotland disabled people also favoured more taxation on the profits of energy and fuel companies (a reserved issue) and a new tax on wealth (that is not just income) which might be possible via local taxation. In general the disabled people we have spoken to want well-funded public services and know that revenue is needed to deliver these.

What do you think would make it easier for people to understand and have their say on how well public money is used?

The way that spending figures are presented to the Scottish Parliament by the Scottish Government is fairly opaque making it difficult, even for those with some professional knowledge of budgets and spending priorities, to determine how much money the Scottish Government intends to spend on a particular service/policy implementation.

Sometimes cuts to services are concealed within an overall figure that includes increased spending on another area of service provision. Alternatively the same amount of funding may be set aside but to be spent over a longer period, effectively a year on year reduction but often presented as if there was no change. Sometimes overall spending on an issue can be presented as though it was all "new" when in fact only a smaller proportion is new money whilst most is a continuation of what happened before. For example spending on disability benefits occurred at a UK level before being devolved to Scotland and thus it in itself is not "new" spending to support disabled people or to reduce poverty.

The accessibility of some papers to those with a sight impairment or learning difficulty is also a barrier to transparency.

Finally it is not enough for Parliament, or Scottish Government, to ask what disabled people think of Budget spending proposals, they need to be upfront and honest about what impact their consultation responses will have on eventual spending decisions. If at the end of the day the responses have little or no impact on final spending decisions there is little to encourage people to spend time engaging with the pre-Budget process. All of these presentational, accessibility and engagement issues impact negatively on ordinary citizens' ability to understand and meaningfully have a say on the allocation and use of the Scottish Budget.

Jubilee Scotland

Representing the charity Jubilee Scotland.

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

Spending decisions affect my life, and those of all Scottish residents, because they determine what public services are available, how they are delivered, and their quality and accessibility. While this affects people in different ways and to varying degrees, results of spending decisions still affect everyone living in Scotland. For example, the NHS is highly affected by spending decisions, which determine factors such as what types of services are available, how many NHS staff are employed, and how quickly and easily people can access services.

NHS spending affects people in urban and rural areas differently, as people in rural areas are more likely to experience difficulties accessing NHS services, especially when lower levels of funding are provided by the Scottish Government.

The means through which the Scottish Government finances Scotland's public infrastructure also affects the lives of Scottish residents. For example, financing this infrastructure through Public Private Partnerships leads to poorer-quality, unsustainable buildings and poor use of taxpayer money, as the profit of private stakeholders is prioritised over the quality of buildings and the public's wellbeing. For example, schools financed through Public Private Partnerships are not designed and built in ways that promote children's learning and wellbeing.

There are examples of schools with limited natural light, which is problematic because natural light has been shown to be crucial to children's ability to learn. Furthermore, the decision to spend money on constructing new buildings instead of retro-fitting buildings that have served communities for many years increases carbon emissions that are counterproductive to achieving Scotland's Net Zero ambitions.

After looking at this, do you want to say anything more or different about how the spending decisions of the Scottish Government affect you, or other people?

Scottish financing through Public Private Partnerships also affects Scottish residents through how their taxpayer money is used, as Public Private Partnerships provide poor value for money from taxation. For example, this year it was revealed that Scottish taxpayers are footing an "£8.5 billion bill to pay for £2.9 billion of roads, schools, and hospitals through special finance projects sanctioned by the Scottish Government, many part-owned by firms based in offshore tax havens". Source: <https://www.heraldscotland.com/news/homenews/23347394.revealed-8-5bn-bill-2-9bn-scots-infrastructure-projects/>

This leads to even more limited public resources for vital services such as the NHS and education.

How do you think the way the Scottish Government raises money through tax affects your life and the lives of people around you?

Limited income from Scottish taxpayers could be bolstered by not allowing international businesses operating in Scotland to use taxation loopholes. This would positively affect the lives of Scottish residents by increasing public funding available for public services, infrastructure, and progression towards Scotland's Net Zero goal.

What do you think would make it easier for people to understand and have their say on how well public money is used?

Transparency in the decision-making process (e.g., who is making the decisions) and how public money is used is crucial. Increasing public consultation opportunities with Scottish residents, civil society organisations, and public service workers and users would also help make it easier for people to understand and have their say in how well public money is used.

Communications and publications should be written in ways that avoid jargon and are easily accessible to the general public and non-technical audiences. These publications should be available in multiple formats (i.e., digital and printed), multiple languages, and take accessibility concerns (e.g., dyslexia, visual impairment) into account.

SCVO

The Scottish Council for Voluntary Organisations (SCVO) is the national membership organisation for the voluntary sector (sometimes referred to as the third sector). We champion the role of voluntary organisations in building a flourishing society and support them to do work that has a positive impact. Along with our community of 3,500+ members and supporters, we want to see thriving charities, social enterprises, and community groups at the heart of a successful, fair and inclusive Scotland. Further details about SCVO can be found at scvo.scot.

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

SCVO welcomes the opportunity to respond to questions 5 and 7 of the Equalities, Human Rights and Civil Justice Committee. Our submission draws on evidence from:

- SCVO's engagement with the Committee and its predecessor, the Equalities and Human Rights Committee.
- Parliamentary records and Scottish Government publications.
- SCVO support services (funding, digital, membership support, and information).
- SCVO policy submissions, engagement, and research with the sector throughout 22-23.
- The Scottish Third Sector Tracker
- SCVO's State of the Sector statistics 2022.

Summary of our response

Scotland's voluntary sector is an employer, a partner, and a vital social and economic actor which employs over 135,000 paid staff and works with more than 1.2 million volunteers to support people and communities across Scotland. It should be of significant concern to the Scottish Government and Scottish Parliament that this crucial sector 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, with 1 in 10 voluntary organisations going into another unpredictable winter uncertain whether they will still be operating in 12 months. The cost-of-living crisis is a long-term issue likely to be with us for years. The many challenges this crisis brings will impact the most vulnerable in society, many of whom rely on voluntary sector services.

Fair and transparent funding is essential to ensure that voluntary organisations can continue to deliver vital services and support, offer Fair Work, support volunteers, and contribute to quality outcomes for people and communities across Scotland. Voluntary organisations are central to achieving Scotland's National Outcomes,

including the three policy priorities set out by the First Minister in the Policy Prospectus, “New leadership - A fresh start”:

- Tackling poverty and protecting people from harm;
- Creating a fair, green and growing economy;
- Prioritising our public services.

The latest data from the Scottish Third Sector Tracker shows that the running cost crisis has pushed the resilience of voluntary organisations to the limit; 67% of those surveyed reported financial challenges. Even more alarmingly, 92% of respondents working directly with the public highlighted worsening emerging needs.

To support the sector and these communities, greater funding levels across grants and contracts that keep pace with inflation are urgently needed. However, a fair deal on funding is about more than additional money.

The problems within the sector’s funding environment are multi-faceted and entrenched after years of poor funding practices that have left organisations vulnerable to shocks, impacting the sustainability of organisations and the services and support they offer. As a result of these pressures, this year the Poverty Alliance’s Challenge Poverty Week policy asks echo SCVO’s calls on the need for Fair Funding to support organisations that are often at the frontline of efforts to challenge poverty in Scotland.

The Committee can support the vital work of the voluntary sector by recommending the Scottish Budget 2024/25 includes the following commitments and actions:

1. Multi-year funding across several Scottish Government funds in the 2024/25 funding round to demonstrate progress towards the Scottish Government’s 2026 fairer funding commitment. The Scottish Government should report on the impact of this change to inform and develop a multi-year funding model as standard by 2026.
2. Align Scottish Government’s Fairer Funding principles with SCVO’s definition of Fair Funding – developed through significant research and engagement with the voluntary sector.
3. Ahead of the 2024/25 Scottish Budget and annual funding round, review and significantly improve the Scottish Government’s grant-making systems to address poor fund management approaches and create a framework for regular re-evaluation to ensure timely decision-making, communications, and payments.
4. Resource Living Wage uplifts in grants and contracts as part of expanding the Scottish Government’s Fair Work First criteria to ensure that the policy is not unfunded and that the Scottish Government does not expect voluntary organisations to subsidise government funding that does not cover the real Living Wage or provide inflation-based uplifts.
5. Annual inflation-based uplifts for public grant funding and contracts regardless of the type of delivery partner, recognising the impact of rising inflation on the voluntary sector workforce and the need for pay uplifts for voluntary sector staff on par with those offered to the public sector.

6. Ensure that voluntary organisations in Scotland benefit from the full Barnett consequential of the additional support the UK Government provides to charities and communities in England and communicate decision-making on these matters transparently.
7. Adopt a comprehensive approach to financial transparency around grant funding to support organisations and the public to understand spending decisions and ensure decisions progress the Scottish Government's equality priorities and National Outcomes. SCVO proposes several solutions in our response.

Do you want to say anything more or different about how the spending decisions of the Scottish Government affect you, or other people?

Tackling poverty and inequalities and addressing other systemic issues, such as climate change and a just transition to a wellbeing economy, are intrinsic to the work of the charities, community organisations, and social enterprises that make up Scotland's voluntary sector.

The crucial role of the voluntary sector in meeting the Scottish Government's strategic priorities is well documented, including in the Tackling Child Poverty Delivery Plan and the Covid Recovery Strategy.

It is also widely recognised that voluntary organisations are intrinsically linked to the Scottish Government's National Outcomes and are central to its work to improve equality, inclusion, and human rights for people across Scotland.

The Scottish voluntary sector:

- Includes over 46,500+ voluntary organisations.
- Extends across a range of priority areas.
- Contributes to all 11 National Outcomes.
- Provides essential support and services to people and communities across Scotland.

Voluntary organisations provide practical and emotional lifelines for people and communities and support them on their journey out of poverty. The sector also supports people to be economically active by providing employability, mental health, and wider support for people, families, and communities. Similarly, without the voluntary sector, public services would be significantly diminished.

Through direct provision of public services in areas like social care and youth work and working with communities to keep people active, engaged, and healthy in a way that prevents them from needing to access statutory services, Scotland's voluntary organisations are a vital part of Scotland's public service infrastructure.

SCVO appreciates the financial pressures facing the Scottish Government; however, Scottish Government spending decisions significantly impact the voluntary sector, creating an unsustainable funding environment that deeply affects voluntary organisations, their staff and volunteers, the communities they work with, and their contributions to the National Outcomes.

As the Committee understands from previous SCVO evidence, current challenges, such as rising inflation and the resulting cost-of-living and running costs crises, impact both the sector and the communities organisations work with. These challenges have the biggest impact on the most vulnerable in society, many of whom rely on voluntary sector services. As a result of this relationship, the Poverty Alliance's latest Challenge Poverty Week policy asks echo SCVO's calls on Fair Funding to support organisations that are often at the frontline of efforts to challenge poverty in Scotland.

In the Spring 2023 Third Sector Tracker, 66% of respondents reported an increase in demand for their services and within the communities they work with:

- 92% of respondents working directly with the public highlighted worsening emerging needs.
- 74% of respondents reported that over the last four months, the negative impacts associated with the rising living costs had worsened.
- Fuel poverty eased slightly, a 5% decrease, but organisations reported that housing issues or homelessness had increased by 6% and unemployment, redundancy, and lack of work increased by 5%.
- Only 5% of organisations reported that the needs within their communities had not increased.

Organisations that work with families and children or provide social care were most likely to report increased needs among their communities, particularly financial and health challenges. Continuing to mistake the sector's short-term perseverance through crises for long-term resilience will undermine the sector's ability to continue supporting people and communities and providing the many additional services that make up the fabric of Scottish society.

Years of underfunding and poor funding practices, followed by Covid 19, inflation and the resulting cost-of-living and running costs crises, have put the sector under increasing pressure, exacerbating financial and operational challenges and impacting the sector's ability to adapt.

Wave five of the Scottish Third Sector Tracker found:

- 10% of organisations are uncertain about their future viability.
- 67% of those surveyed also reported financial challenges.
- 39% found it difficult to plan ahead.

Similarly, the latest Fraser of Allander Institute (FoA) Scottish business Monitor found that businesses in the voluntary sector have greater cost pressures and concerns around these pressures than the rest of the business community. Voluntary organisations were also found to operate in a more challenging recruitment environment.

In the Spending Review Framework, the Scottish Government recognised that in the current climate of rising inflation and the resulting cost-of-living crisis, demand for public services will be high, and the voluntary sector will continue to play a crucial

role. Despite this and the sector's significant contribution, the voluntary sector remains underappreciated and under-resourced.

In October 2021, SCVO gave evidence to the Equalities, Human Rights and Civil Justice Committee. We discussed the need for multi-year funding, timely decision-making and payments, and the impact of the funding environment on voluntary organisations and their staff. We had previously shared similar concerns with the committee's predecessor.

The committee recognised these pressures and called on the Scottish Government to consider how a shift to a more sustainable, multi-year funding model for voluntary organisations could be achieved, both by government and across the public sector. The 2023/2024 Scottish Budget and the Resource Spending Review have not progressed these calls.

The Scottish Government's policy prospectus *New leadership - A fresh start*, has committed to delivering Fairer Funding by 2026, including exploring options to implement multi-year funding deals; the need for progress in these areas is becoming increasingly urgent.

At the FM's anti-poverty summit, attendees reiterated many of SCVO's calls for Fair Funding, describing short-term funding as a crisis that undermines resilience. Attendees described precarious funding arrangements where no inflation increases were provided and overcomplicated funding processes. The Children, Young People, Families and Adult Learning (CYPFAL) Third Sector Fund in particular, has been highlighted as a particular source of significant concern and frustration.

Rather than reporting progress, many voluntary organisations have described this year as the "worst ever" for organisations funded by the Scottish Government. Organisations have shared with SCVO numerous and varied issues that are, concerningly, spread across departments and funding streams throughout the Scottish Government.

Organisations have described the financial and practical impacts of:

- Receiving grant letters weeks, and in some cases, months, after the beginning of the financial year.
- Changes to the language used around what is and is not eligible spend.
- Business plan templates that have little relevance to the work of the funded organisations.
- New additional requirements and expectations being placed on organisations, including the introduction of approaches that focus far more on outputs rather than outcomes.
- Inconsistency in approach and the evidence required across Scottish Government departments.
- A lack of knowledge and understanding of the voluntary sector from the civil servants and grant managers.

Voluntary organisations also continue to experience delayed payments –even more so than in previous years - leading to significant strain on their operations,

including a risk of redundancies, difficulty recruiting and retaining staff and negative impacts on their ability to deliver the services that are so vital to communities across Scotland and achieving the National Outcomes.

We are also concerned to hear of several departments indicating that even though decisions and payments have been delayed, no extension of the timescales for projects will be given and monies unspent by March 2024 will have to be returned to Scottish Government.

SCVO welcomes the continued positive dialogue with the Cabinet Secretary for Social Justice. However, the Scottish Government's operational approach to managing available funding continues to exacerbate an already tough funding environment. The widespread and growing nature of these problems suggests a direction of travel that sets a concerning precedent across Scottish Government and public bodies.

The Scottish Budget is an opportunity for the Scottish Government to take the urgent action needed to recognise the many contributions of the voluntary sector and provide the Fair Funding our sector needs to offer Fair Work, support volunteers, and continue to provide the services and support people and communities rely on by implementing the following recommendations:

Recommendation:

Implement multi-year funding across several Scottish Government funds in the 2024/25 funding round to demonstrate progress towards the Scottish Government's 2026 fairer funding commitment. The Scottish Government should report on the impact of this change to inform and develop a multi-year funding model as standard by 2026.

Recommendation:

Align Scottish Government's Fairer Funding principles with SCVO's definition of Fair Funding – developed through significant research and engagement with the voluntary sector.

Recommendation:

Ahead of the 2024/25 Scottish Budget and annual funding round, review and significantly improve the Scottish Government's grant-making systems to address poor fund management approaches and create a framework for regular re-evaluation to ensure timely decision-making, communications, and payments.

Recommendation:

Resource Living Wage uplifts in grants and contracts as part of expanding the Scottish Government's Fair Work First criteria to ensure that the policy is not unfunded and that the Scottish Government does not expect voluntary organisations to subsidise government funding that does not cover the real Living Wage or provide inflation-based uplifts.

Recommendation:

Commit to annual inflation-based uplifts for public grant funding and contracts regardless of the type of delivery partner, recognising the impact of rising inflation on the voluntary sector workforce and the need for pay uplifts for voluntary sector staff on par with those offered to the public sector.

Recommendation:

Ensure that voluntary organisations in Scotland benefit from the full Barnett consequential of the additional support the UK Government provides to charities and communities in England and communicate decision-making on these matters transparently.

What do you think would make it easier for people to understand and have their say on how well public money is used?

As financial pressures intensify, it is crucial that the Scottish Parliament and other bodies can grasp the Scottish Government's spending decisions and what this means for progress across priority areas.

Transparent funding is vital to understand the Scottish Government's investment, not only in the voluntary sector, but all sectors. This clarity allows groups such as voluntary organisations, civil servants, and scrutiny bodies (including Audit Scotland and the Scottish Parliament) to understand the government's decisions, funding distribution, and budget alterations, and to engage with the government about the effects of these choices, whether they are positive, negative, or neutral.

This understanding can, in turn, support the public and the many communities the sector works with to understand how public funding is spent.

The Scottish Exchequer acknowledges that current financial information is fragmented, hard to access, and complex. This complexity has led government Ministers and civil servants to often rely on estimates provided by SCVO to gauge the extent of direct funding from the Scottish Government to the voluntary sector, estimated to be around £480 million annually. However, official data on this subject is notably absent from Scottish Government records, marking a significant gap in its understanding of how funds are distributed to the voluntary or "third" sector.

When responding to a recent Parliamentary Question regarding this issue, the Cabinet Secretary for Social Justice, Shirley-Anne Somerville, admitted that although the Scottish Government does allocate grants to the voluntary sector across various portfolios to improve a wide range of outcomes, this spending is not all specifically classified as to whether or not it is allocated to third-sector organisations to deliver services.

Data on Fair Funding criteria, such as multi-year funding commitments or funding uplifts, is also not collected.

During pre-Budget scrutiny last year, the Equalities, Human Rights and Civil Justice Committee recommended that the Scottish Government's approach to budget transparency should align with the core principles of human rights budgeting, encompassing data transparency, participation, and accountability.

Other similar calls from committees of the Scottish Parliament include:

- The Finance and Public Administration Committee's inquiry on effective decision making encouraged the Scottish Government to routinely publish timely information on the decisions it takes including the options considered, those discounted and why the decision has been made. The Committee also asked the Scottish Government to make clearer links between spending priorities and the National Outcomes.
- The Social Justice and Social Security Committee stressed the necessity for improved data collection to help target new and existing social justice policies effectively and to meet service delivery needs.

SCVO welcomed commitments in the Scottish Budget 2023/24 to increase transparency around public finances and we acknowledge the work of the Scottish Exchequer as part of the Open Government Action Plan (2021-25). More recently, in the policy prospectus, *New leadership - A fresh start*, the First Minister recognised that transparency must underpin delivery to ensure that Scottish Government can be held to account.

Voluntary organisations, being primary users of fiscal data, must be part of efforts to identify the actions needed to ensure fiscal data is transparent and accessible and reveals the extent to which the Scottish Government is delivering the Fairer Funding principles needed to support a sustainable voluntary sector, as committed to in the *Policy Prospectus, New leadership - A fresh start*.

Transparency can be significantly boosted by publishing grant data in user-friendly formats. The UK Government for example is "committed to increasing transparency, enabling taxpayers to hold the state to account both on how their money is being spent and how decisions are made which affect their lives." To meet its commitment to transparency, the Cabinet Office publishes a Government Grants Register and grants data on the 360Giving platform, ensuring that published awards data meet the 360Giving data standard.

The Scottish Government can mirror this approach, ensuring alignment with the 360Giving data standard. Adopting the 360Giving data standard would facilitate publishing awards to the 360Giving platform making the data more accessible and allowing Scottish Government awards to be viewed as part of the bigger picture that includes UK Government grants, lottery grants, and independent grant funders.

SCVO recognises the challenges that surround making changes to data infrastructure and that the gold standard will not be delivered in a short time.

To reach a suitable standard and enable a better understanding of how well public money is spent Scottish Government should commit to:

Recommendation:

Adopt a comprehensive approach to financial transparency around grant funding to support organisations and the public to understand spending decisions and ensure decisions progress the Scottish Government's equality priorities and National Outcomes. To achieve this the Scottish Government should:

- a) Publish awards to the 360Giving data standard including basic identifier core fields such as recipient name, organisation, and charity number.
- b) As an interim measure, include all significant spend, not just amounts over £25,000, in the monthly reports the government currently publishes and improve categories to ensure data is useful and accessible.
- c) Collect information across all government departments and produce a breakdown of Scottish Government funding to all sectors (voluntary, private, and public), by department and budget line.
- d) Calculate and publish the Scottish Government's total direct funding of voluntary, private, and public sector from grants and contracts.
- e) Within this data, Scottish Government should record Fair Funding progress by collecting and publishing what proportion of grants and contracts are:
 - Delivered on a multi-year basis.
 - Include annual uplifts.
 - Accommodate payment of the real Living Wage, including annual increases to this rate.
 - Communicate funding intentions at least three months in advance and make payments no later than the first day of the new financial year.

SWBG

The Scottish Women's Budget Group

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

The Scottish Government is responsible for a wide range of policy areas which have a direct impact on people's lives. The Scottish Budget reflects in monetary terms the priorities of the Scottish Government for the upcoming year.

However, differences in spending across policy areas affect people in a variety of ways depending on numerous factors, including class, gender, age, disability, access to public services or religion. For example, increasing funding on the Scottish Modern Apprenticeship Programme between 2008 and 2013 saw a 25% rise for new starts.

During this five-year period, women's share of new starts also increased from 27% to 43%. However, the level of gender based occupational segregation did not vary significantly. If anything, female domination in health and social care became more entrenched, with women accounting 87.7% of all apprentices in 2013 from 80.3% in 2008 (Campbell & Gillespie, 2017). As a result, the Scottish Modern Apprenticeship Programme did very little to deliver greater equality outcomes.

The Scottish Women's Budget Group (SWBG) has long drawn attention to these issues, particularly in relation to how revenue allocations have a different effect on women and men, and the implications of this for gender equality.

The SWBG advocates for the use of Intersectional Gender Budgeting as a key tool for gender mainstreaming within the budgetary process. On top of analysing the effect that public spend has on women and men, Intersectional Gender Budgeting also recognises other characteristics that may affect women and men's lived realities, such as age, socioeconomic situation and background, disability, race, ethnicity, religion and rural or urban location. By using this tool, local and national governments can identify opportunities and priorities for budget allocations.

Furthermore, Intersectional Gender Budget Analysis can help avoid any unintended consequences that could hamper progress towards gender equality goals, ensuring that fiscal decisions do not result in widening inequalities. Women and men continue to experience inequalities in pay, in employment and promotion opportunities, and in the harassment and abuse they receive, with women being more likely to experience poverty at all points in their life (WBG, 2022).

In addition, women still have more responsibility for unpaid work including childcare, care for older or disabled people, and domestic work. For many women, this means a greater reliance on public services and can limit the time they have for paid work and other activities. Intersectional Gender Budgeting turns the spotlight on these key issues which are often overlooked in policy, particularly the uneven distribution of unpaid work and how policies impact on this.

In their latest briefing titled 'The macroeconomic and fiscal benefits of gender equality, and how gender budgeting can support their achievement', the OECD recognised the social, environmental, and economic implications that spending decisions can have for a country, influencing people's choices regarding work and economic participation.

The briefing focused on how Gender Budgeting can help identify measures that support gender equality and economic growth. For example, adjustments to paid parental leave policies or subsidies for childcare and long-term care costs have a positive impact on women's participation in the labour market, which subsequently increases economic activity (OECD, 2022).

A case in point is Canada, where the government, following its Gender Results Framework introduced in 2017, increased support for childcare in the 2021 Budget with the overarching objective of dismantling women's barriers to access the labour market (OECD, 2022). More specifically, the Budget included provisions to reduce fees for parents by 50% on average by 2022, with the goal of reaching \$10 per day on average by 2026.

In Scotland, the extension of the funded childcare entitlement from 600 to 1140 hours a year for all three- and four-year-olds (and for two-year-olds who meet eligibility criteria) was partly designed to improve parents' opportunities to be in work. However, analysis by Close the Gap points out that for many women 'the need to purchase additional hours remains an insurmountable financial barrier to education, training and employment' (Close the Gap, 2023).

The above examples prove how spending decisions, budgets and fiscal policy more broadly are not gender neutral. Therefore, it is particularly important to incorporate a gendered perspective to spending decisions to either advance gender equality goals or to, at least, avoid deepening existing gender inequalities and worsening outcomes for women, both in the short and long term.

Intersectional Gender Budget Analysis brings to the fore the role of care as a key enabler of economic activity, making it visible. As such, it calls for greater public accountability to valuing care, for including people's caring needs in decision-making, and for spending decisions to consider the role of care in society, and its links to building a fairer society.

After looking at this, do you want to say anything more or different about how the spending decisions of the Scottish Government affect you, or other people?

Following the evidence gathered throughout the past year, the SWBG would like to draw attention to the gendered impacts of the cost-of-living crisis. Using this evidence and understanding what it means from an intersectional perspective is key to evaluating how the spending decisions of the Scottish Government could improve the lives of women living in Scotland.

Women and men have different lived experiences, which consequently impact on their levels of income and wealth, with women being more likely to experience

poverty. This is particularly true for women from Bangladeshi, Pakistani and Black ethnic groups, disabled women, single parents (of which at least 90% are women) (OPFS, 2020), survivors of abuse, unpaid carers, and women with no recourse to public funds (WBG, 2022).

Women are also often the shock absorbers of poverty, as they tend to have the main responsibility for the purchase and preparation of food for their children and families and for the management of budgets in poor households (WBG, 2022). It is thus unsurprising to learn about the difficulties encountered by women as they navigate the challenges of the current cost-of-living crisis.

Last year's SWBG and Poverty Alliance research into the experiences of low-income women in Scotland found that these women were taking increasingly challenging decisions to manage the impact of rising costs. These decisions included going without food, reducing or cutting off energy use, taking on more debt, working increasing hours despite impacting on health and becoming increasingly isolated from friends, family and services.

Our Women's Survey 2023 echoed those findings, exposing the implications of costs being higher than prior to the pandemic and some of the mechanisms that women are currently using to cope with these. Some of the key findings showed us how:

- 23% of women respondents are taking on more debt. This figure rises to 40% for single parents.
- 41% of women stated that they are using their savings to make ends meet.
- The areas with the greatest impact of increased costs for women were energy and food costs with 46.3% of our respondents telling us they are struggling with energy costs and 37.1% with food costs. For disabled women, these figures are even higher, with 56% and 51% respectively.

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 could prioritise spending on policies designed to protect women from the effects of inflationary pressures. These must include:

- Widen eligibility for cost-of-living support, including the review of thresholds for means-tested entitlement (the Carers Allowance being an obvious one), and considering the additional costs that disabled people experience.
- Mitigate the young parent penalty and the two-child limit through additional payments as part of the Scottish Child Payment.
- Ensure adequate funding for the Scottish Welfare Fund.

Shrinking local budgets also have implications for women's equality. Analysis by Audit Scotland has highlighted that revenue funding for local government has not kept pace with other parts of Scottish Government revenue spending. COSLA analysis indicates that there has been a £69.6million cash increase once all national level government commitments are covered. With high inflation rates, increased

costs of energy and fuel, increasing demand on some services and higher than anticipated pay rises in 2022/23, this level of cash increase means most local authorities are still struggling to cover costs and sought to make savings within the 2023/24 budget.

Local authorities play a key role as service providers of which women depend most, such as Early Learning and Childcare provision, social care services and others. For example, research carried out in North Lanarkshire showed that cuts to environmental services were 'felt most by women living in poorer neighbourhoods' (Audit Scotland, 2023). Women ended up making most of the requests for environmental services contributing to their invisible 'third shift', instead of the council scheduling routinely services as had previously been the case (Audit Scotland, 2023).

Local government is also a source of women's paid employment. According to figures from the Women's Budget Group (2020), 78% of council employees are women. In light of this evidence, the Scottish Government should review their approach to local budgets to reach a fair settlement that allows for the continuation of key services for women and guarantees fair pay for local government workers. In addition to protecting women from the effects of the cost-of-living crisis (particularly those in the groups referenced further above), prioritising investment in care would be key from an equality's perspective.

Scotland's social care sector is in a critical state and needs urgent investment: services are understaffed (Scottish Social Services Council, 2022) with recruitment and staff retention difficult at current pay levels; (Fair Work Convention, 2019) people are unable to receive the care packages they need; and wider unmet needs are likely to be extensive, resulting in additional caring pressures being pushed towards unpaid carers.

Investing in care as critical social infrastructure is central to securing Scotland's goals of a wellbeing economy, and key to delivering women's equality and Net Zero targets. Our care cost modelling research found that an increase in social care funding of £3.3bn is vital to realise the ambitions of a transformative scenario which would see:

- Increasing access to free care to those with critical needs and moderate needs.
- Increasing qualifications and pay to Nordic levels, with care workers paid an average of £15.21 per hour. This scenario assumes that higher take-ups would relieve informal care needs further and eliminate unmet needs.

Additionally, our care cost modelling research draws attention to the potential that investing in care has for revenue generation. For example, it calculates that additional direct and indirect tax revenue would yield an estimated additional £1.5bn annually (or 46% of the estimated additional investment required in the transformative scenario).

Investment in care would also yield important social benefits in the long-term, especially in the context of an ageing population in Scotland. Demographic spending

pressure will increase according to the latest projections of the Scottish Fiscal Commission. Prioritising investment in care would prepare Scotland for the challenges ahead while delivering on Scotland's Net Zero and Gender Equality targets.

Another area where spending could make a huge difference to women's lives is childcare provision. Preliminary data from our currently ongoing 'Childcare Survey 2023' shows how couples, and mothers more specifically, are increasingly struggling to juggle work and childcare responsibilities. Women are telling us "We cannot currently afford any extra childcare costs, I have had to decline extra working hours because childcare would not be covered by the extra pay" or "I feel very strongly that I have not been able to progress in work, and have been held back as I don't have the time to dedicate to work. If a child is ill or unable to attend school due to disability, my work is the first thing to be affected, which means I am letting others down, it directly affects my mental health and wellbeing as well as income".

These initial findings are in line with the latest research conducted by Close the Gap (2023) and demonstrate that the spending decisions of the Scottish Government affect women and men differently.

Most importantly, further evidence indicates that the way in which funded childcare is implemented in local areas provides less benefit to those in lower income groups and/or working in sectors that do not adhere to the traditional 9-5 office hours. As a result, the government's childcare scheme could be doing nothing to alleviate the squeeze felt by those families and women already managing tight budgets. This again proves how government spending decisions affect social groups differently, and the need to include Intersectional Gender Analysis as part of the policy-making and budgetary processes.

Finally, it is worth noting that spending decisions are key for the successful implementation of policy plans. For example, while the publication of the Women's Health Plan 2021-2024 was a welcomed and necessary step to close the 'gender health gap' as part of the Scottish Government's broader objectives on gender equality, the plan did not include any specific funding allocations towards its delivery. Instead, the Plan was conceived to be implemented alongside Covid-19 recovery and renewal plans (Scottish Government, 2021).

This raises questions as to how effective the plan will be in matching its ambitions if not enough resources have been allocated to ensure its delivery.

How do you think the way the Scottish Government raises money through tax affects your life and the lives of people around you?

How our revenue is generated has an important role to play in tackling inequality. Just like decisions on how best to spend public money, decisions about how best to raise public funds through tax can affect women and men differently. Additionally, regressive taxes place greater pressure on those on lower incomes, with wealthy men the most likely to benefit.

Women make up a higher proportion of those on low incomes and therefore tax changes to realise a more progressive tax system will improve efforts towards gender equality.

A gender budgeting approach to the tax system analyses how the tax system can be used to promote equality in society more widely. This means ensuring that the necessary data and analysis are brought into the decision-making process to consider the differing impacts of tax decisions on men and women, the differing experiences faced by women, and how those decisions can work to promote equality. Understanding these effects and analysis is needed in the decision making and prioritisation process.

While Scotland does not hold the levers of power on all tax decisions there is more that could be done to realise a progressive tax regime in Scotland. Evidence from the Office of the Chief Economist demonstrated that changes made in Scottish income tax in 2021-22 compared to a scenario of no tax changes since 2016-17 meant that in 2021-22 85% of women paid less tax, compared to 72% of male taxpayers (Scottish Government, 2022).

A continuing priority for the Scottish Government is to maintain commitments to a progressive income tax regime and continuing to use powers on income tax to provide increasingly progressive rates. However, other taxes within Scotland are more regressive in nature.

Council Tax is a particularly regressive form of taxation that is within the control of the Scottish Government. According to data from the Office of National Statistics households in the bottom quintile pay 4.6% of their income on Council Tax, whereas those in the top quintile pay just 1.4% of their income on this tax (ONS, 2020)

In a recent survey we carried alongside the Faside Women and Girls Group and Making Rights Real seeking the views of women and girls in East Lothian about the impact of the cost-of-living crisis on them, respondents expressed that increases in council tax “will make us cut back – eg we’ll have cheaper meals”, or “increase in council tax means less food on the table”. Efforts to reform Council Tax into a progressive form of local taxation would benefit those on low income and are a necessary step if taxation is to promote a more equal society.

Local taxation is an area long overdue for reform, to ensure local authorities are funded to provide vital public services that women disproportionately rely on and to tackle the regressive form of taxation currently in place. This should be considered a priority within what’s left of the current parliamentary term.

Commitment on local tax reform must go beyond holding a Citizens’ Assembly, that was set out in by the Scottish Government in 2021, and the considerable work undertaken by the Commission on Local Tax Reform should be reconsidered as part of this process.

Regarding options available to councils to raise money through parking and other taxes, it is important to consider how women’s caring responsibilities influence their experiences of travel. Our Women’s Survey 2023 found that, particularly in rural

settings, women have higher car dependence, with 50% of women in rural areas expressing being very dissatisfied or dissatisfied with public transport routes, with 64% dissatisfied with timetables, compared to 36% and 48%, respectively, of women in the survey overall. What's more, these women frequently highlighted the lack of choice in transport options, irregular bus timetables, significantly longer journeys by public transport and expensive services.

Therefore, local authorities looking at introducing parking taxes need to take into consideration the experiences and lived realities of their citizens, including women's caring roles, and ensure that any such measures are coupled with the provision of fit-for-purpose and affordable public transport.

What do you think would make it easier for people to understand and have their say on how well public money is used?

There are several ways in which the Scottish Government can make it easier for people to understand and have their say on how well public money is spent. As per previous consultation responses, improving transparency in relation to budgetary decisions would be a welcome step to increase public engagement.

The Resource Spending Review made the commitment to greater transparency in future budget processes through steps such as publication of all Equality Impact Assessments (EQIAs) from the 2023-24 budget processes onwards. This is an important commitment to ensure that these are meaningful. It is critical that considerations of equalities start at the very beginning of any process and is not something which is undertaken after decisions are taken.

As yet publication of all these EQIAs for the 2023-24 budget process is still to be delivered. This will be an important step and must be complimented by ensuring that the process of completing EQIAs includes ongoing monitoring and review to ensure policies have the impact intended. 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.

Alongside this, how information is presented is crucial. Producing a Citizen's Budget document annually to provide budget information in a clear, accessible way that links to everyday life would be an important step forward for the Scottish Government and make it a leader within the UK in transparency of budget information. Recent work by the SPiCE unit offers good examples of trying to make budget information more

accessible, which range from the detail as to how decisions are made to the format of Budget Documentation.

Tracking budget spend once the budget has been delivered is an important step which at present there is a serious lack of public information on. This makes scrutiny and evaluation of budget spend difficult for external organisations or individuals.

Transparency could be improved by monitoring spend, particularly by publishing monthly reports showing progress in implementing the budget (OECD, 2002), and how this spend impacts on progress towards Government's goals, including National Outcomes.

SPiCE also highlights the challenges in making comparisons to previous budgets, which consequently interferes with any potential monitoring of changes in revenue allocations. The complexity of spend in some areas through multiple public bodies contributes to the difficulty in accessing clear information.

As part of wider budget scrutiny measures the Committee should look at budget review processes and tracking the impact of spend against national outcomes. By having transparent processes in place and clear information as to what motivates budgetary decisions and their alignment with policy objectives, including the Programme for Government and the interlinks between this and the National Outcomes, citizens can reach a greater understanding of how public money is used and what for.

In such a scenario, citizens could feel more empowered to use the mechanisms already in place to have their say about alternative ways to spend public money, for example, through their MSPs.

With regards consulting the public about their views, it's important that this is meaningful and that there is a clear link between the consultation process and decisions made so as not to waste the time of those who respond. Having a clear plan for how information will be collated and used to inform decisions as well as ensuring that these processes are inclusive and hear from as many different groups as possible is essential if decision makers are to fully understand how their decisions will impact on some of the most vulnerable groups in society. Whether this is done on an annual basis or as part of deeper participation processes, knowing who is being heard through consultations and who might not be through collection of some demographic data, will allow for better analysis of data and the identification of differing needs within the community.

Future processes ensuring meaningful participation that reaches a wide cross-section of the population is critical.

The ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector intermediary for health and social care, bringing together a diverse range of people and organisations who share our vision, which is a Scotland where everyone has a strong voice and enjoys their right to live well with dignity and respect.

We are a strategic partner of the Scottish Government and have close working relationships with many NHS Boards, academic institutions and key organisations spanning health, social care, housing and digital technology. Our purpose is to improve the wellbeing of people and communities across Scotland.

We bring together the expertise of people with lived experience, the third sector, and organisations across health and social care to inform policy, practice and service delivery. Together our voice is stronger and we use it to make meaningful change at the local and national level.

The ALLIANCE has a strong and diverse membership of over 3,300 organisations and individuals. Our broad range of programmes and activities deliver support, research and policy development, digital innovation and knowledge sharing. We manage funding and spotlight innovative projects; working with our members and partners to ensure lived experience and third sector expertise is listened to and acted upon by informing national policy and campaigns, and putting people at the centre of designing support and services.

We aim to:

- Ensure disabled people, people with long term conditions and unpaid carers voices, expertise and rights drive policy and sit at the heart of design, delivery and improvement of support and services.
- Support transformational change that works with individual and community assets, helping people to live well, supporting human rights, self management, co-production and independent living.
- Champion and support the third sector as a vital strategic and delivery partner, and foster cross-sector understanding and partnership.

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

Third sector organisations like the ALLIANCE are significantly impacted by the Scottish Government's spending decisions. In some cases, this can be due to reliance on direct funding and commissioning from the Scottish Government. In other cases, local authorities, the NHS, Integration Joint Boards and Health and Social Care Partnerships may be responsible for such decisions in the first instance, but drawing on funding ultimately allocated by the Scottish Government.

The financial situation facing third sector organisations has been difficult for several years, particularly as a result of short term funding arrangements, and the ALLIANCE have consistently called for adequate and sustainable support for third sector organisations.

The contribution of the third sector to Scotland's people, society and economy remains unrecognised and undervalued. According to the Scottish Council for Voluntary Organisations (SCVO) [1] as of 2021, there are over 46,000 third sector organisations in Scotland, with an estimated combined annual turnover of more than £8.5 billion.

The sector is also a major employer – for example, SCVO estimates approximately 135,000 paid staff work in Scotland's voluntary sector. However, the third sector has been put under significant pressure in recent years, exacerbated by the COVID-19 pandemic and the ongoing cost of living crisis. SCVO's Third Sector Tracker [2] found that by winter 2022, two-thirds of organisations reported shortages and issues with staffing and volunteers, and the same number were facing financial challenges.

At the same time, 39% of organisations said they had difficulty planning for the future. Given the vital role that the third sector plays in supporting people across Scotland, and the scale of the workforce, it is crucial that it is adequately funded by the Scottish Government.

Although the Scottish Government has repeatedly stated it remains committed to carrying forward proposals on multi-year funding, there has been little to no visible progress on this for several years. The ALLIANCE strongly back the SCVO's 'Fair Funding for the Voluntary Sector' [3] proposals and would urge the Scottish Government to act upon them as a priority. References:

1 SCVO, Research, available at: <https://scvo.scot/policy/research>

2 SCVO, 'Third Sector Tracker – Wave 5 Winter 2022' (March 2023), available at: <https://storage.googleapis.com/scvo-documents-evidence/0693z00000ZlyVUAAZ-Scottish-Third%20Sector%20Tracker%20-%20Wave%205%20Winter%202022.pdf>

3 SCVO, 'Fair Funding for the Voluntary Sector' (January 2023), available at: <https://scvo.scot/p/56732/2023/01/16/%e2%80%8bfair-funding-for-the-voluntary-sector>

After looking at this, do you want to say anything more or different about how the spending decisions of the Scottish Government affect you, or other people?

The ALLIANCE have long advocated for the Scottish Government to adopt a human rights budgeting approach, which is outlined in more detail by the Scottish Human Rights Commission, our partners in the Human Rights Budgeting Working Group [4].

The Scottish Government has the obligation, as the UK Government does, to respect, protect and fulfil human rights. How revenues are raised, how spending is allocated, and how they are used in practice are all essential to delivering on human rights obligations. The principles of human rights budgeting go beyond simply the

setting of the budget and can be applied to scrutiny, and we welcome that the Equalities, Human Rights and Civil Justice Committee have been seeking to embed some of these principles in its own 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.

In addition, investment in preventative measures must be a priority for the Scottish Government. The long term financial benefits of preventative approaches are widely recognised, including in a recent paper by Public Health Scotland [5], as lower cost early intervention can prevent deterioration of health and wellbeing that would necessitate more significant and expensive interventions later.

However, we are unconvinced that sufficient resource will be committed to preventative spend in areas such as mental health, social care and social security. The only reference to prevention in the Scottish Government's Medium-Term Financial Strategy is limited to a £500 million investment in whole family wellbeing.

Transparency is a core principle of human rights budgeting, key to developing efficient budgets that deliver on outcomes, and imperative for scrutiny and accountability. In relation to the Scottish Government budget, it is difficult to 'follow the money' for prevention from allocation to spend to impact. In the context of the ongoing cost of living crisis, spending that supports people to eat well and heat their homes reduces the likelihood they will need to access NHS and social care services.

An ALLIANCE report published in October 2022 investigating the impacts of the crisis on disabled people, people living with long term conditions, and unpaid carers [6], highlighted worrying examples of the kinds of cutbacks people were having to make. Some people told us they had reduced the number of meals they had each day, were heating their homes less, or even limiting bathing. All of these measures could negatively impact their health in the longer term, increasing the risk of malnutrition or infection that could lead to hospitalisation and increased social care need, but would be avoidable with adequate support through the social security system.

Similar worrying findings were shared by the UK's national human rights bodies, including the SHRC, as part of their recent report to the United Nations [7].

Whilst acute and crisis services must continue to be funded adequately, failure to invest in preventative approaches increases demand on those services, with resulting costs to public finances and to individual health and wellbeing. The costs of allowing people to reach crisis point before they receive support can also be borne by seemingly unrelated services – for example, Police Scotland have reported a near doubling of call-outs for mental health related incidents between 2017 and 2022 [8]. This emphasises the importance of a cross-cutting approach to and understanding of prevention across a range of government portfolios.

The ALLIANCE would urge the Scottish Government to make further progress towards a wellbeing economy by driving and encouraging investment in key services. The Medium-Term Financial Strategy does note that the government remain committed to the wellbeing economy, and to “economic growth for a

purpose”, and it is important that this principle is meaningfully followed, for example by fully recognising the value of care.

References

4 Scottish Human Rights Commission, ‘Human Rights Budget Work’, available here: <https://www.scottishhumanrights.com/projects-and-programmes/human-rights-budget-work/>

5 Public Health Scotland, ‘The case for prevention and sustainability of health services’ (July 2023), available at: <https://publichealthscotland.scot/publications/the-case-for-prevention-and-sustainability-of-health-services>

6 The ALLIANCE, ‘Disabled People, Unpaid Carers and the Cost of Living Crisis: Impacts, Responses, and Long Term Solutions’ (October 2022), available at: <https://www.alliance-scotland.org.uk/blog/news/alliance-cost-of-living-report-calls-for-further-emergency-support/>

7 Scottish Human Rights Commission, ‘Commission warns of crisis for disabled people’s rights’ (August 2023), available at: <https://www.scottishhumanrights.com/news/commission-warns-of-crisis-for-disabled-people-s-rights/>

8 The Herald, ‘NHS strain sees police first to mental health call-outs’ (April 2023), available at: <https://www.heraldscotland.com/news/23432444.nhs-strain-sees-police-first-mental-health-call-outs/>

How do you think the way the Scottish Government raises money through tax affects your life and the lives of people around you?

As the primary mechanism for raising the revenue necessary to fund essential public services, how the Scottish Government uses its powers over taxation has a significant impact on everyone in Scotland. However, these impacts are not equitably distributed. Decisions that may result in reduced expenditure in areas like health, social care and social security will have the greatest negative impacts on the groups that rely most on those services, including disabled people, people living with long term conditions, unpaid carers, and people experiencing poverty.

Similarly, whilst effort has been made in recent years to make the Income Tax system more progressive, Council Tax remains a highly regressive system where the burden of taxation falls most heavily at the lowest end of the scale rather than the highest.

Whilst the ALLIANCE does not have a position on the specific rates and forms of taxation that should apply in Scotland, we would re-emphasise our consistent calls for a human rights based approach to public finances. As stated in our initial response to the Resource Spending Review Framework consultation in 2022 [9], plans to incorporate several international human rights treaties into Scots law offer an opportune time to embed human rights budgeting principles. In particular, decisions on public finances should have due regard to two of the key principles of

progressive realisation of human rights, those of “non-regression” and “maximum use of available resources.”

In taking forward this and future year’s budgets, non-regression means the Scottish Government must ensure that any changes in spending do not result in people’s existing human rights, such as the rights to independent living and equal participation in society for disabled people, being eroded. Maximum use of available resources means the government has a duty to ensure that adequate funding is available to ensure the progressive realisation of human rights. It should therefore carefully consider how to use the tax and revenue powers it has at its disposal to maximise revenues.

The ALLIANCE have nonetheless previously specifically highlighted Council Tax as an area of concern, including in both written [10] and oral [11] evidence to the Equalities, Human Rights and Civil Justice Committee as part of pre-budget scrutiny last year. Council Tax is highly regressive by design and has only become more regressive in the three decades since it was introduced. The regressive nature of Council Tax, combined with the fact that local authorities can only set the Band D rate with all other rates being defined in statute as multiples of that value, significantly impacts the ability of local authorities to raise the revenues necessary to deliver public services in a fair and equitable manner.

A range of prospective replacements for Council Tax were investigated in depth through the Commission on Local Tax Reform in 2015 [12], which included representatives from four of the five parties currently present in the Scottish Parliament.

Whilst the Medium-Term Financial Strategy states the Scottish Government’s intention to further progress local tax reform, it is important that this is taken forward at pace. Given the existence of a prior evidence base in the Commission’s report, the scale of financial pressures, and the increasingly regressive nature of Council Tax, legislating for a replacement in some form must not be delayed.

References:

9 The ALLIANCE, ‘Response to Resource Spending Review Framework’ (March 2022), available at: <https://www.alliance-scotland.org.uk/blog/resources/alliance-response-to-resource-spending-review-framework-consultation/>

10 The ALLIANCE, ‘Equalities, Human Rights and Civil Justice Committee Pre-Budget Scrutiny 2023-24 – Alliance Response’ (September 2022), available at: <https://www.alliance-scotland.org.uk/wp-content/uploads/2022/08/Equalities-Committee-Pre-Budget-Scrutiny-2023-24-ALLIANCE-Response.docx>

11 Scottish Parliament Official Report, Equalities, Human Rights and Civil Justice Committee, ‘Pre-Budget Scrutiny 2023-24’ (October 2022), available at: <https://www.parliament.scot/chamber-and-committees/official-report/search-what-was-said-in-parliament/EHRCJ-25-10-2022?meeting=13946&iob=126407>

12 The Commission on Local Tax Reform, ‘Just Change: A New Approach to Local Taxation’ (December 2015), archived at:

<http://web.archive.org/web/20160303000220/http://localtaxcommission.scot/download-our-final-report>

What do you think would make it easier for people to understand and have their say on how well public money is used?

The Scottish Human Rights Commission has produced a series of papers on human rights budget work in practice. One of these papers focuses on procedural principles, including how to involve the wider public in the budget process [13]. Core to this is the active participation of rights holders in the process according to the PANEL principles – participation; accountability; non-discrimination and equality; empowerment; and legality.

The Government should also make space to listen to the voice of lived experience, providing proper facilitation and support of their engagement. This should include (although not be restricted to) funding for accessible communications on the budget process and decisions, and any assistive technology or support costs required to enable lived experience representatives to take part in and contribute to the work of the care boards.

Existing resources such as the National Standards for Community Engagement [14] and learning from current groups such as the People Led Policy Panel should be used to help embed active participation in the budget process. It is important to consider inclusive communication in all aspects of developing and communicating the budget.

Inclusive communication should follow the Six Principles of Inclusive Communication [15], and should be publicly available in multiple formats, including Community Languages, British Sign Language (BSL), Braille, Moon, Easy Read, clear and large print, and paper formats.

The ALLIANCE recommends involving relevant experts – including BSL and language interpreters – at the earliest opportunity to ensure communications and information provision is inclusive for all. Good quality audio-visual content in accessible formats, can be a particularly effective way of conveying information, and could be used for example to describe what the budget aims to achieve in key thematic areas, and what changes have been made relative to the previous year's budget. This should be promoted alongside general resources which outline how the budget process works.

Whilst recognising that the Cabinet and civil servants involved in the budget are extremely busy at budget time, it may be worth considering imaginative means of opening up the process beyond parliamentary scrutiny to allow some degree of public scrutiny, for example through engagement events related to individual portfolios. These various methods should form part of an overarching, clear and consistent communications strategy, which puts a duty of transparency on the Scottish Government.

References: 13 Scottish Human Rights Commission, 'The Budget Process and Human Rights Procedural Principles' (September 2019), available at: <https://www.scottishhumanrights.com/media/1915/hrbw-paper-6-vfinal.pdf>

14 Scottish Community Development Centre, 'National Standards for Community Engagement', available at: <https://www.voicescotland.org.uk/national-standards>

15 Scottish Government, 'Principles of Inclusive Communication: An information and self-assessment tool for public authorities' (September 2011), available at: <https://www.gov.scot/publications/principles-inclusive-communication-information-self-assessment-tool-public-authorities/documents/>

Shelter Scotland

This submission represents the views of Shelter Scotland.

How do you think the spending decisions of the Scottish Government affect your life, and do you think this is the same or different for other people you know?

Shelter Scotland exists to defend the right to a safe home and fight the devastating impact the housing emergency has on people and society. We work in communities to understand the problem and change the system. We run national campaigns to fight for home.

The Scottish Government has the capacity and power to shape Scottish society. The decisions and priorities of Ministers have a direct impact on the lives of citizens. This can be seen clearly in the continued decision to under invest in social house building.

There is a direct relationship between the spending priorities of the last decade and the harm experienced by communities. The 120% growth in children in temporary accommodation since 2014 is directly due to the failure to build family sized properties in the social housing sector.

The above inflation increases in private rents are related to the failure to set an objective for spending on new homes of reducing affordable housing need. This pushed more low-income households into the private rented sector, often supported by welfare benefit payments. This in turn incentivised more buy to let landlords to enter the market, driving up competition between tenants for a tenancy, and driving up house prices to levels that locked middle-income households out of owner-occupation.

The Scottish Government's approach to budgeting has ensured minimal progress across a wide range of areas. It has not demonstrated a clear directive on how it wants to use its power to transform our communities. In housing during the last Parliament, the Government set an affordable house building target that was only at 80% of the expert estimated 60,000 homes required to address the need.

A human rights-based approach to budgeting is needed if we are to finally make progress on tackling deeply embedded poverty in this country. We have been disappointed in the lack of movement towards this approach in recent years.

The Scottish Government continues to make strong commitments to tackle poverty, particularly child poverty, but the way it delivers its budget prevents it from being able to meet these goals – meaning spending decisions do not have the intended impact.

You cannot guarantee people's rights without funding the policies, institutions and systems that are required to make them a reality. We need to move from a position of asking 'how do we respond to need with the money we have?', to 'how much money do we require to respond to need?'. Targeting money where it is most effective – and indeed finally living up to the preventative spend ambitions outlined in

the Christie Commission well over a decade ago – is the only way we will be able to tackle the housing emergency and tackle deep-rooted poverty, and to close the implementation gap between our world-leading housing legislation and the outcomes that are actually delivered.

Specific spending decisions have a major impact on our clients. For example, the decision in 2023/24 to cut the social housing supply budget is likely to have contributed to a continued slowdown in the delivery of new social homes across Scotland, with both starts and approvals expected to decline throughout the financial year. This means fewer social homes will be delivered, leaving more people trapped in temporary accommodation or stuck in housing which does not meet their needs.

Equally, the long-term trend of real terms cuts to local government funding has contributed to local homelessness services being ‘at risk of systemic failure’, according to the Scottish Housing Regulator. A lack of sufficient resource at local authority level has a major impact on our clients – with routine failures to uphold legal duties meaning far too many people do not see their housing rights realised. This is a direct consequence of spending decisions.

These two examples show the impact that spending decisions have on our clients and on people across Scotland. The current limited ability of organisations like us to track those spending decisions also speaks to the need for greater transparency – and show the positive impact that following a human rights budgeting approach could have, by ensuring money is spent in a transparent and targeted manner.

How do you think the way the Scottish Government raises money through tax affects your life and the lives of people around you?

Shelter Scotland believes that the Scottish Government should use every lever at its disposal to tackle the housing emergency. That includes using the devolved tax system to maximise funding for new social housing and homelessness services, as well as utilising this to reshape the housing system.

Recent actions such as changes to council tax and LBTT (Land and Buildings Transaction Tax) for second properties are welcome as far as they go, but we believe the Scottish Government can be bolder and braver. We need that radical action if we are to create the lasting, structural changes needed to tackle the housing emergency.

Consideration should be made of how tax powers can be used to realise societal benefit where planning decisions cause an increase in land values. Currently 100% of the benefit goes to the landowner despite the absence of any financial risk on their part. This contributes to inflated house prices that impact on homeowners or housing providers.

What do you think would make it easier for people to understand and have their say on how well public money is used?

A human rights budgeting approach must be adopted if the process is to give people more influence on how public money is spent. Dr Alison Hosie’s evidence to the Social Justice and Social Security Committee as part of their pre-budget scrutiny in

2022 identified many of the problems we face in understanding how money is spent, and the gaps between what the Scottish Government currently does and what would be an actual human rights budgeting approach. We would urge the committee and the Scottish Government to carefully reflect on Dr Hosie's evidence.

The current budget process lacks accountability due to the lack of information that is provided by the Scottish Government throughout the budget setting process, and in the documents that are published alongside the draft budget. Rather than waiting for plans to fail, greater transparency and accountability would allow for detailed alternative proposals to be put forward, and for people to better understand how spending decisions are going to affect them. It would also enable scrutiny to begin at an earlier stage, allow us to identify where programmes are not working and what spending decisions can be made to improve those programmes in the year ahead.

As the committee will know, the lack of transparency on how spending decisions are made hampers efforts to scrutinise the budget, and the Scottish Government must do better if it is to live up to claims of having an open and transparent budget process. This would increase understanding of how the process works, while also giving people the opportunity to put forward their priorities. Some local authorities have taken this kind of approach in recent years which has been interesting to note.

Transparency, accountability and engagement should be the cornerstones of the budget process, but the government is lacking on all three counts at the moment – which we believe contributes significantly to the ongoing housing emergency. With the Scottish Government set to bring forward its Human Rights Bill, they need to urgently reflect on how the budget process currently prevents rights from being realised and do all it can to reverse that trend and embody a human rights-based approach to budgeting.

Annexe B: Written evidence sent to Committee outwith survey

NASUWT

The Union fully supports the aim of further involving the public in the scrutiny of the Scottish Government's spending plans. The NASUWT believes that the processes and procedures under which budget decisions are reached, as well as their impact and subsequent auditing, must be centred in human rights principles and must seek to challenge and address systemic discrimination and inequality. A human rights-based approach to budgeting will support progressive Government spending priorities and policies, ensuring resources are distributed in a way that understand and support the needs of people, communities and the workforce.

To that end, we are calling on the Committee to seek out the voices of those with protected characteristics as a priority: this will require more targeted action than can be achieved through a standard national consultation process.

Meaningful participation from marginalised groups can only be achieved where institutional and cultural barriers to diversity have been confronted and where racism, racial discrimination or harassment is acknowledged and is being actively combatted.

The Scottish Parliament must show its commitment to equality and diversity, not only through the education budget, but also by giving teachers and prospective teachers with protected characteristics the priority they deserve. The Committee must show that it values the public contribution, not simply regardless of age, gender, ethnic background, disability, religion and sexual orientation, but by valuing the contribution that such diversity can bring to policy development, budgetary scrutiny and indeed to education, children's learning and lives.

The NASUWT would be happy to discuss all of these issues in more detail with the Committee or to facilitate engagement via any of our equality networks.

SHRC

As you are aware, the Scottish Human Rights Commission is the National Human Rights Institution (NHRI) for Scotland and has a general duty to promote human rights for everyone in Scotland. This requires us to monitor carefully developments in Scottish policy and legislation and ensure that we deploy our resource effectively in the pursuance of our mandate.

We are aware of the survey from the Equalities, Human Rights and Civil Justice Committee on the general awareness and understanding of the impact of the Scottish Government's spending and taxation plans on rights holders.

Given this welcome focus in the Committee's Pre-Budget Scrutiny on responses from the general public this year, the Commission will not submit a response to the survey. The Commission will however be submitting evidence to the Social Justice and Social Security Committee and the Criminal Justice Committee to inform their Pre-Budget Scrutiny process.

However, the Commission would like to welcome the EHRCJ Committee's focus on how it can involve the public more in its scrutiny of the Scottish Government's spending plans. Fiscal policies are often perceived to be inaccessible to most people. Understanding how much the people of Scotland know about the Budget and which areas affect them is an important step towards meaningful participation.

A key element of a Human Rights Based Approach is Participation: People should be involved in decisions that affect their rights. As the budget is the government's key policy document that sets out how it intends to invest in its priorities, it is critical that decisions are informed by citizen participation.

Meaningful participation, as well as accessible information, implemented throughout the policy cycle, from design of budgets and tax codes to allocation of expenditure, implementation, and evaluation, can help improve this accessibility.

The participation of rights-holders as an "informal oversight mechanism" can help to strengthen the formal oversight provided by Parliamentary Committees. They can provide and shine a light on the perspective of lived experience, in particular, where that lived experience is being failed by poor budgetary processes and/or decisions.

We, therefore, very much welcome the Committee's focus this year and would welcome the opportunity to discuss the findings of this scrutiny when available.

EHRC

Consultation response

Equalities, Human Rights and Civil Justice Committee Budget Scrutiny 2024/25

Consultation details

Title of consultation: Equalities, Human Rights and Civil Justice Committee Budget Scrutiny 2024/25

Source of consultation: [Parliament.scot](https://www.parliament.scot)

Date: 25 August 2023

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Introduction

Who we are

The Equality and Human Rights Commission is Britain's equality and human rights regulator. Our human rights powers in Scotland extend to reserved matters. The Scottish Human Rights Commission has a mandate to promote and protect human rights in Scotland that fall within the competence of the Scottish Parliament.

How we have approached this response

The Equality and Human Rights Commission ('the Commission') welcomes the opportunity to respond to the Equalities, Human Rights and Civil Justice Committee's call for views on Pre-Budget Scrutiny 2024-25.

We are represented on the Equality and Human Rights Budget Advisory Group (EHRBAG), a non-statutory advisory group convened by the Scottish Government. We would encourage the Committee to continue to promote that group's work which includes recommendations for equality and human rights budgeting for the 2021 – 2026 parliamentary session published July 2021 (under the group's then name of the Equality Budget Advisory Group).

Those recommendations refer to the importance of the Scottish Government meeting its legal requirements under the Equality Act 2010 and the Public Sector Equality Duty in ensuring that equality and non-discrimination are adequately considered in budgetary decisions. They also refer to the Socio-Economic Duty (known as the Fairer Scotland Duty) in ensuring inequalities of outcome caused by socioeconomic disadvantage are reduced. These duties provide the framework for collecting relevant data and information and considering the equality and socioeconomic impacts – positive and negative – of the budget. They are also legal obligations.

The Public Sector Equality Duty

The purpose of the public sector equality duty (PSED) is to ensure that public authorities consider how they can positively contribute to a more equal society and ensure they eliminate discrimination in their day-to-day business. The PSED consists of a general equality duty and specific equality duties.

The PSED requires public authorities, in the exercise of their functions, to have due regard to the need to:

Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct

Advance equality of opportunity between people who share a relevant protected characteristic and those who do not

Foster good relations between people who share a protected characteristic and those who do not.

This is known as the general equality duty and more detailed information is presented in our [Technical Guidance on the PSED in Scotland](#).

The [Equality Act 2010 \(Specific Duties\) \(Scotland\) Regulations 2012](#) place additional obligations on [certain listed authorities in Scotland](#) to support their compliance with the general duty.

Scottish Ministers are a listed authority for the purposes of the specific duties, which includes both the Scottish Government and its executive agencies. The specific duty to assess and review the equality impact of policies and practices is therefore a legal requirement in the budget development process.

We have published guidance to support public bodies with [assessing impact and the Public Sector Equality Duty](#). In the guidance, we note that assessment of equality impact "...must happen before a policy is decided. The assessment cannot be retrospective, or undertaken near the end of the process, but should instead be integral to the earliest stage of the development of proposed policies or practices..."

The guidance also makes clear that "the duty requires you to assess the impact of applying a proposed new or revised policy or practice against the needs of the general equality duty".

'Policy or practice' is interpreted broadly, and would include the budget process – indeed, it is particularly important given that budgeting sits across all significant public policies and services.

It is essential that the Scottish Government assesses the impact of proposals on equality at a suitably early stage of the budgeting process, which will include collecting appropriate evidence. Any decisions made around changes to services will have implications for protected characteristic groups and should be subject to equality impact assessment. There should also be collection of the evidence of the actual impact of decisions once implemented, to enable review of decisions.

Equality impact assessments should not be seen as burdensome, bureaucratic, or as additional or separate to the policy and decision-making process; instead, they should be a central component of the process and, if done well, will contribute to better decisions.

Co-production

We note that the Committee is focused on encouraging the public to be more involved in the Budget process. We consider that input of people with that experience at budget development stage can provide important insight into the equality impacts of the budget, complementing other data sources. The Committee, in developing their approach to participation as a key principle, may wish to consider a co-production process.

The essential elements of co-production are that:

Professionals, decision-makers, people and communities work together on an equal basis

It applies to decisions made regarding both the design and the implementation of services and projects

It harnesses the different experiences, knowledge, skills and strengths of all those involved in both the provision and receipt of services.

Co-production processes should include groups that are usually under-represented or excluded, including people from ethnic minority communities, LGBT people, people with learning disabilities and older people who need a high level of support. Successful co-production that involves disabled people and their organisations is also likely to have taken account of the duty to make reasonable adjustments.

It is not clear at this stage what public engagement is envisioned to guide the budget process. However, in acknowledging the disproportionate impacts of budget decisions on some groups, there is a need to ensure that any system for representation of lived experience takes account of intersectional characteristics.

The Fairer Scotland Duty

The socio-economic duty was introduced into legislation as Section 1 of the EA 2010, with the aim of ensuring that public bodies take socio-economic disadvantage into account when making strategic decisions.

The FSD requires certain listed public bodies to consider how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. The [Scottish Government's guidance](#) explains that:

“At the heart of the Duty is the key requirement that public bodies must:

actively consider, at an appropriate level, what more they can do to reduce the inequalities of outcome, caused by socio-economic disadvantage, in any strategic decision-making or policy development context,
and [the Scottish Government] recommend they should publish a written assessment, showing how they've done this.”

It is important to note that the FSD guidance defines socio-economic disadvantage broadly, and refers specifically to income, wealth, area deprivation, material deprivation, and socio-economic background. **Any analysis of socio-economic disadvantage that focuses mostly or wholly on socio-economic disadvantage through an area or place-based lens – typically using the Scottish Index of Multiple Deprivation – is unlikely to present a complete picture of disadvantage.**

The FSD applies to ‘strategic’ decisions. **We would anticipate that decisions made as part of the budget process would typically fall into this category, and thus would be subject to the duty.**

The Equality and Fairer Scotland Budget Statement

The Equality and Fairer Scotland Budget Statement (EFSBS) is now an established part of the budget process. The EFSBS 2023-24 states that:

“We have a duty to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. We also have a duty to reduce inequality for adults and children who experience poverty.”

The EFSBS is a useful document, but it is important to note it is neither an equality impact assessment nor a Fairer Scotland Duty assessment. Moreover, it does not consistently make connections between the inequalities of outcome identified, the changes sought, and the budget decisions made.

The Scottish Budget is a new or revised policy or practice in terms of Regulation 5 of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 (as amended). It requires the Budget to be subject to an Equality Impact Assessment. That assessment could be carried out through the EFSBS but it would require to demonstrate that the requirements of Regulation 5 of the 2012 Regulations are wholly satisfied.

The general needs are noted in the most recent EFSBS but it is not clear from the impact assessment whether a systematic consideration of those three needs has been considered throughout. In particular, there is very little in respect of the need to foster good relations between equality groups. The Statement would also benefit from greater consideration of the potential adverse impact of any budgetary decisions. This is often a good indicator that the assessment has been carried out as early as possible and, crucially, then been used to inform the development of the budget.

The Equality Act 2010

The Equality Act (EA) 2010 came into force in October 2010 and provides a single legal framework to tackle harassment and discrimination. The EA 2010 includes a number of provisions intended to protect individuals from unlawful treatment and promote a fairer and more equal society.

The Public Sector Equality Duty

The Public Sector Equality Duty (PSED), set out in section 149 of the Equality Act 2010, requires public authorities, in the exercise of their functions, to have due regard to the need to:

Eliminate discrimination, harassment and victimisation that is prohibited under the Equality Act 2010;

Advance equality of opportunity between people who share a protected characteristic and those who do not; and

Foster good relations.

This is known as the general duty. The broad purpose of the PSED is to integrate consideration of non-discrimination, equality and good relations into the day-to-day business of public authorities. For more detailed information, see our Technical Guidance on the PSED in Scotland.

There are specific duties to support implementation of the general duty and which apply to specific listed authorities.

Contacts

This publication and related equality and human rights resources are available from [our website](#).

Questions and comments regarding this publication may be addressed to: stephanie.griffin@equalityhumanrights.com. We welcome your feedback.

For information on accessing one of our publications in an alternative format, please contact: correspondence@equalityhumanrights.com.

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EASS

For advice, information or guidance on equality, discrimination or human rights issues, please contact the [Equality Advisory and Support Service](#), a free and independent service.

Telephone 0808 800 0082

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Hours 09:00 to 19:00 (Monday to Friday)

10:00 to 14:00 (Saturday)

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Published September 2022.