



Open Budget Survey 2019: Scotland

Summary

29th April 2020

The Scottish Human Rights Commission was established by the Scottish Commission for Human Rights Act 2006, and formed in 2008. The Commission is the National Human Rights Institution for Scotland and is independent of the Scottish Government and Parliament in the exercise of its functions. The Commission has a general duty to promote human rights and a series of specific powers to protect human rights for everyone in Scotland.

www.scottishhumanrights.com

This report has been developed based on research undertaken by Kirstie English.

Human Rights Budget Work

A government's budget is one of its most important policy documents, setting out both its spending priorities and its values. It sets out how much money it intends to raise (revenue), from which sources, and how it plans to allocate and spend those resources. The central goal of a human rights based approach to budgeting is rights realisation. In other words, ensuring that every person can live a life of dignity, free from deprivation and inequality. The fundamental aim of human rights based budgeting is that human rights standards shape the goals of a budget and human rights principles shape the process of budgeting in all its phases. These principles include **Accountability, Transparency and Participation**.

Introduction to the Open Budget Survey

The Open Budget Survey (OBS) is used to produce the Open Budget Index (OBI). This is the only global, independent, comparative measure of budget transparency of national governments. It uses internationally accepted criteria developed by multilateral organisations and is recognised as authoritative by the International Monetary Fund (IMF), the World Bank and the Organisation for Economic Co-operation and Development (OECD). The survey covers 117 countries, encompassing all regions of the world and all income levels, and has been going for 13 years (seven cycles).

The UK government's budget process is already assessed by the OBS¹, however, as a sub-national government, Scotland's devolved budgeting processes are not specifically subject to assessment. In 2018, as part of its developing work on human rights budget work, the Scottish Human

¹ UK summary can be accessed [here](#).

Rights Commission with support from the International Budget Partnership (IBP)² replicated the detailed OBS methodology³.

Countries covered by the OBS are assessed and compared with regard to three components:

- public availability and **transparency** of budget information (available in eight key documents in accordance with international good practice standards),
- opportunities for public **participation** in the budget process,
- the role and effectiveness of formal **oversight** institutions.

Here we produce a Transparency Index score as well as Public Engagement and Oversight scores for Scotland, modelled on the OBS. This modelled scoring will allow for global comparison with official OBS countries and helps to highlight improvement recommendations to share with the Scottish Government, Scottish Parliament and for Oversight bodies.

OBS Scores for Scotland

43 out of 100 TRANSPARENCY (Open Budget Index) Scotland provides the public with limited budget information	20 out of 100 PUBLIC PARTICIPATION Scotland provides the public with few or no opportunities to engage in the budget process	85 out of 100 BUDGET OVERSIGHT Scotland provides adequate oversight of the budget
---	---	--

² The International Budget Partnership collaborates with civil society around the world to analyze and influence public budgets in order to reduce poverty and improve the quality of governance see: <https://www.internationalbudget.org/>

³ See: https://www.internationalbudget.org/sites/default/files/2020-04/2019_Guide_and_Questionnaire_EN.pdf

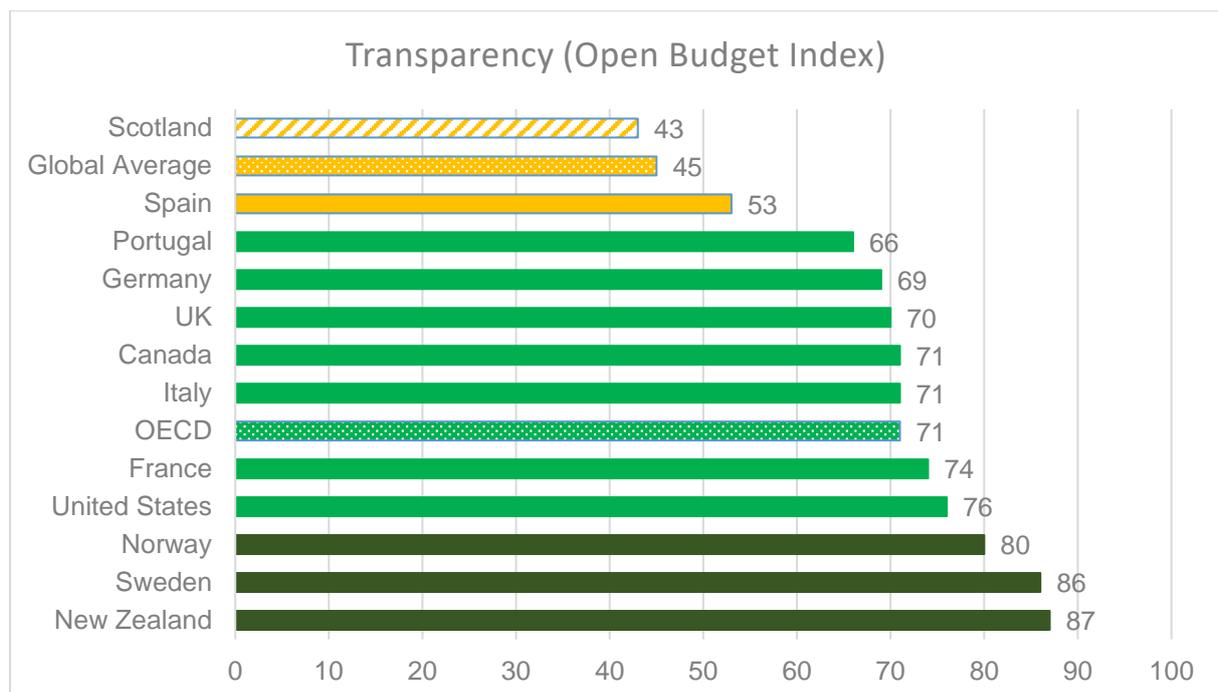
Transparency (Open Budget Index)

The Open Budget Index assigns a Transparency score from 0 to 100 to each country involved in the survey. This is based on an average of the numerical values assigned to the responses of 109 questions set to assess the public availability of information about the budget. The assessment focuses on the extent to which eight key documents are made **publicly available**, in a **timely manner**, on the relevant government website. The score also presents an assessment of the **comprehensiveness** of the publically available documents.

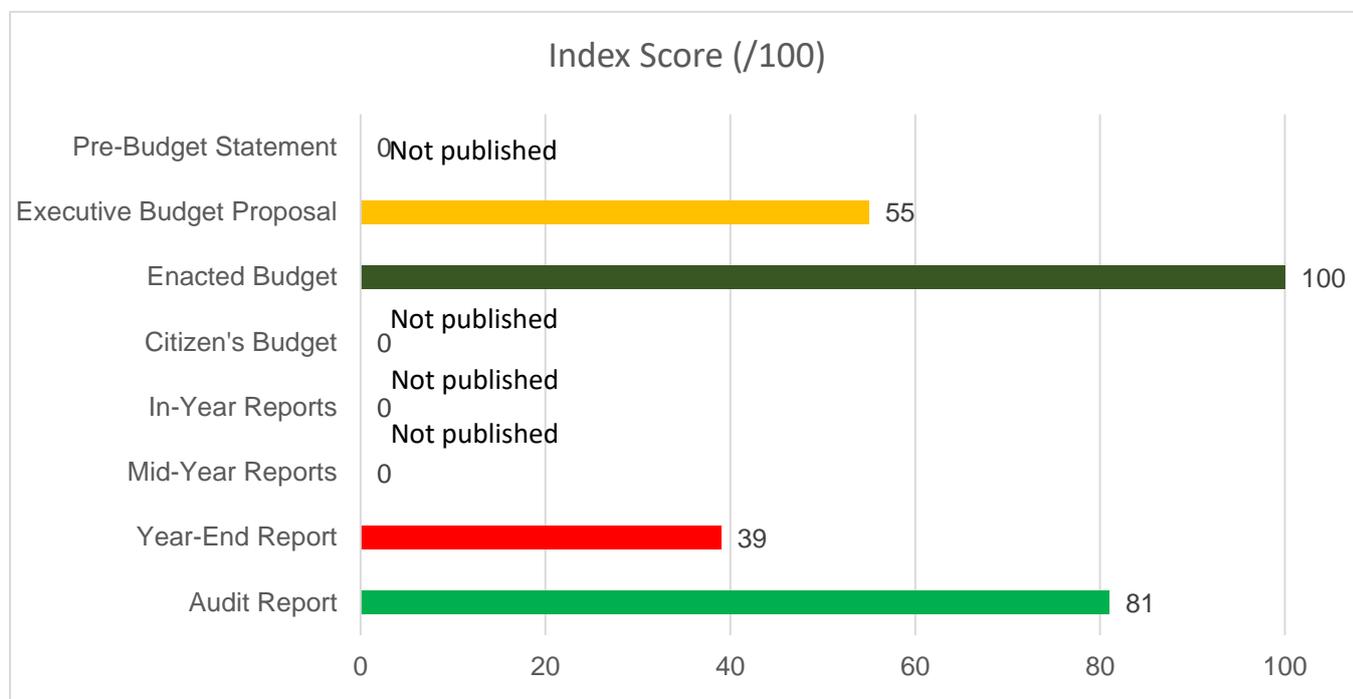
The overall Index score for Transparency of the key budget documents and their timeliness was **43/100**. This places the Scottish Budget for 2017-18 in the **limited information available** (41-60/100) group.

IBP considers countries that score above 60 on the Open Budget Index as providing sufficient budget information to enable the public to engage in budget discussions in an informed manner. Without the key documents as part of the budget process, Scotland ranks notably lower than many of its global counterparts and well below the score for the OECD and the UK.

How Does Scotland Compare?



How comprehensive and useful is the information provided in the key budget documents that Scotland publishes?



Recommendations for Improving Transparency

The following actions should be prioritised to improve budget transparency:

OBS Transparency Recommendations

- The Scottish Government should publish all eight key documents: for the 2017-18 budget, four were missing (Pre-Budget, In-Year, Mid-Year and Citizens' Budget).
- A Citizens' version of each⁴ of the key documents should be prepared and published at the same time as the key document,

⁴ As an initial step, the Scottish Government should ensure that that they publish a citizens version of the main budget and year end. When they start to produce the other documents that are not currently published – they should be published with a citizen's version.

in order that citizens can be engaged with the budget when it matters.

- Within the Scottish Draft Budget (Executive Budget Proposal) analysis and narrative about how policies across the board may impact on vulnerable or marginalised groups should be improved.

Other Important Transparency Recommendations

- Policy planning should be driven by outcome expectations and evidence of what works – which requires accessible, transparent information.
- Within the Scottish Draft Budget (Executive Budget Proposal) reduce the repetitiveness, focusing on providing concise and consistently presented information, and include information that should be provided in other reports (such as longer-term projections and connections to National Outcomes).
- Better connect the budget allocations being referred to in the Scottish Draft Budget (Executive Budget Proposal) with the Level 1-4 budget lines.
- More comparisons should be provided within the Year-End Report between planned allocation, actual spend and impact connected to Scotland's National Outcomes.

Budget Oversight (by Legislature & Audit)

The OBS asked a section of questions focused on capturing the essential preconditions and opportunities for oversight of the government throughout the budget process. A number of the questions also assess the degree to which **oversight** opportunities are actually used in practice, as well as exploring the connections between different oversight actors. Although brief, the aim of this section of the survey is to assess “whether the broader institutional architecture of the budget

system includes sufficiently effective checks and balances to ensure integrity and accountability in the use of public resources”.⁵

The role and effectiveness of oversight institutions score for the Scottish budget in 2017/18 was **85/100**. This highlights that the strongest element of the Scottish budget for 2017/18 was the performance of its oversight institutions, classed as having **adequate oversight** (61-100/100).

According to the global results, of the 117 countries surveyed, only 34 were classed as having adequate oversight from their legislature, 71 from the Supreme Audit Institution and only 30 scored adequately for both institutions.⁶

To What Extent Does the Legislature Provide Budget Oversight?

The Legislative Oversight scored **77/100** which is classed as providing **adequate** oversight during the budget cycle. Broken down, this score reflects that the legislature provides adequate oversight during the planning stage of the budget cycle, however oversight during the implementation stage of the budget cycle was more limited.

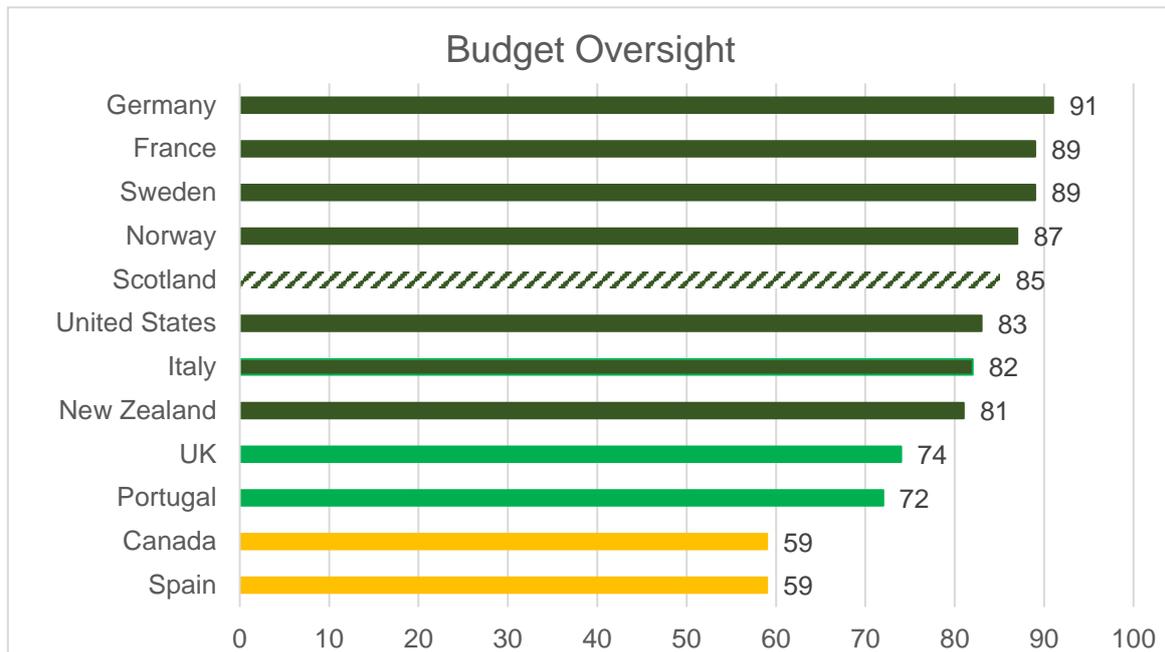
To What Extent Does the Supreme Audit Institution Provide Budget Oversight?

The Independent Audit Oversight scored strongly, at **100/100** which reflects that the audit institution provides **adequate** budget oversight.

⁵ https://www.internationalbudget.org/sites/default/files/2020-04/2019_Guide_and_Questionnaire_EN.pdf Page 117.

⁶ See: https://www.internationalbudget.org/sites/default/files/2020-04/2019_Report_EN.pdf

How Does Scotland Compare?



Recommendations for Improving Oversight

Scotland should prioritise the following actions to make budget oversight more effective:

- Those providing oversight should have access to all relevant budget documentation for Scotland and should put pressure on the government to produce those documents for future budgets. This is important as Scottish fiscal responsibilities continue to increase.
- Pre-budget scrutiny through legislative committees could be improved with a more explicit focus on outcomes-based scrutiny.
- Better legislative oversight is required during the implementation stage of the budget cycle.

Public Participation

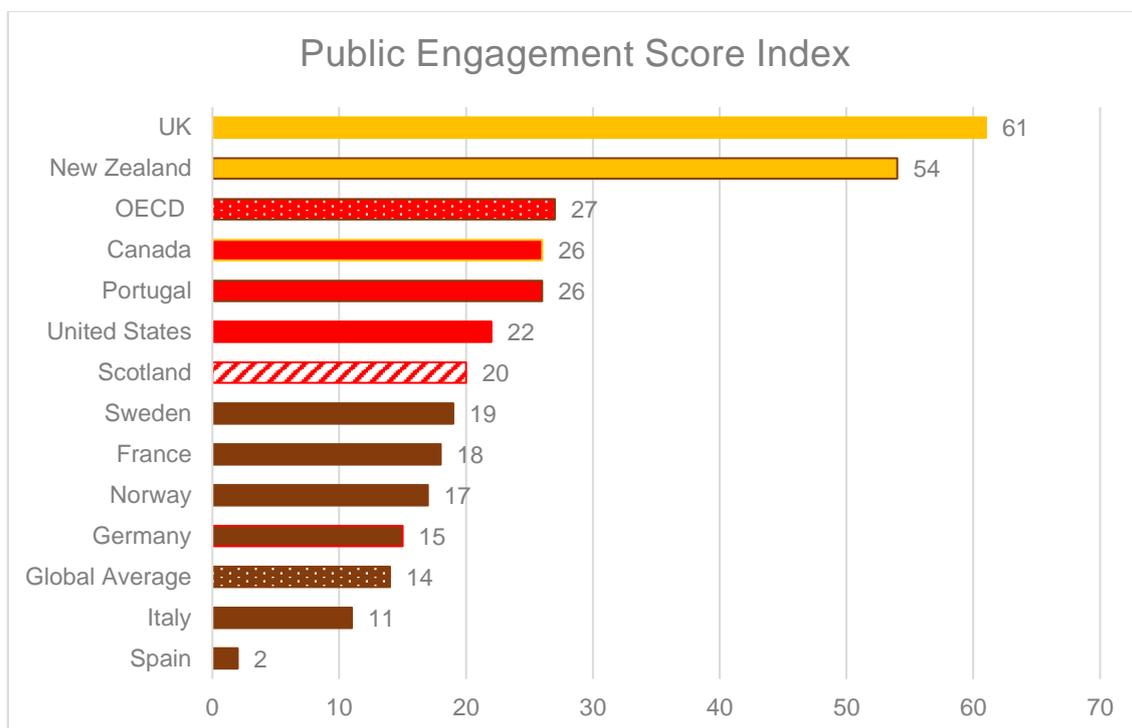
This section of the OBS recognises the important role of **public engagement** in budget accountability, which cannot be realised through transparency alone. For this, genuine participation is also critical. Enabling the public to access to budget information is the first step of a transparent budgetary system. This must also be complemented by all relevant institutions (i.e. the executive, the legislature, and the Audit Institution) providing the public with opportunities for genuine participation and engagement during each of the four phases of the budget process. The survey score for Public Engagement is assessed through a further 18 survey questions and assesses the degree to which the government provides opportunities for the public to engage in budget processes throughout the budget cycle.

Participation and empowerment (including access to information) are key foundations of a Human Rights Based Approach.

IBP considers countries scoring above 60 on participation as providing adequate opportunities for the public to participate in the budget process. With a score of 20/100 Scotland is classed as providing the public with **limited** opportunities to engage in the budget process. Scotland was, however, not alone with a poor score for participation. Only two countries (South Korea and the UK) were considered to offer adequate opportunities, with 113/117 countries classed as having weak scores of 40 or less. Indeed, the global average was only 14.⁷

⁷ See: https://www.internationalbudget.org/sites/default/files/2020-04/2019_Report_EN.pdf

How Does Scotland Compare?



Recommendations for Improving Participation

Scotland should prioritise the following actions to improve public participation in its budget process:

- Produce clear and well-advertised guidance for public engagement with the budget process including the timetable for formulating the Executive and the Legislature.
- Citizens in Scotland require better and timely access to accessible information in order to participate in the budget process. This should include a citizens' version of every budget document.
- Improve feedback to participants who participate in the budget process.
- The Executive should actively engage with individuals or civil society organisations representing vulnerable and marginalised communities during the development and implementation of the budget.

- The Executive should provide more opportunities for the public and civil society to participate in scrutiny at all stages of the budget (not just at the pre-budget stage).
- Parliamentary and government policy / subject inquiries could consistently and routinely address budgetary elements to improve budgetary focus and scrutiny.
- Develop a formal mechanism, to enable the public to contribute to audit investigations.

Key Building Blocks Installed Since the 2017-18 Budget

Following the devolution of increased fiscal responsibilities, there has been a focus on improving the budget process in Scotland.

- The budget process is moving towards to a year-long review process.
- A medium term forecast document was produced in the summer of 2018 to set out the government's direction of travel over the next five years with some attempt to improve the narrative within the most recent budget documentation.
- The Scottish Government is currently exploring how it can improve fiscal transparency, a key priority of the Open Government Action Plan 2018-2020.⁸
- A Citizens' Budget is now produced, however, the value of this document is limited given it is published after the budget Bill is passed.
- A small number of Parliamentary Committees have started to focus more on outcomes in their examination of the budget. This will need to be embedded across the way all Scottish Parliament

⁸ See <https://www.gov.scot/publications/scotlands-open-government-action-plan-2018-20/>

Committees work moving forward in order that they can have a meaningful impact on budgetary decision making.

- The Scottish Parliament Finance Committee has issued guidance to all subject committees to support the transformation of its scrutiny processes.
- Prior to the Stage 1 debate, the committee's pre-budget reports and the responses of the relevant Ministers are now discussed in the Parliamentary Chamber as part of the pre-budget scrutiny.
- Audit Scotland is exploring how to embed human rights within audit processes and has also encouraged the Scottish government to further develop its outcomes-approach to better connect the budget with its policy development.
- In 2019, the Scottish Government, in collaboration with the Equality Budget Advisory Group⁹, produced [informal guidance for policy makers on equality and human rights budgeting](#) and supporting template tools¹⁰. These will support government departments to undertake better equality and human rights analysis of potential budgetary decisions at different stages of the budget process.

Whilst many of the necessary changes to improve the process of budget transparency, scrutiny and participation are underway, the OBS highlights a number of additional areas to progress and further develop. The Transparency, Oversight and Public Engagement scores from this study do provide a useful benchmark, as they effectively provide scores for Scotland prior to the transformational changes that started to take effect from the 2018-19 budget process. A repeat of this index in 2022/23 will provide a good indication of the extent of progress that the new budget process has made.

⁹ EBAG is a non-statutory advisory group, convened by the Scottish Government, the remit of which is to help shape the Scottish Government's equality and human rights approach to the budget.

<https://www.gov.scot/groups/equality-budget-advisory-group/>

¹⁰ See <https://www.gov.scot/publications/improving-peoples-wellbeing-6-key-questions-ask-making-budget-decisions/>