Human Rights Budget Work:
What, Why, How?

March 15th 2019
#YourBudgetYourRights
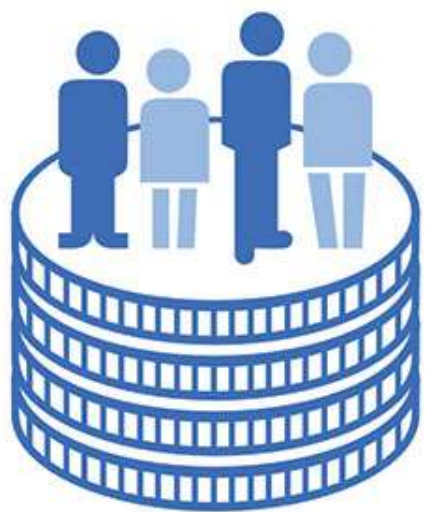
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BUDGETS AND RIGHTS
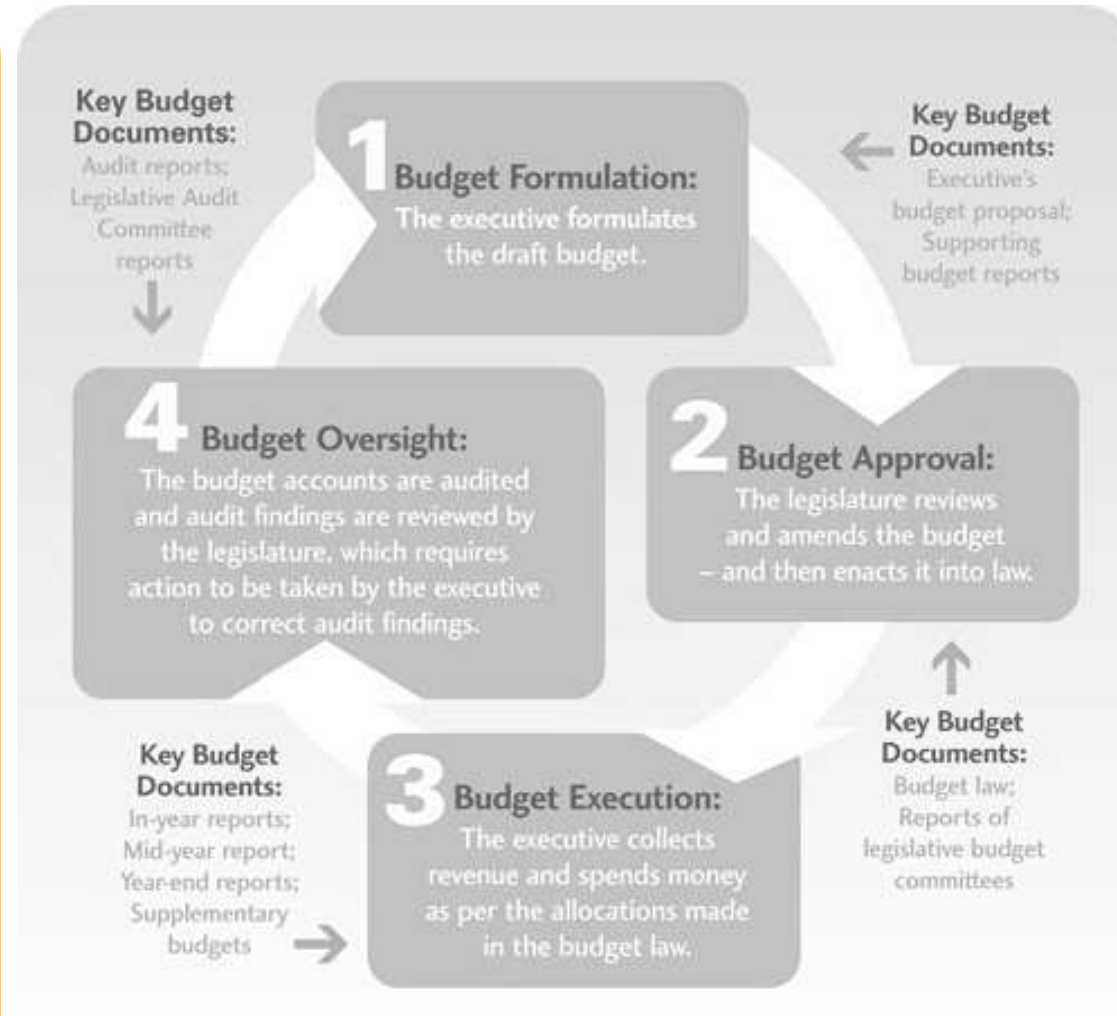
OVERVIEW OF NORMS

APPLYING NORMS TO BUDGETS

WHAT IS A GOVERNMENT BUDGET?

One of the government's **key policies**.

Revealing:

- how much money it intends to raise (revenue),
- from whom (sources), and
- how it will be spent (allocations)

Year-long process with different phases.

Often reflect multi-year **economic plans**.

Key Budget Documents: Audit reports; Legislative Audit Committee reports

1 Budget Formulation: The executive formulates the draft budget.

Key Budget Documents: Executive's budget proposal; Supporting budget reports

4 Budget Oversight: The budget accounts are audited and audit findings are reviewed by the legislature, which requires action to be taken by the executive to correct audit findings.

2 Budget Approval: The legislature reviews and amends the budget – and then enacts it into law.

Key Budget Documents: In-year reports; Mid-year report; Year-end reports; Supplementary budgets

3 Budget Execution: The executive collects revenue and spends money as per the allocations made in the budget law.

Key Budget Documents: Budget law; Reports of legislative budget committees

(International Budget Partnership, 2010)

What should a government budget do?

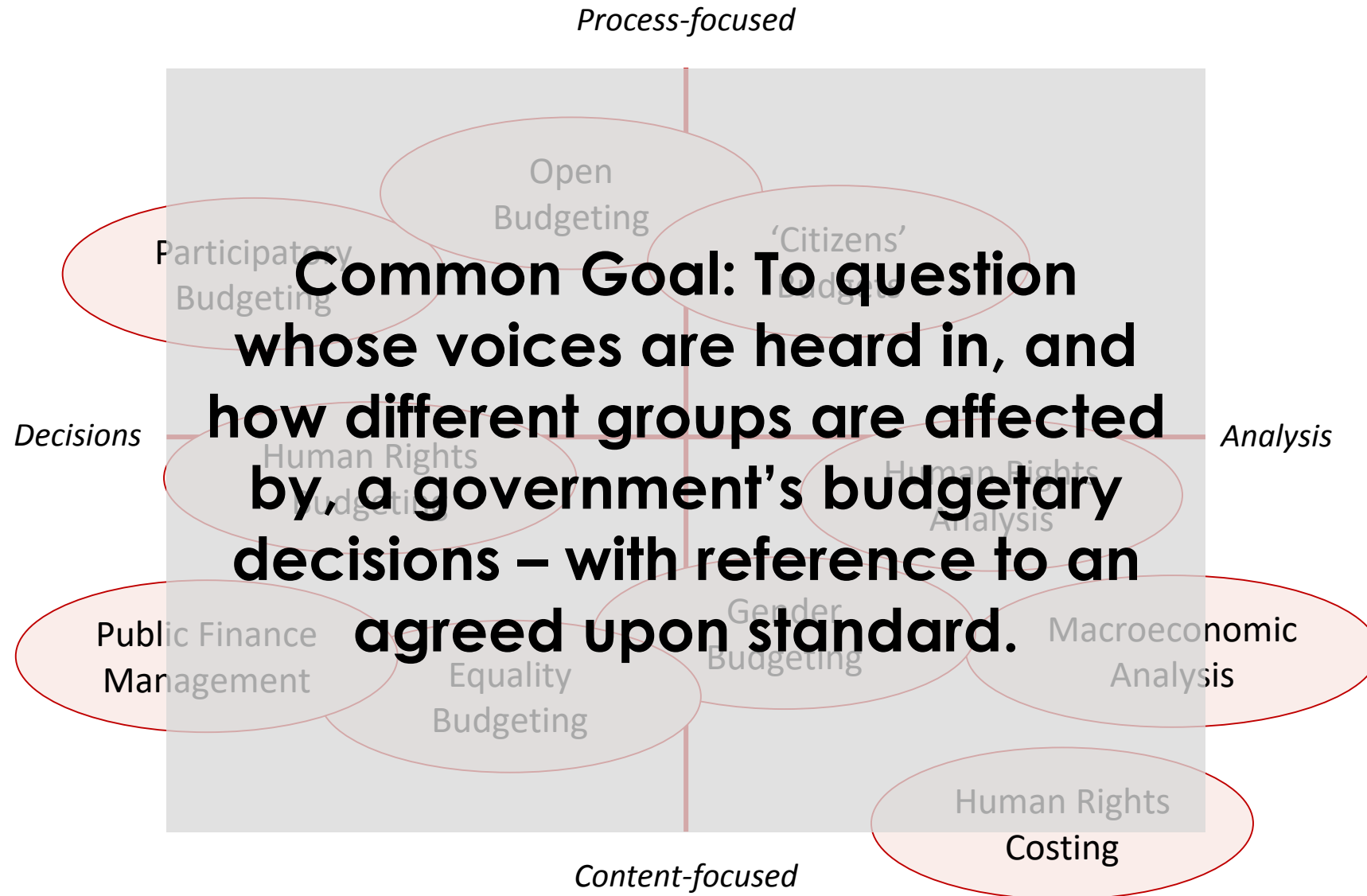| Public Finance Management |
| --- |
| **Macroeconomic stability** and aggregate fiscal discipline |
| **Effective allocation** of public resources according to strategic priorities |
| **Operational efficiency** to achieve maximum 'value for money' in the delivery of services |

TYPES OF BUDGET 'WORK'

Process-focused

Decisions

Analysis

Content-focused

Open Budgeting

Participatory Budgeting

'Citizens' Budgets

Human Rights Budgeting

Human Rights Analysis

Public Finance Management

Equality Budgeting

Gender Budgeting

Macroeconomic Analysis

Human Rights Costing

Common Goal: To question whose voices are heard in, and how different groups are affected by, a government's budgetary decisions – with reference to an agreed upon standard.

FUNDAMENTALS OF RIGHTS-BASED BUDGET WORK

Goal of the budget is rights realization

i.e. ensuring everyone can
lead a life of dignity
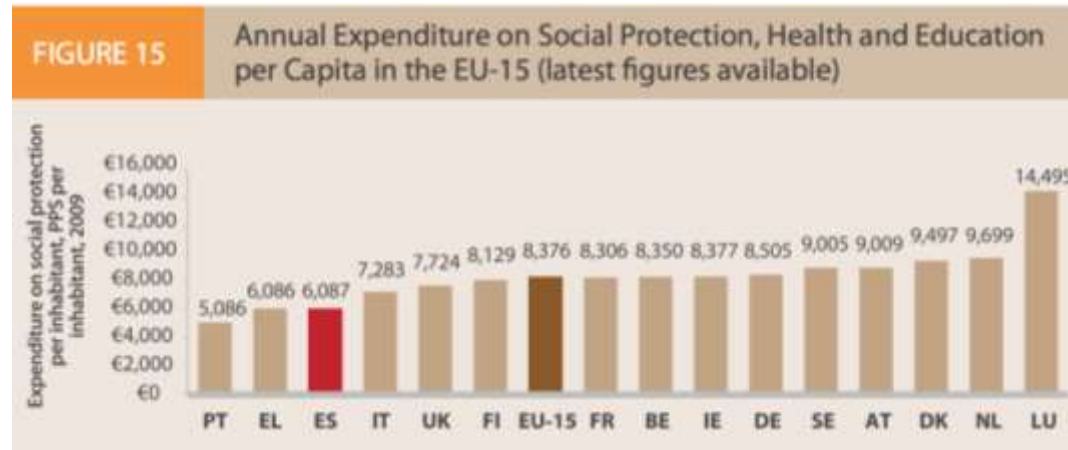
Budget **decisions** reflect rights
<u>standards</u>.

Human rights <u>principles</u> shape the
process of budgeting, in all phases.

GOALS OF RIGHTS-BASED BUDGET WORK

Awareness
Raising

Accountability

Action

EXAMPLE: AUSTERITY IN SPAIN

FIGURE 15 — Annual Expenditure on Social Protection, Health and Education per Capita in the EU-15 (latest figures available)

FIGURE 22 — Tax Evasion vs. Budget Cuts in Spain (2012)

Potential estimated revenue gained by combating tax evasion: **€38 Billion**

National budget cuts 2011-2012: **€27.3 Billion**

Total revenue lost to tax evasion: **€88 Billion**

2011 Total Public Deficit: **€91 Billion**

Source: Ministry of Finance and Public Administrations of Spain, 2012 and GESTHA, 2011

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BUDGETS AND RIGHTS

OVERVIEW OF NORMS

APPLYING NORMS TO BUDGETS

WHY RESOURCES?

"Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, **to the maximum of its available resources**, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures"

International Covenant on Economic, Social and Cultural Rights, Article 2(1)
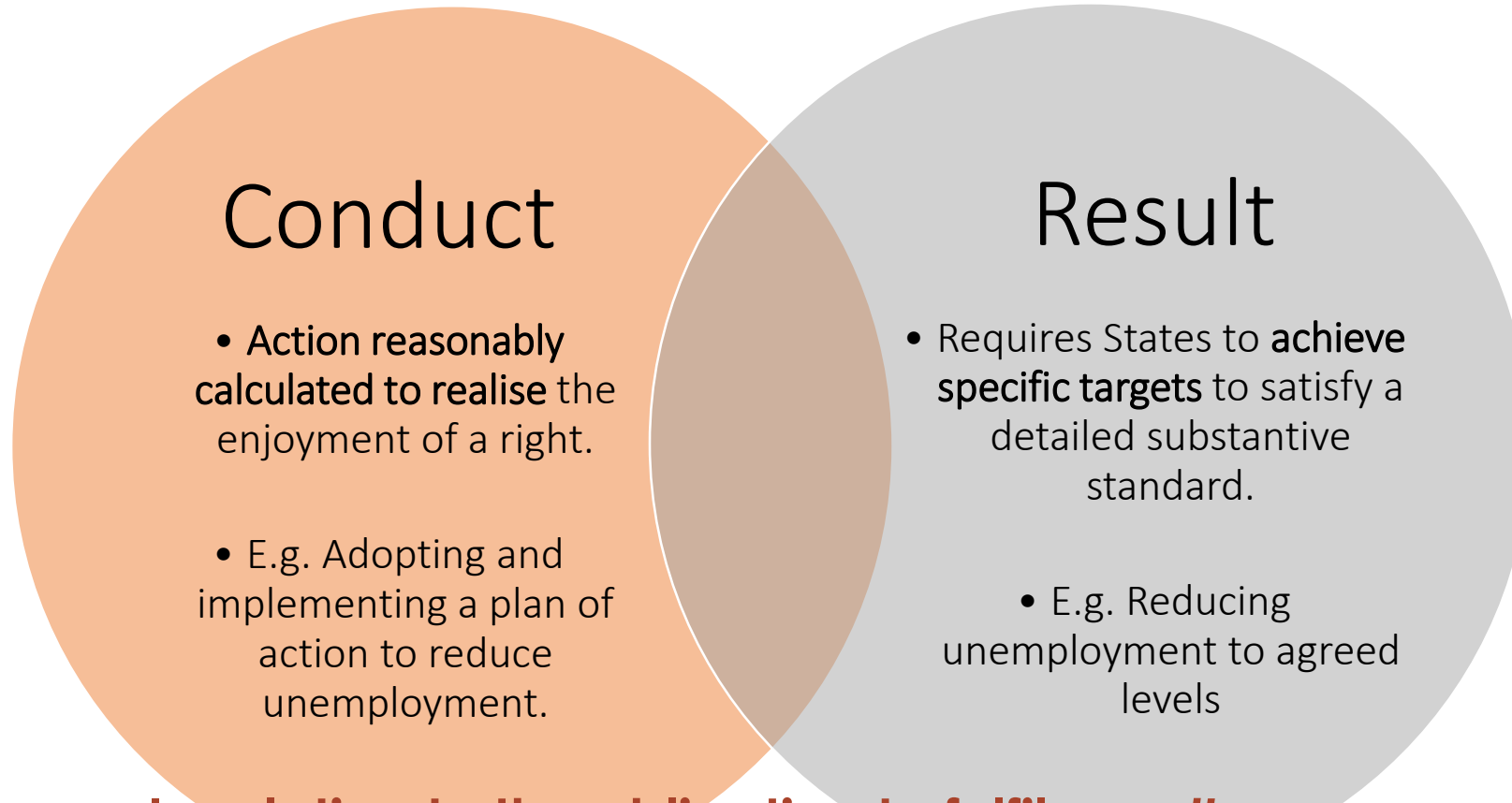
MINIMUM CORE OBLIGATIONS

Eliminate extreme deprivation

- Ensure "**minimum essential levels"** of each right, regardless of level of economic development.

- Failure to do so is a *prima facie* **presumption** that a government is in **violation of** the Covenant.

- **Unless** it can demonstrate that "**every effort has been made** to use all resources that are at its disposition" to prioritize reaching those minimum levels.

- Concept used in context of austerity-driven roll backs to rights protections.

PROGRESSIVE REALIZATION AND NON-RETROGRESSION

Secure improvements over time

- Move as **efficiently and expeditiously as possible** towards the full realization of economic, social and cultural rights.

- Conversely, not take **deliberately retrogressive** measures (obligation of conduct).

- To be justified, policies that decrease people's enjoyment of a right must be:

  - Temporary
  - Necessary and proportionate (other options more detrimental)
  - Not discriminatory
  - Ensure the protection of minimum core
  - Considers all other options, including financial alternatives

EQUALITY AND NON-DISCRIMINATION

Leave no one behind

- Differential treatment on a 'prohibited ground' is discrimination unless justification **reasonable** and **objective**.

- Treaties list prohibited grounds, but these are **not exhaustive.**

- Government must eliminate **de jure** discrimination by abolishing any discriminatory laws, regulations and practices **'without delay'** .

- **De facto** discrimination, a result of the unequal enjoyment of rights, should be ended **'as speedily as possible'**.

- Affirmative action or positive measures may be needed to end de facto discrimination (obligation of conduct).

OBLIGATION TO TAKE STEPS

Take action

Government Objectives
Results the government aims to achieve

Public Policy Levers
Steps the government can take to try and change behaviors to achieve its objectives

Regulatory
Create and enforce laws, rules and regulations to outlaw and/or sanction certain actions

Distributive
The provision of benefits and costs across society through grants and subsidies, service provision etc.

Symbolic
Moral leadership to encourage or discourage certain actions through awareness raising, public education etc.

Public Financing

STEPS TAKEN SHOULD INCREASE...

Action taken must be effective

AVAILABILITY

Relevant infrastructure, goods and services must be available in sufficient quantities.

ACCESSIBILITY

Physically, economically, without discrimination and to information.

ACCEPTABILITY AND ADAPTABILITY

Appropriate for local cultural and social context.

QUALITY

Appropriate and adequate in standard and safety.

MAXIMUM AVAILABLE RESOURCES

Action taken must be properly resourced

- Attention should be paid to whether:

  - **existing resources** are allocated and spent effectively and without discrimination.

  - efforts to generate **additional resources** (from domestic or international sources) are adequate and equitable.

  - **decision-making processes** are transparent and participatory

- Resources are **not only financial**, but also human, natural, technological, etc.

- Even in times of severe resource constraints, the most disadvantaged and marginalized groups must be protected.

PROCESS PRINCIPLES

Action taken must be inclusive

- Steps should be taken in such a way that facilitates the **active participation** of rights holders.

- 'Steps taken' should respect the principles of **transparency** and accountability.

- The state also has an obligation to provide **effective remedies,** including administrative and judicial ones.

- In Scotland, these principles are captured using the acronym PANEL (Participation, Accountability, Non-discrimination and Equality, Legality)

SUMMARY OF NORMS

Obligations of Conduct

- To **take steps** (legislative, judicial, budgetary, administrative and other) to fulfill rights

- To use **maximum available resources** to ensure progressive realization, including resources through international cooperation

- To ensure **participation, accountability and transparency** in the policy-making process

- To ensure relevant infrastructure, goods and services are increasingly **available**, **accessible** to all, **acceptable** and of **adequate quality**

- **Non-discrimination:** to ensure substantive equality

Obligations of Result

- **Minimum core obligations:** immediate duty to prioritize achieving minimum essential levels of rights enjoyment for all

- **Progressive realization:** move swiftly towards increased levels of rights enjoyment, with **no deliberate retrogression**

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BUDGETS AND RIGHTS

OVERVIEW OF NORMS

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BUDGETS ARE EMBEDDED IN POLICY

Rights-based policy analysis evaluates:
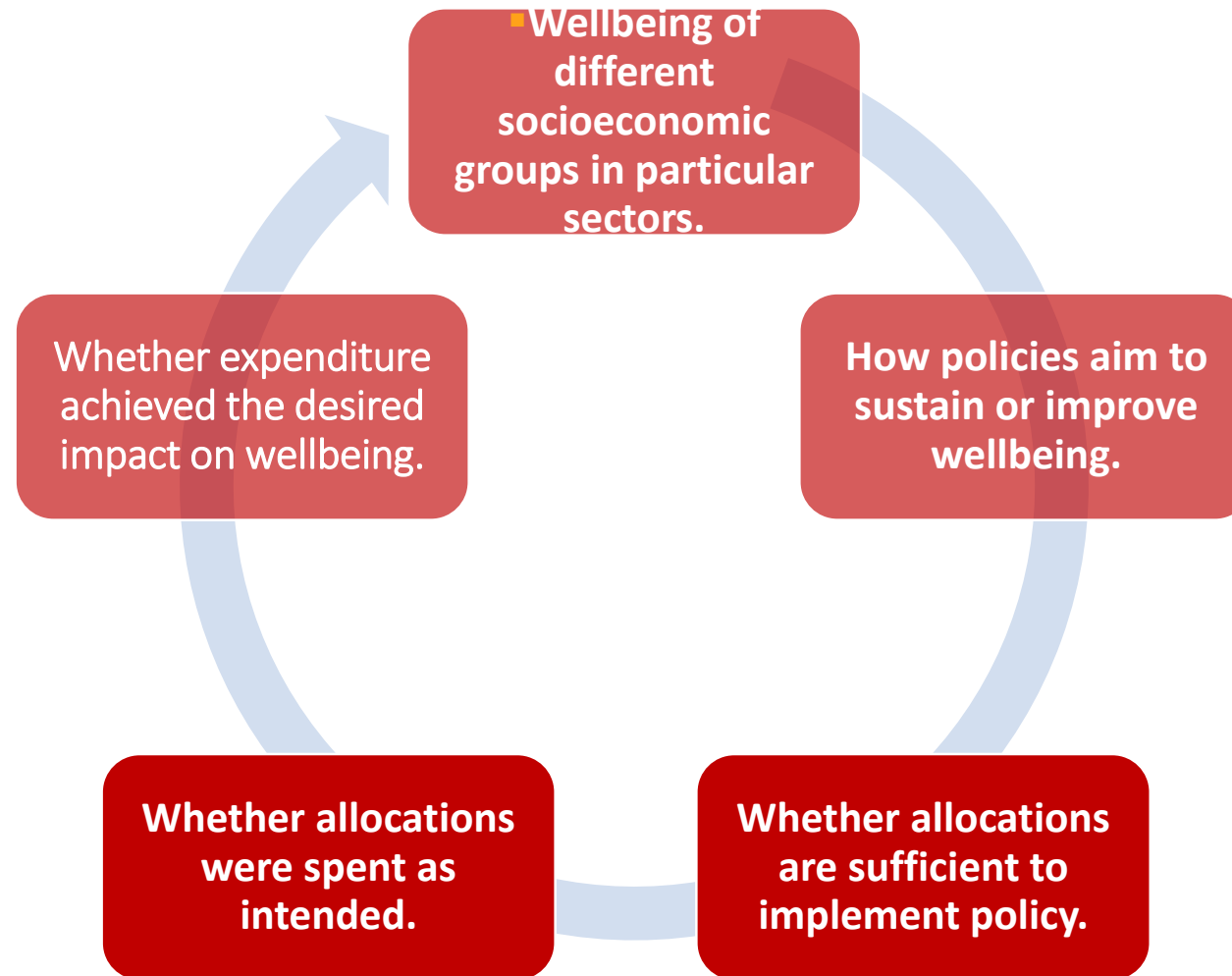
ASSESSING BUDGETS AGAINST NORMS

	Generation	Allocation	Spending
Minimum Core	Is sufficient revenue generated to invest in realizing basic levels of rights for all?	Do allocations prioritize the achievement of basic levels of rights for all?	Do financial management systems ensure efficient management of funds allocated?
Non-Discrimination	Who are resources generated from? Are particular groups unjustly impacted?	Do allocations prioritize closing the gaps in human rights enjoyment between different groups?	Have funds been redirected in a way that disproportionately impacts particular groups?
Progressive realization and non-retrogression	Is (or could) government revenue increase?	Are allocations growing or shrinking? Are reductions justified (in human rights terms)?	Have financial management systems improved or weakened over time?
Process Principles	Does the process of deciding on resource generation, allocation, and expenditure reflect the PANEL principles?		
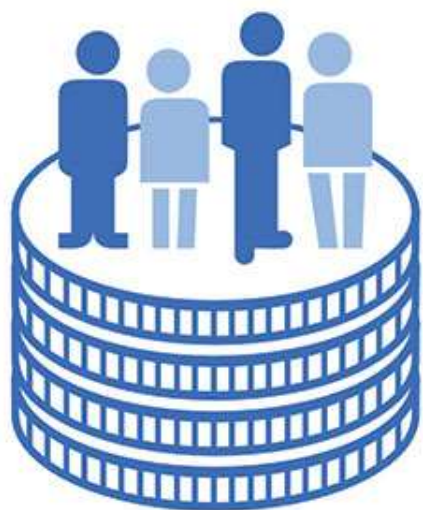
Human Rights Budget Work : What, Why, How?

Dr. Angela O'Hagan

Human rights and the Scottish Budget

#YourBudgetYourRights

Overview of presentation

- Structure of Scottish Budget
- Scottish Budget process
- Opportunities for human rights analysis
- Need for human rights budgeting – budget scrutiny
- Practical steps

Structure of the Scottish Budget

- The Scottish Budget for any given year is determined by the combined impact of:

  – *block grant funding allocated by HM Treasury at a Spending Review, Autumn Budget or Spring Statement, adjusted to reflect taxes devolved to Scotland through the Scotland Act 2012 and the Scotland Act 2016;*

  – *independent forecasts of receipts generated by those taxes and devolved social security spend; and*

  – *planned use of the available devolved borrowing powers and use of the Scotland Reserve.*

Composition of the Scottish Budget
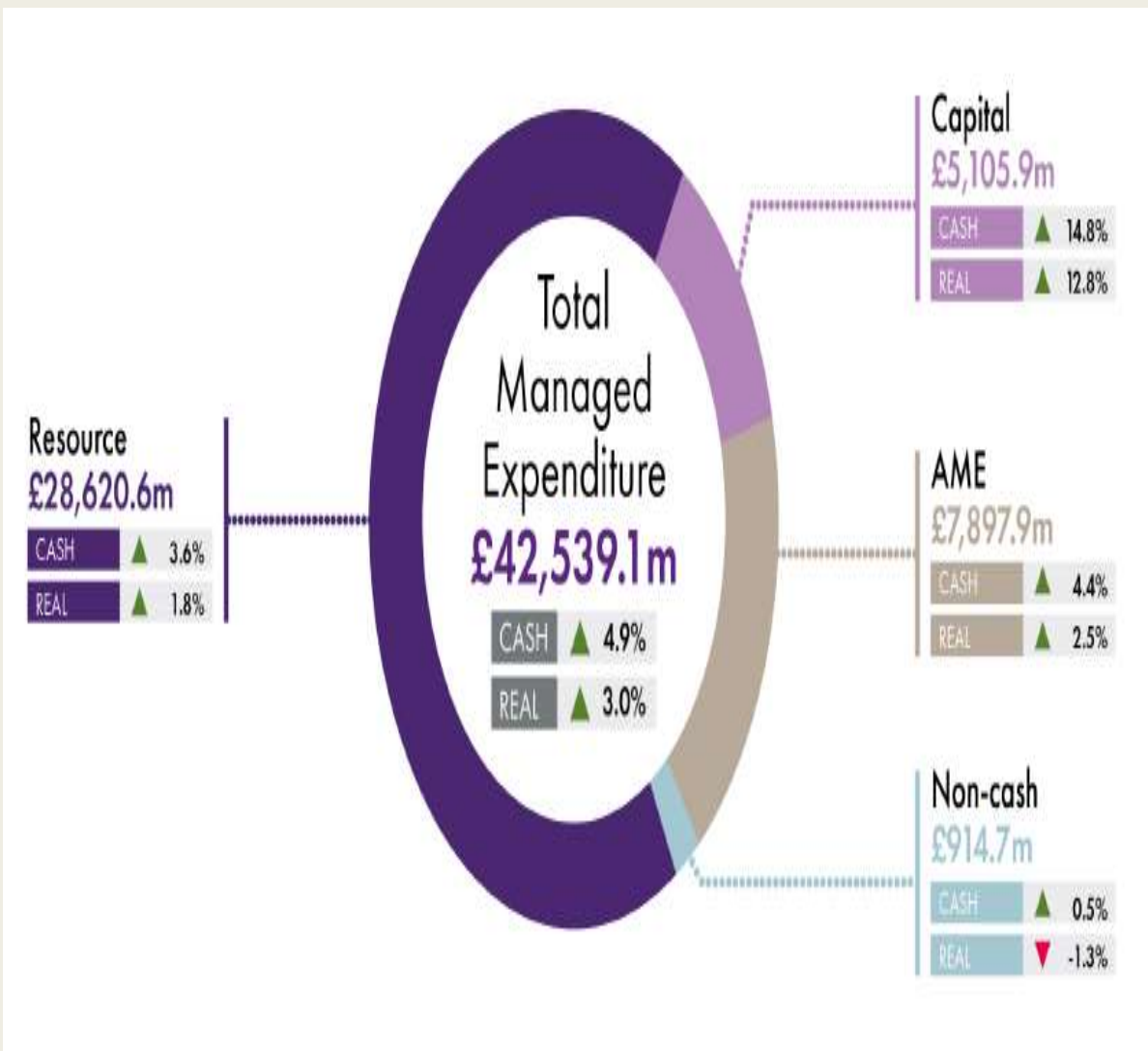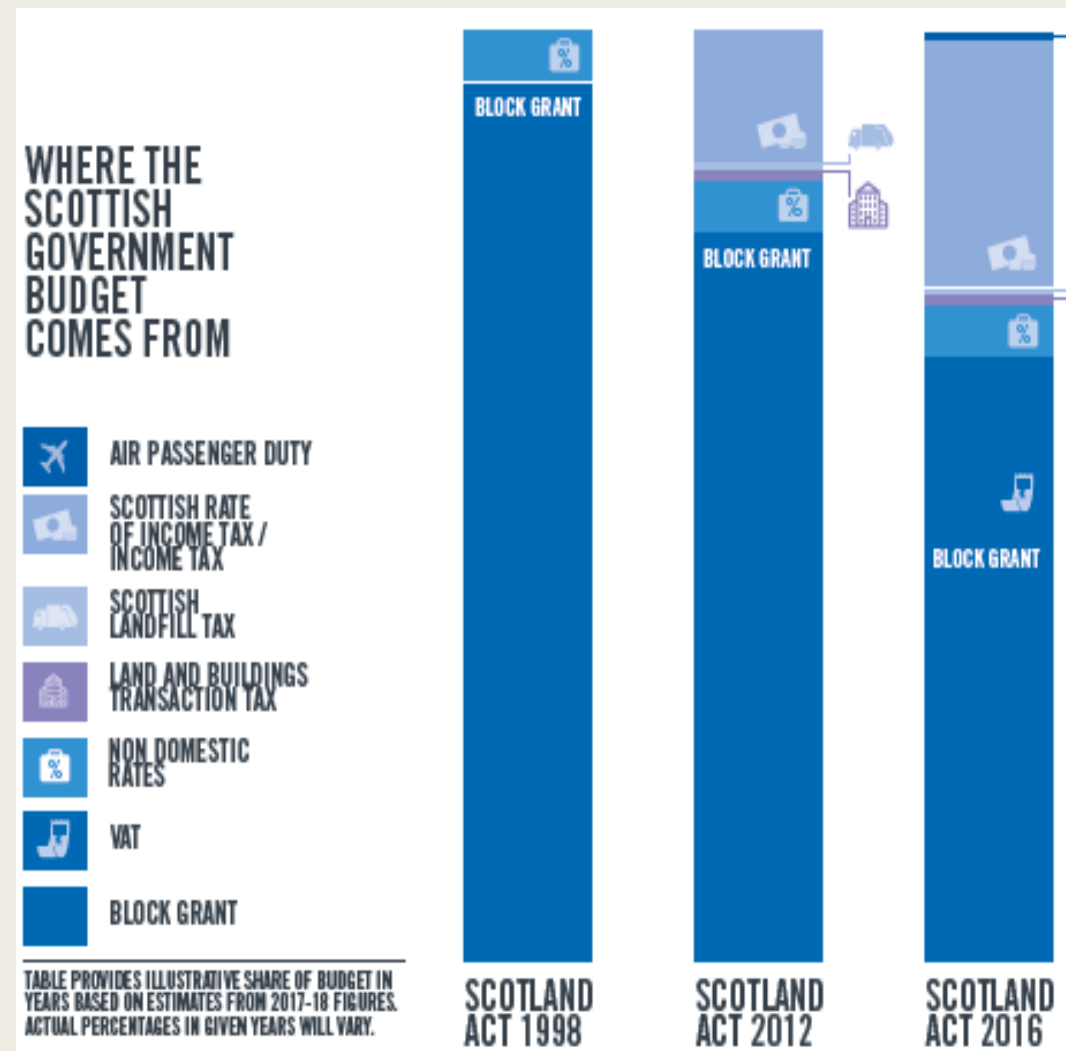
Fundamental change in public finances
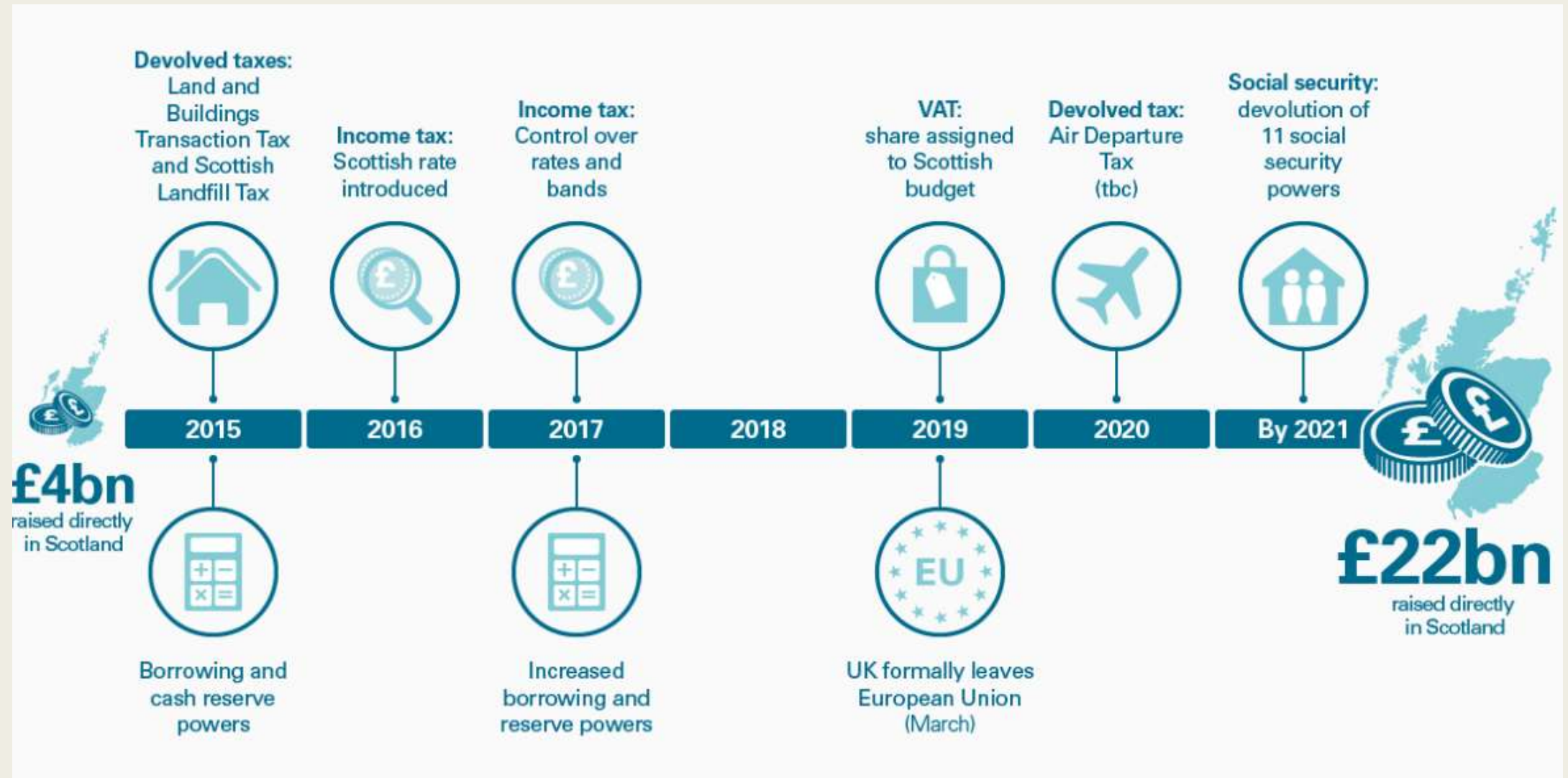
Maximisation of available resources

Scottish Budget Process
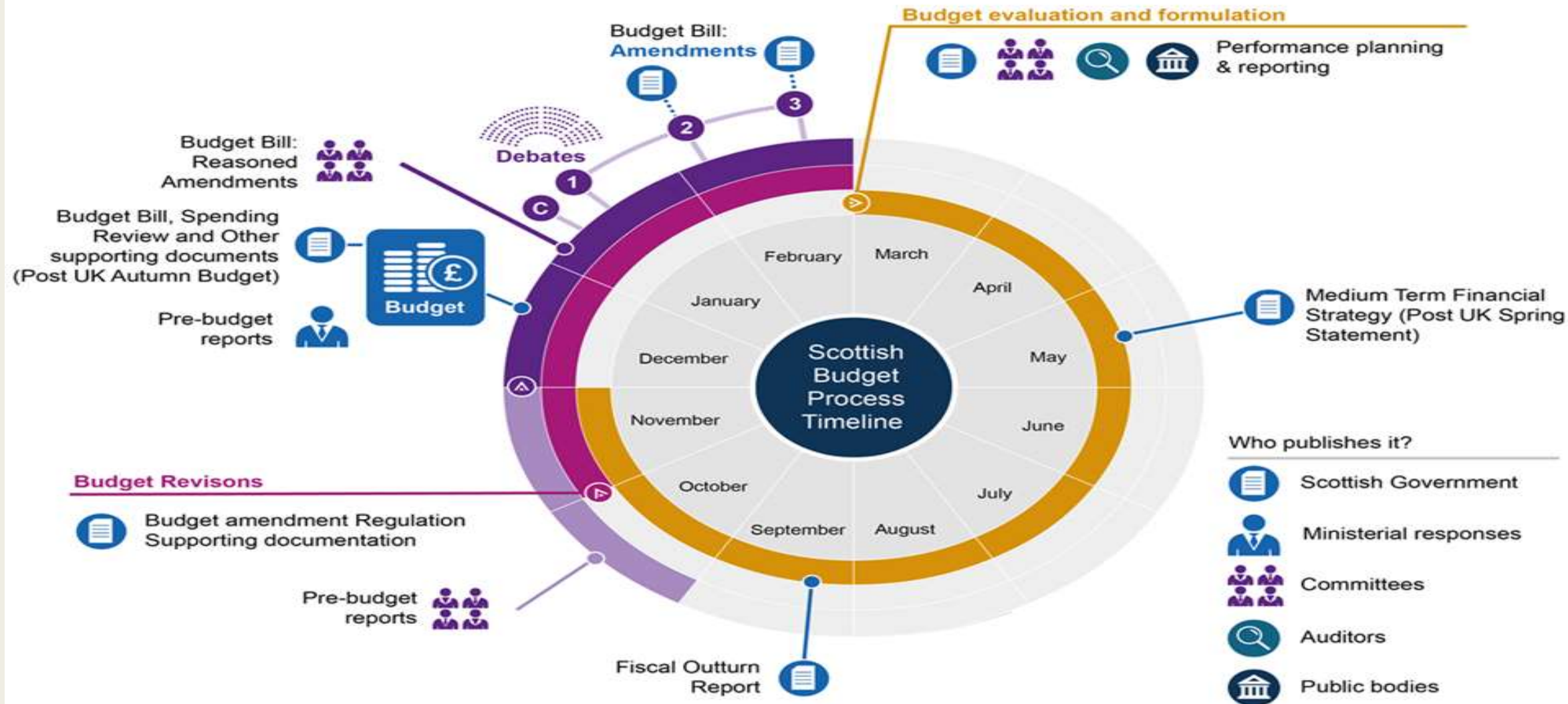
Scrutiny steps and opportunities

Take Steps

Pre-budget Scrutiny

Committee evidence

Budget Revisions

Budget Bill and debates

Committee evidence

Budget evaluation and formulation

Committee evidence

Consultation
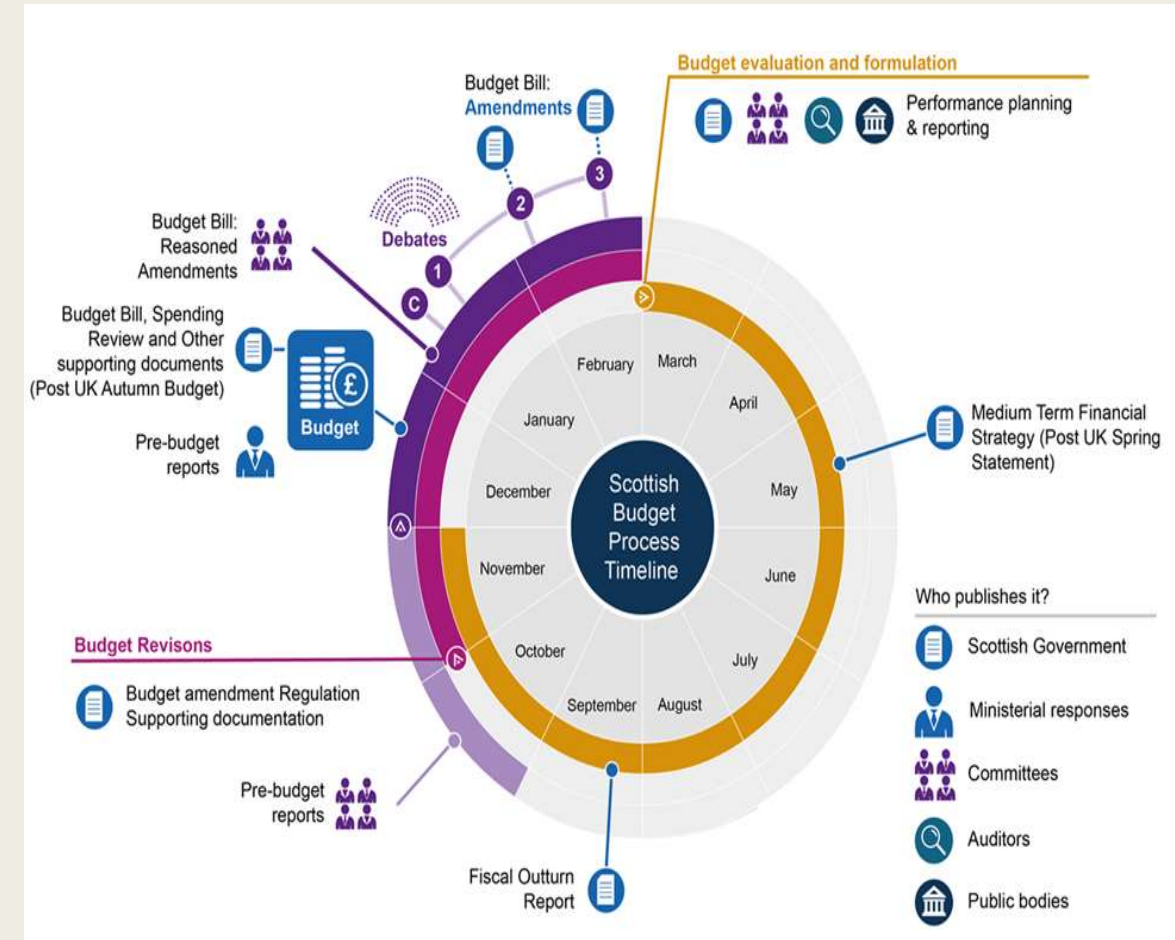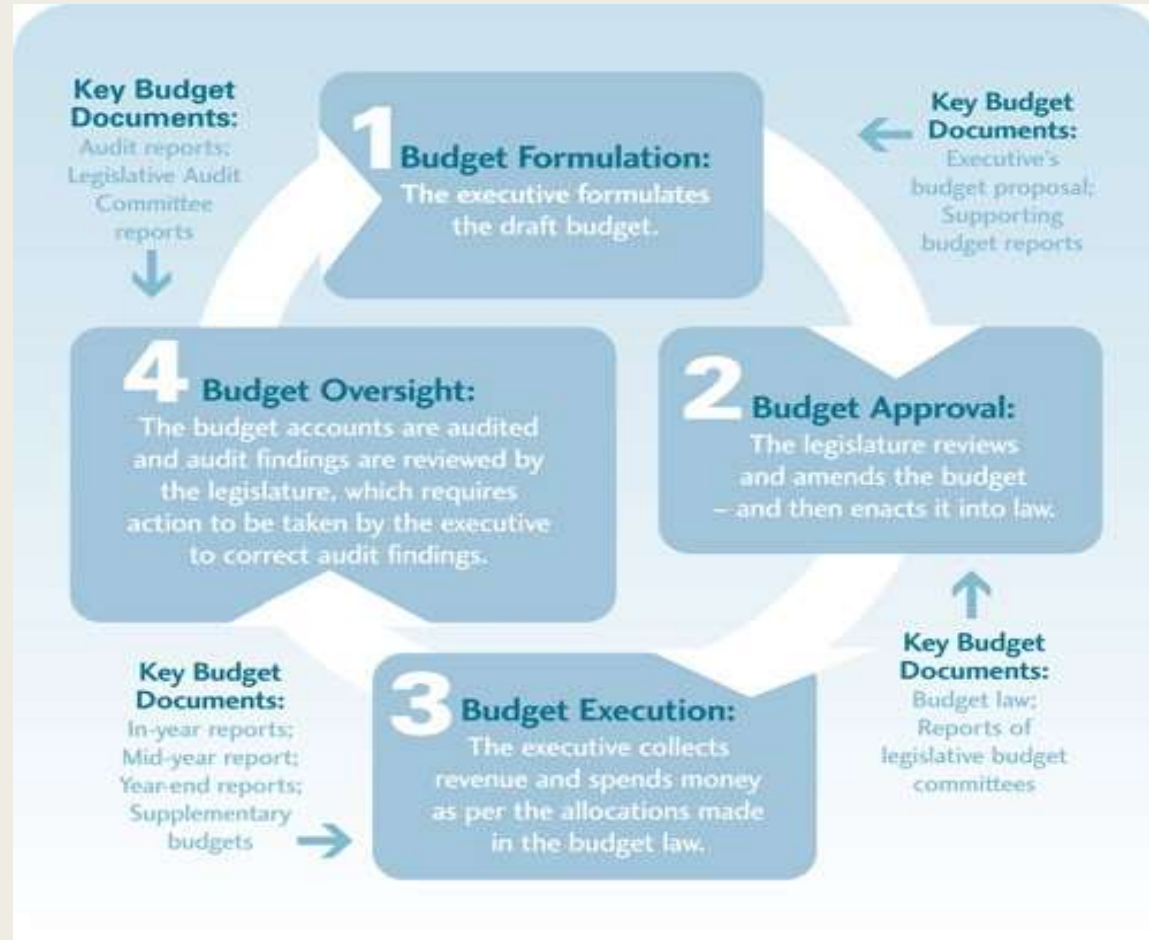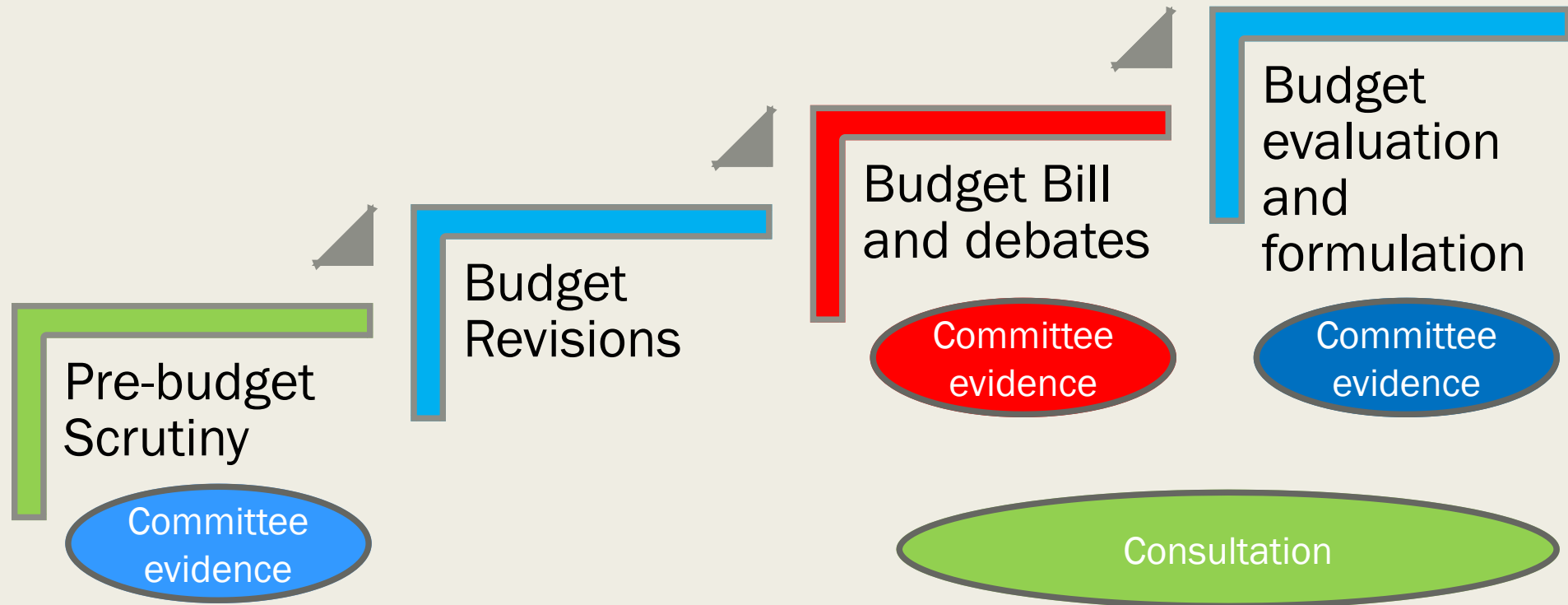
An OECD typology of gender budgeting

ex ante	concurrent	*ex post*
Gender impact assessment	Performance setting	*ex post* GIA
Budget baseline analysis	Resource allocation	Gender audit
Gender needs assessment	Budget incidence analysis	Spending review
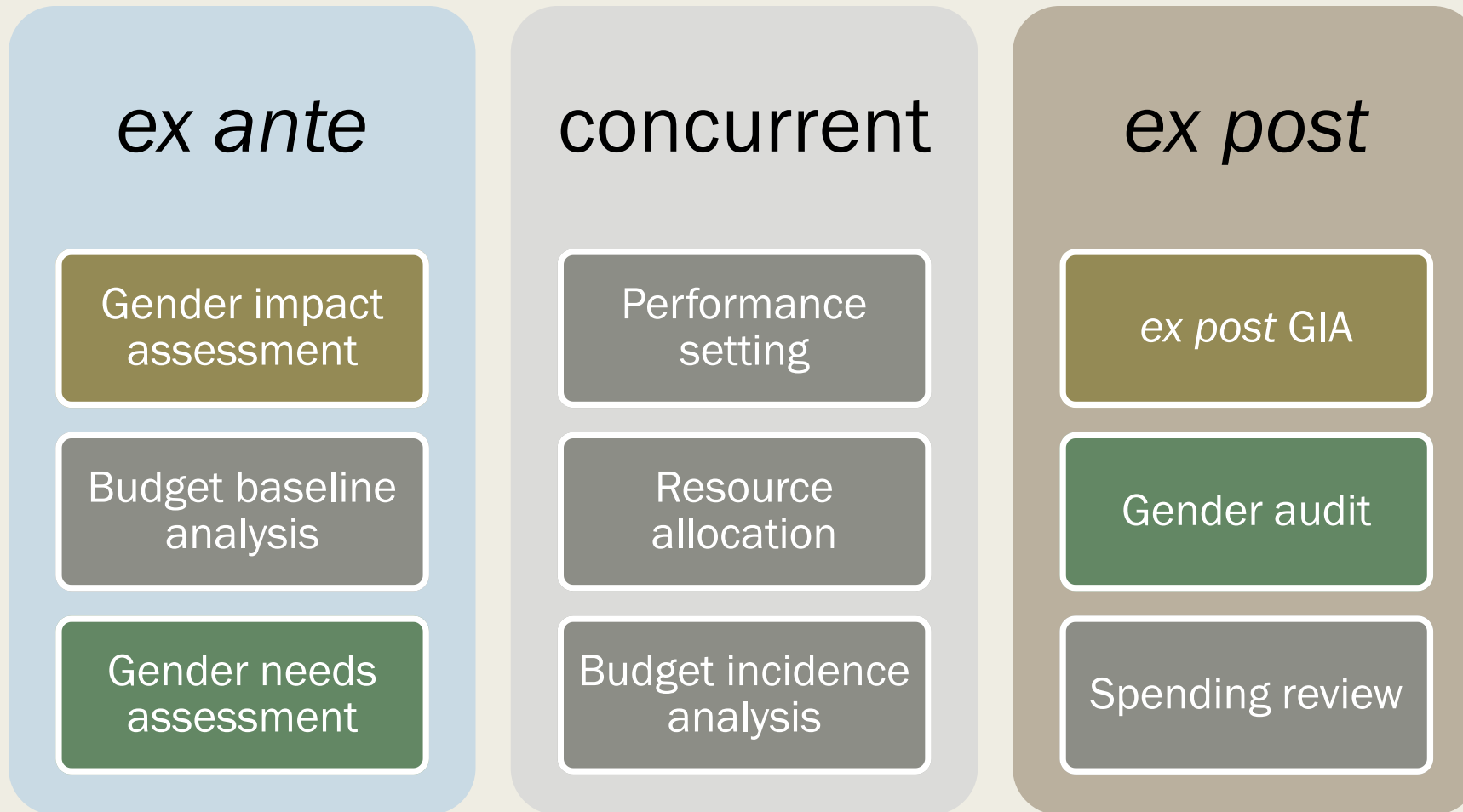
Opportunities for scrutiny

Chart 1.01 National Performance Framework

Minimum Core
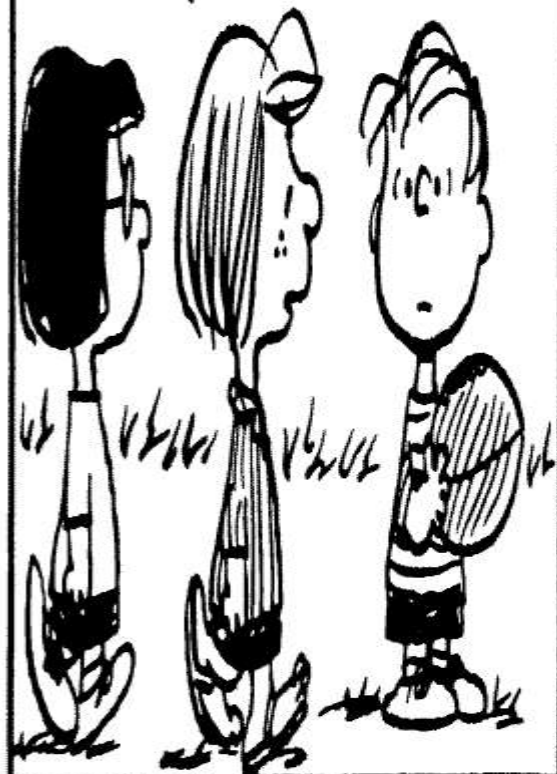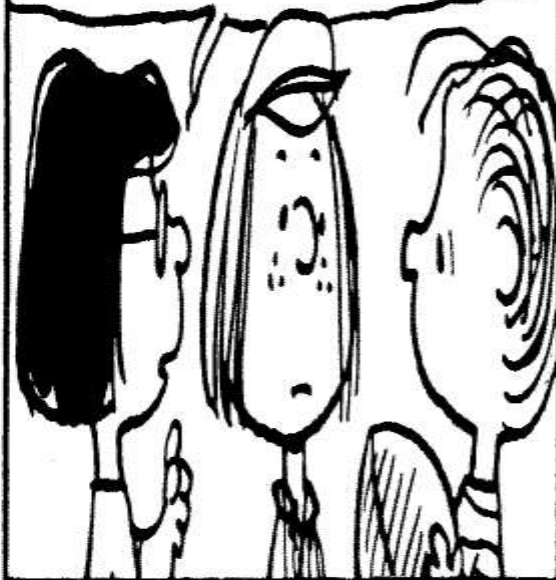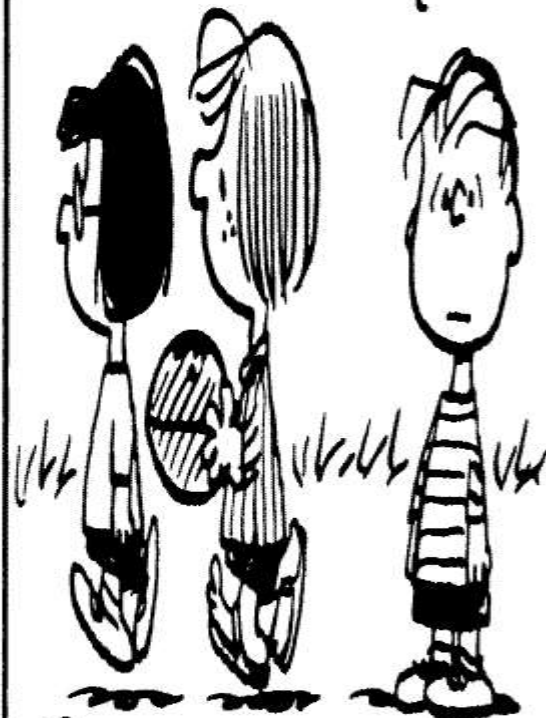
Best Start Grant

- **£12.4 million for Best Start Grant**

- Coming on stream by summer 2019

- £600 payment for first baby for those on qualifying benefit (unless under 18) and £300 for subsequent children

- Forecast recipients – 13,000 – significant increase from Sure Start Maternity Grants as Scottish Government have widened the eligibility criteria

- Estimated expenditure **2019-2020 = £5.6m** up to 6.6m in 2023-2024

- Discrepancy in Draft Scottish Budget and Scottish Fiscal Commission figures
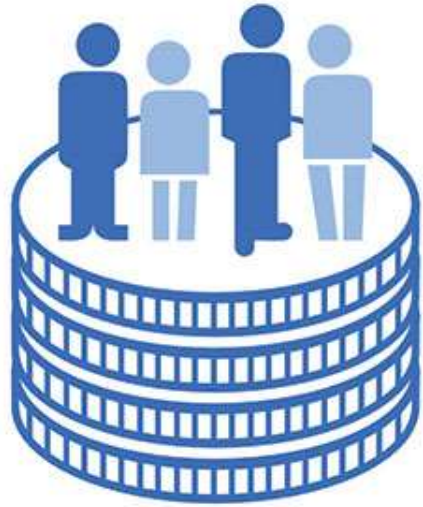
- Mmmm?

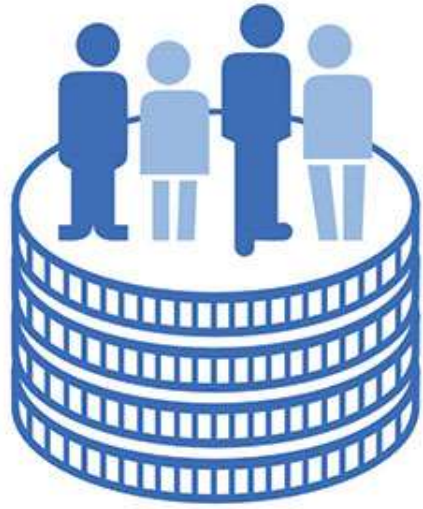# Take Steps
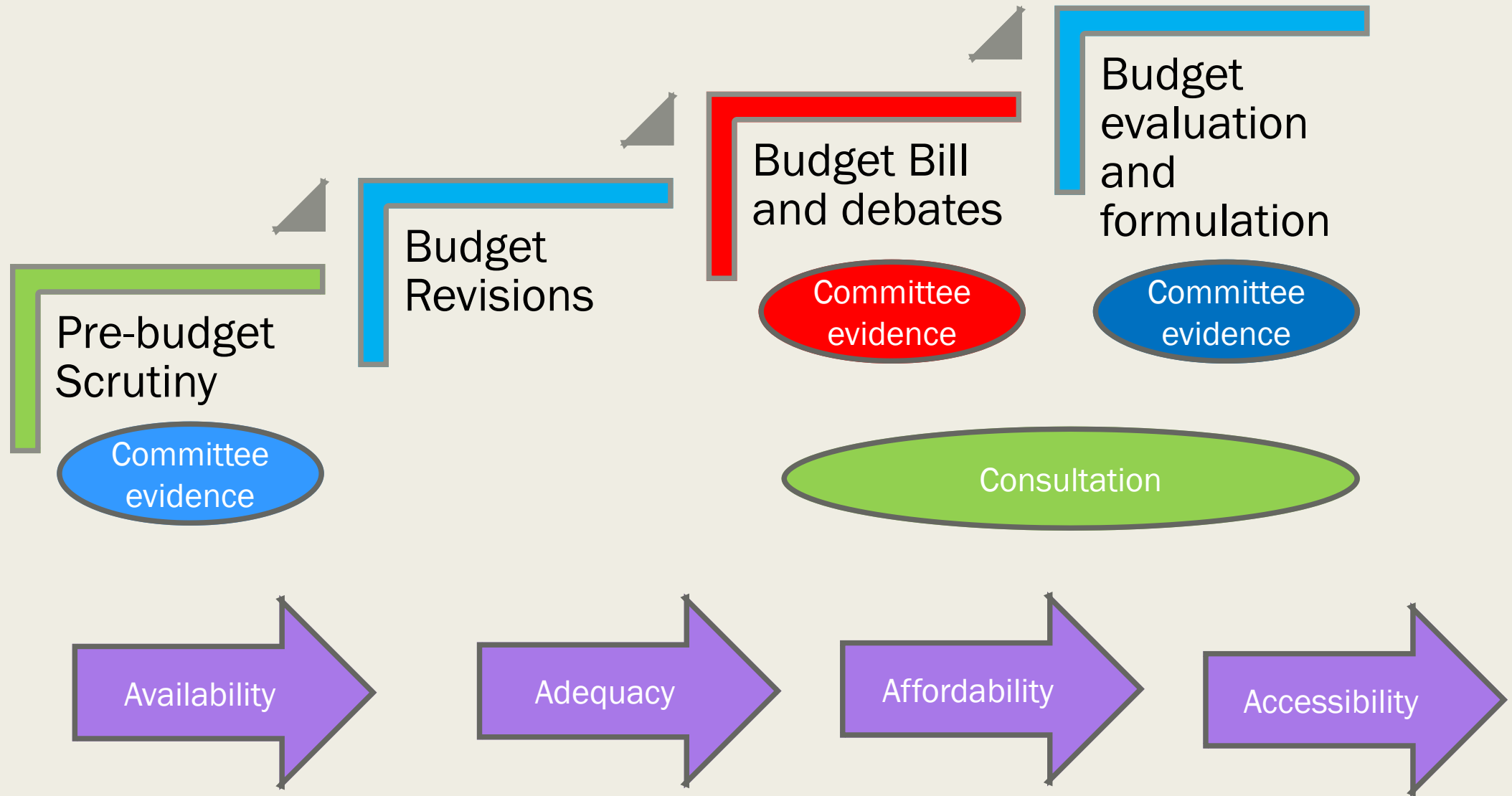
It was never a dress.

Human Rights Budget Work: What, Why, How?

Dr. Alison Hosie, Aidan Flegg & Kirstie English

Budget Process Scrutiny Indicators

#YourBudgetYourRights

Dr. Alison Hosie
Indicator 1:
Open Budget Survey

#YourBudgetYourRights

What is the Open Budget Survey?

- **OBS: created in 2006 by the International Budget Partnership (IBP)**
- The **only** global, independent, comparative measure of budget **transparency**, **participation**, and **oversight** of national governments
- Every country involved is assessed and compared with regard to three components (145 questions):
  - public availability of budget information;
  - public participation opportunities in the budget process;
  - the role and effectiveness of formal oversight institutions.
- Based on internationally accepted good practice for public financial management (OECD, IMF, IOSAI, GIFT).
- The 2017 survey involved 115 countries, including the UK.
- Scottish Indicator used OBS methodology will be comparable with 2019 survey.

#YourBudgetYourRights

Scotland Score Card 2019 (draft results)

Human Rights Budget Work: What, Why, How?

Scant or No Information Available/ Opportunities for Participation/ Oversight	Minimal Information Available / Opportunities for Participation/ Oversight	Limited Information Available / Opportunities for Participation/ Oversight	Substantial Information Available / Opportunities for Participation/ Oversight	Extensive Information Available / Opportunities for Participation/ Oversight
0-20	21-40	41-60	61-80	81-100

Scotland Score card - Open Budget Survey 2019

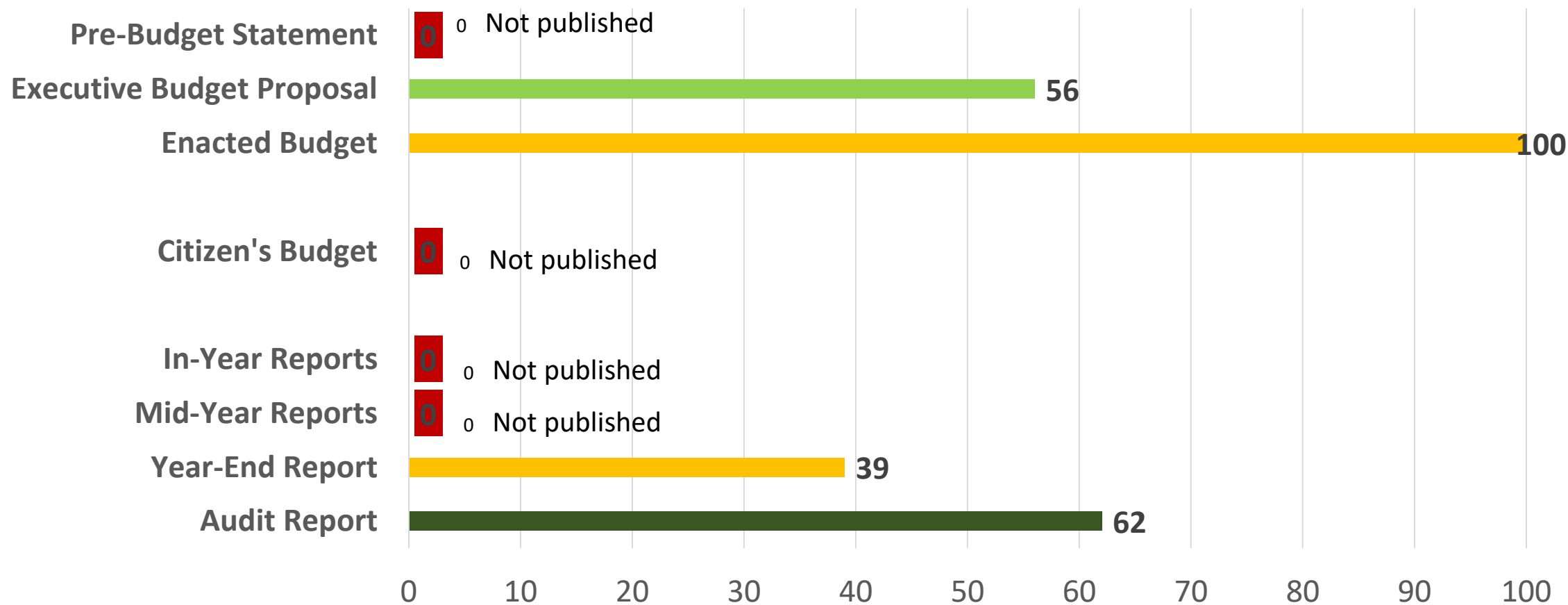| 43	26	71
out of 100	out of 100	out of 100
TRANSPARENCY Open Budget Index Scotland provides the public with limited budget information	**PUBLIC PARTICIPATION** Scotland provides the public with minimal opportunities to engage in the budget process	**BUDGET OVERSIGHT** Scotland provides extensive oversight of the budget

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Transparency (Open Budget Index): 43 out of 100 (draft result)

- 109 equally weighted indicators to measure budget transparency
- Assessed whether the government makes **eight** key budget documents <u>available</u> to the public, <u>online</u>, in a <u>timely</u> manner and whether the documents provide budget information in a <u>comprehensive</u> and useful way.
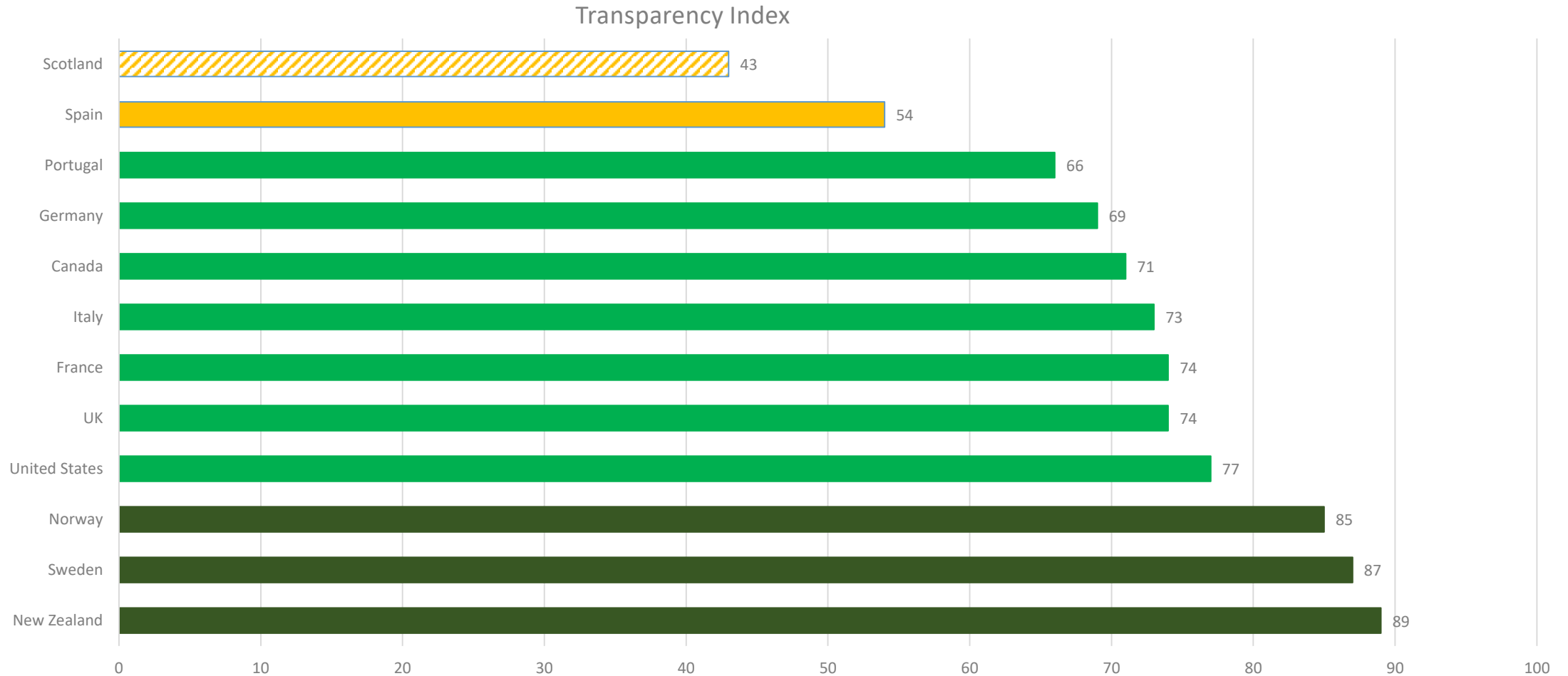
Pre-Budget Statement	In-Year Reports
Executive's Budget Statement (Scottish Draft Budget)	Mid-Year Review
Enacted Budget (Budget Bill)	Year-End Report
Citizens' Budget	Audit Report

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Draft Recommendations for Improving Transparency

- Publish all eight key documents.

- Publish a Citizens version of each of the key documents published at the same time as the key document.

- Policy planning should be driven by outcome expectations and evidence of what works – which requires accessible, transparent information.

- Scottish Draft Budget - reduce the repetitiveness, focusing on providing concise and consistently presented information, and include information that should be provided in other reports

- Reflect the budget allocations being referred to in the Scottish Draft Budget with the Level 1-4 budget lines.

- Improve Scottish Draft Budget analysis and narrative about how policies across the board may impact on vulnerable or marginalised groups.

- More comparisons should be provided within the Year-End Report between planned allocation, actual spend and impact connected to Scotland's National Outcomes.
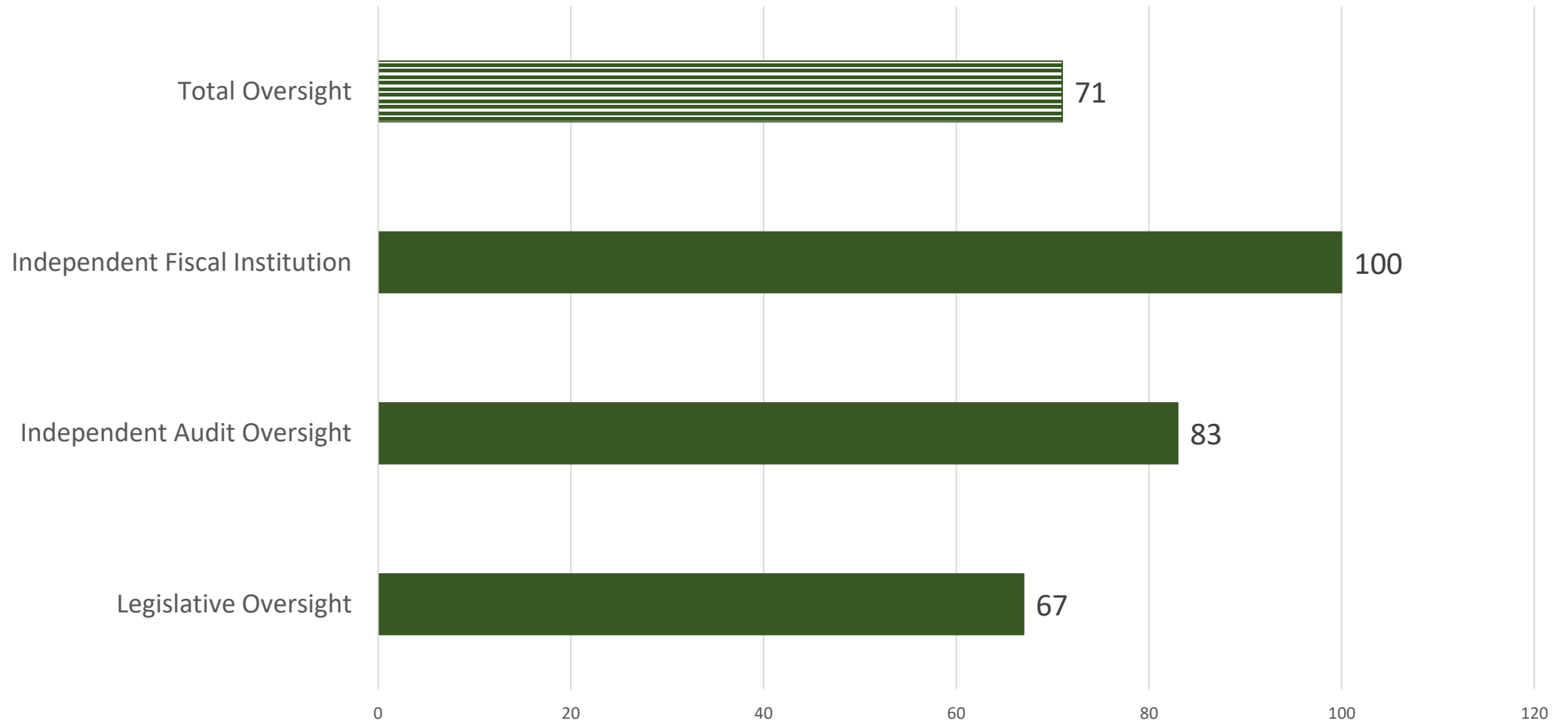
#YourBudgetYourRights

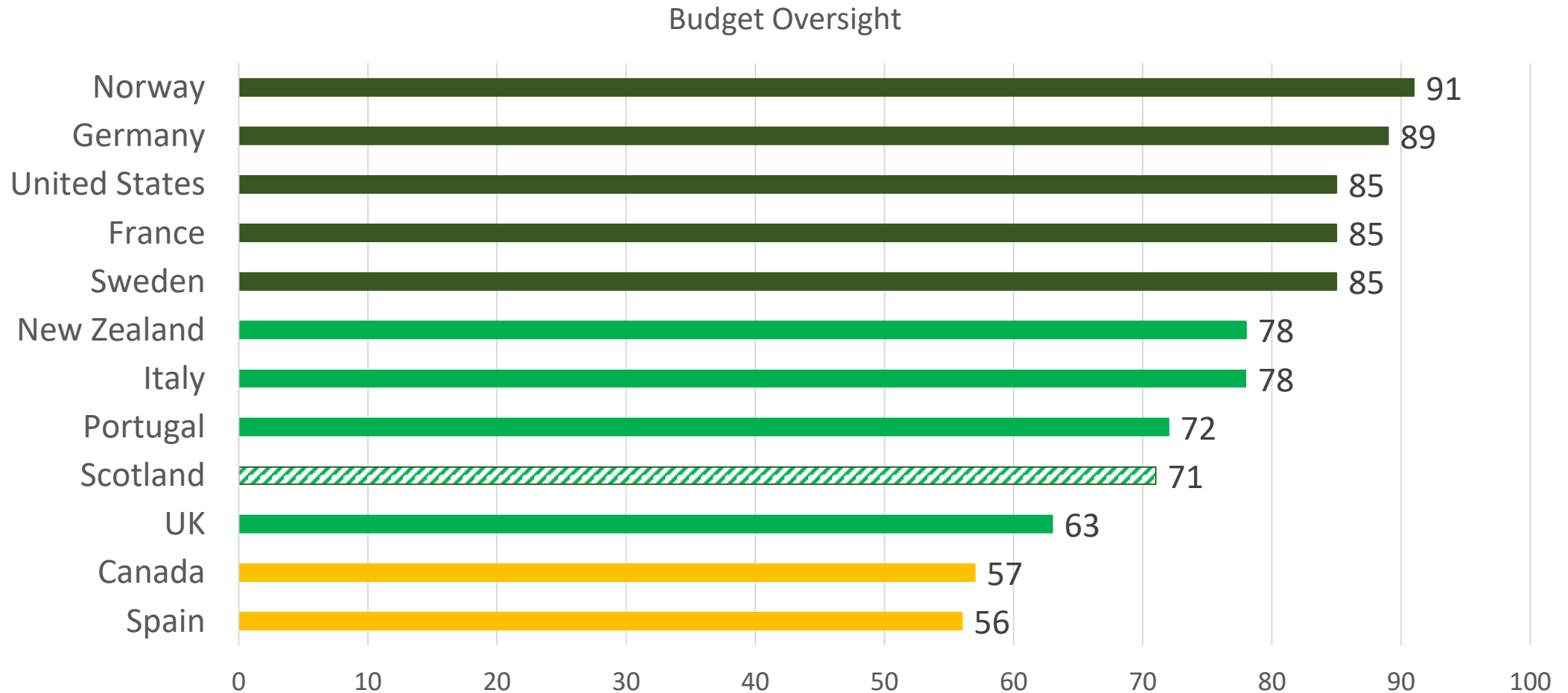# Budget Oversight : 71 out of 100 (draft score)

- A score above 60 on oversight is classed as providing adequate oversight practices.

- Scotland provides **substantial** oversight of the budget.

- Potential for **Extensive** oversight was affected by the lack of certain reports produced in Scotland.

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How Does Oversight Compare to Other Countries?

Budget Oversight

Country	Score
Norway	91
Germany	89
United States	85
France	85
Sweden	85
New Zealand	78
Italy	78
Portugal	72
Scotland	71
UK	63
Canada	57
Spain	56

Scotland 2019 compared to other countries 2017 scores

Human Rights Budget Work: What, Why, How?

#YourBudgetYourRights

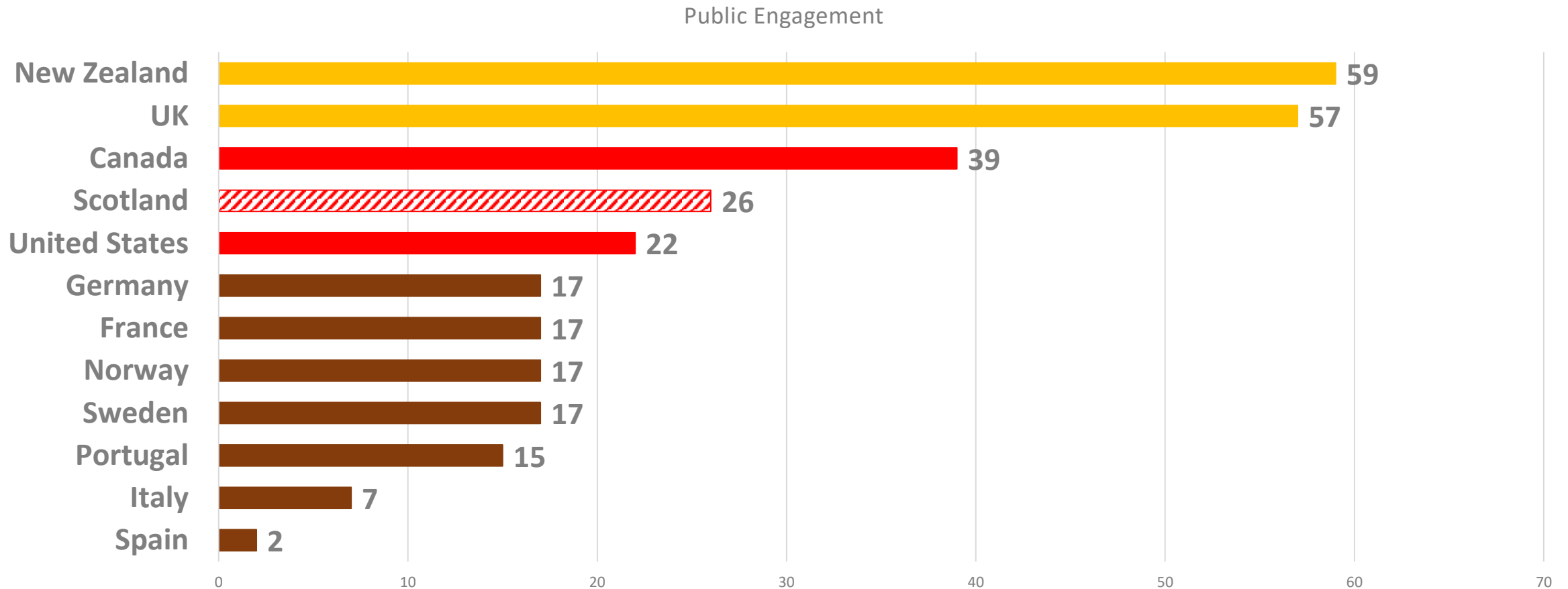# Draft Recommendations for Improving Formal Oversight

- Ensure those providing oversight have access to all relevant budget documentation for Scotland (i.e. Pre-Budget Statement, In-Year & Mid-Year reports).

- Improve the availability of data on expenditure presented against original allocation estimates presented in such a way that allows for read across to the National Outcomes.

- Ensure that audit processes are reviewed by an independent agency (within specified time frame).

- Ensure that a committee of the legislature examines the Audit Report on the annual budget produced by the Audit Institution.

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Public Participation: 26 out of 100 (draft score)

- Budget accountability cannot be realised through transparency alone, genuine participation is also critical.
- Participation is another key principle of a human rights based approach.
- Questions assess the degree to which the government provides opportunities for the public to engage in budget processes throughout the budget cycle.
- Scoring above 60 on participation are considered to be providing adequate opportunities for the public to participate in the budget process.
- Scotland currently provides the public with only **minimal** opportunities to engage in the budget process.

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Draft Recommendations for Improving Participation

- Produce timely, accessible citizens' versions of all budget documentation;

- Produce clear and well-advertised guidance for public engagement with the budget process, including the timetable for formulating the Executive's Budget Proposal;

- Provide feedback to participants who participate in the budget process;

- Actively engage with individuals or civil society organisations representing vulnerable and marginalised communities during the development and implementation of the budget.

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Next Steps

- Peer review process.
  - Methodology review by IBP (underway)
  - National conversations to discuss draft findings, review & revise: Scottish Government, Audit Scotland, Fiscal Commission
- Finalise scores and recommendations.
- Compare with global scores when OBS 2019 is published in June 2019.

#YourBudgetYourRights

Human Rights Budget Work : What, Why, How?

Aidan Flegg
Indicator 2:
The Availability,
Accessibility and Transparency of Budgetary
information at the Local Level in Scotland

#YourBudgetYourRights

Local Budgets and Human Rights

Spending Scrutiny

➢Budgets whether at the national or the local level provide insight into resource-related decision-making. Transparency is essential for the realisation of socio-economic rights!

Public Participation

➢Having a transparent budgetary process, represents a tool for facilitating public participation in the budgetary process.

Accountability

➢Focus on promoting and measuring budget transparency at the local level increases local government accountability.

Availability, Accessibility and Transparency

<u>Availability</u>

➢What kind of budgetary information is provided and published?

➢Is it online and obtainable in different formats for those not online?

<u>Accessibility</u>

➢What level of ease was the public information obtained?

➢Do the weblinks to information work?

➢Are different contact methods offered?

<u>Transparency</u>

➢Is the information contained understandable?

➢Is the information up to date?

Human Rights Budget Work : What, Why, How?

1. **<u>Scottish Information Commissioners Model Publication Scheme (MPS).</u>**

   - Provides a standard framework for Scottish public authorities to publish the information they hold.
   - In order to satisfy the MPS, authorities must publish a Guide to Information (GTI). This breaks all the information into nine different classes.
   - Each class has minimum set of requirements set out by the MPS.
   - Information necessary to analyse budget transparency are contained in classes:
     - ❖ Class 3 – How we take decision and what we have decided.
     - ❖ Class 4 – What we spend and how we spend it.

Process Indicator Methodology (Step 2)

2. **Research by Craigforth.**

- At the end of 2016 the SIC commissioned Craigforth, a social research company, to carry out a 'mystery shopping' exercise with public authorities. This selects public authorities at random including local councils. Provided the sample set of 14 councils over 2017/18.
    - The research assessed and provided data on the following:
        a) Accessibility of public authorities Guide to Information.
        b) Accessibility of Class 3 information.
    - Further data was gathered on Class 4 information (budgetary documents) and set against the minimum standards as required by the MPS.

Process Indicator Methodology (Step 3)

**3. <u>Developing the question set through the Open Budget Survey (OBS).</u>**

- The OBS 'is the world's only comparative and independent assessment of fiscal transparency, oversight and participation at the national level'.
- Ten quantifiable questions were set and applied to the three main elements of budgetary information at the local level. These are:
    i.   Local Authorities Guide to Information (10 Questions).
    ii.   Class 3 information (10 Questions).
    iii.   Class 4 information (10 Questions).

The Question Set (Examples)

- Question 4
  - Does the Guide To Information weblink to available information? (Accessibility)
    - A – yes (Score 100)
    - B – Some links are provided (score 50)
    - C – No (Score 0)

- Question 18
  - Quality of signposting to decision making information? (transparency)
    - A – Good (score 100)
    - B – Fairly good (Score 75)
    - C – Average (Score 50)
    - D – Fairly poor (Score 25)
    - E – Bad (Score 0)

- Question 25
  - Are financial policies and procedures for budget allocation provided? Does this include budget allocation to key policy areas? (Availability/Transparency)
    - A – yes (Score 100)
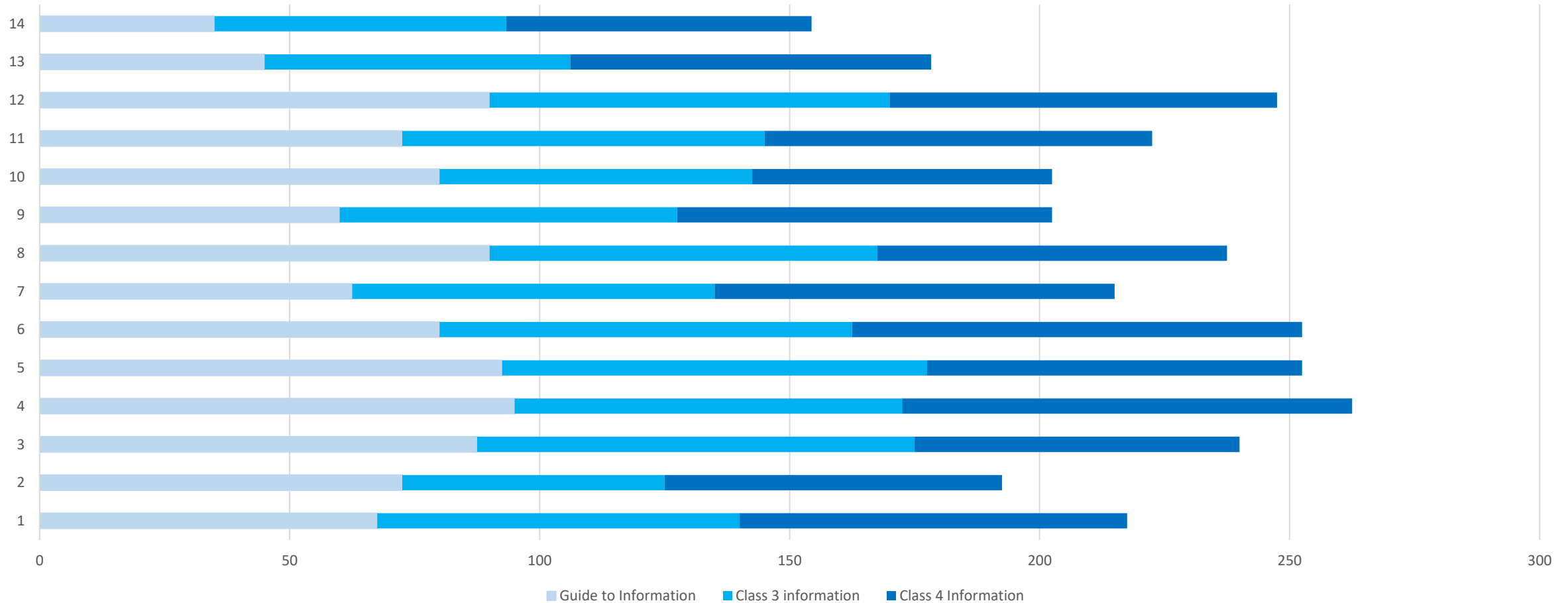   - B – Mostly (Score 50)
    - C – No (Score 0)
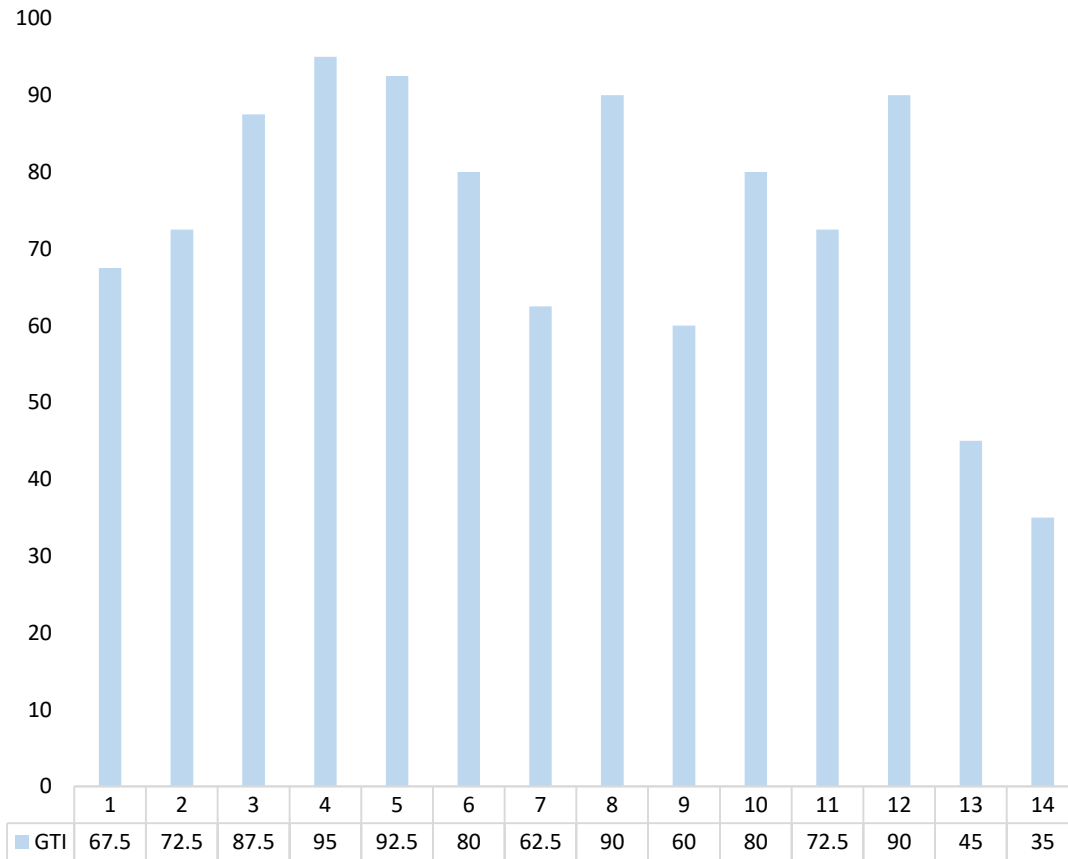
Overall Results

Local Council Results
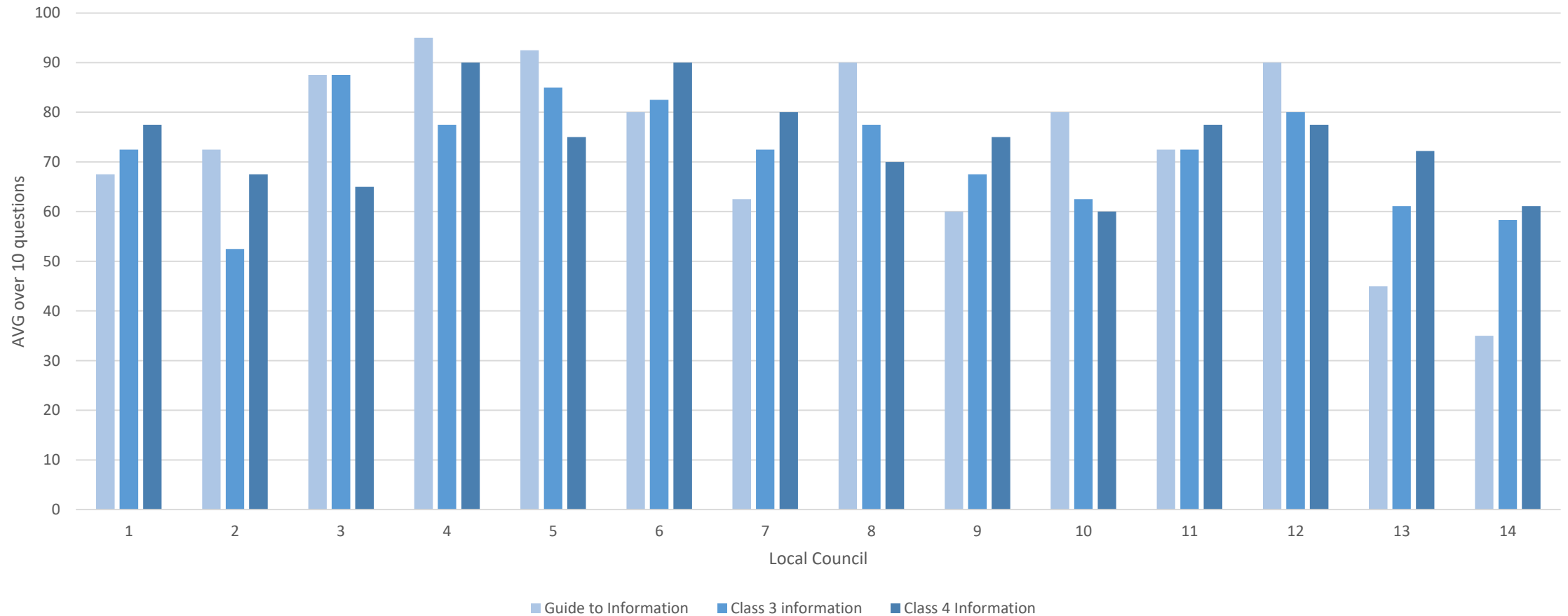
Overall Results

Local Council (Totals)

Legend: Guide to Information, Class 3 information, Class 4 Information

Analysis – Guide to Information

GUIDE TO INFORMATION (AVG/100)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
GTI	67.5	72.5	87.5	95	92.5	80	62.5	90	60	80	72.5	90	45	35

Positives

➢ All local councils within the sample provided a GTI and could provide them in different formats.

➢ All but two GTIs required less than five mouse clicks to access.

➢ Only one council was found to have clearly not followed the guidance as provided by the SICs Publication Scheme.

Areas for Improvement

➢ Only half of the GTIs explicitly showed when they were last reviewed. Older versions were also still available which could cause confusion.

➢ 5/14 of the sample set provided fully working and direct weblinks to all information.
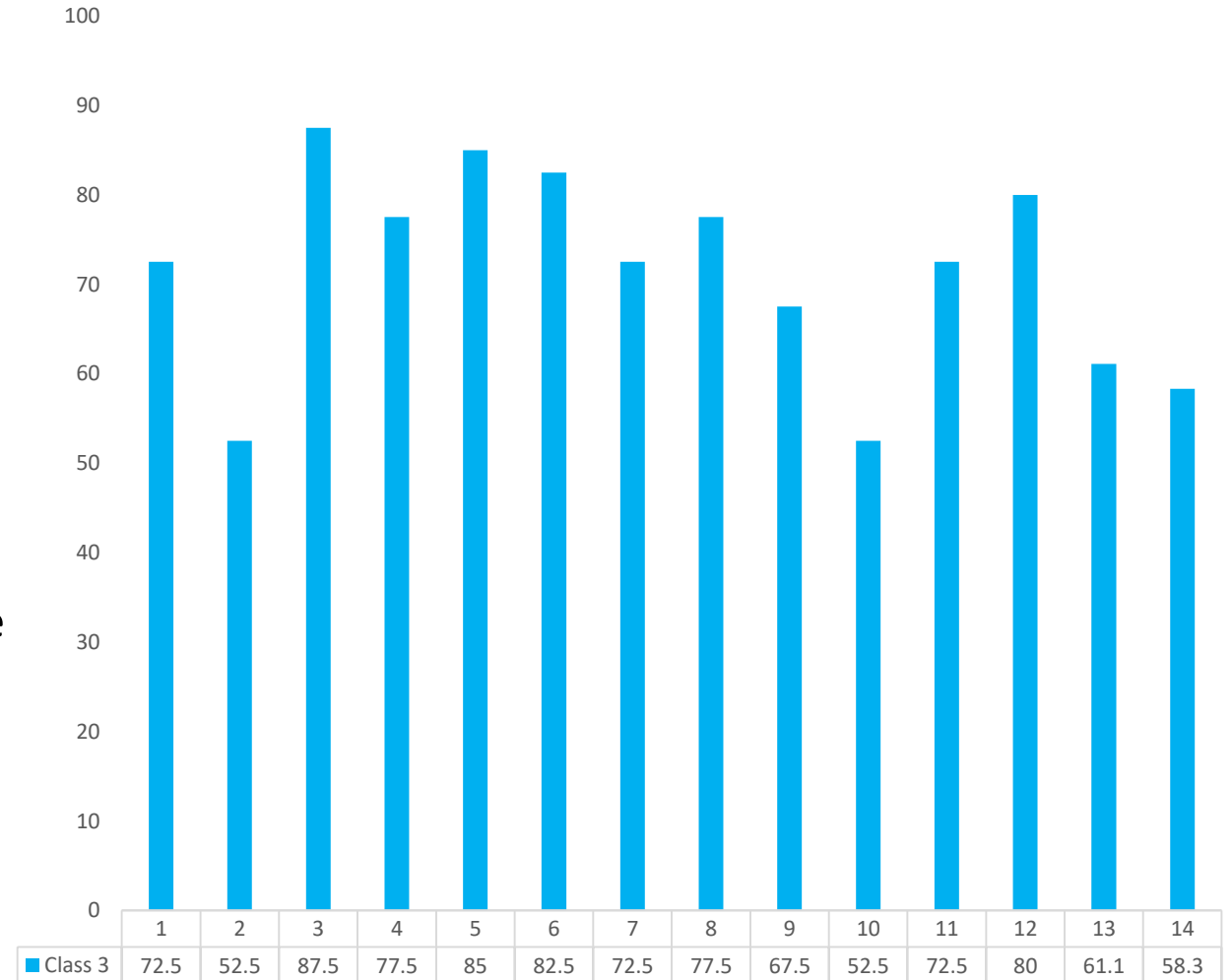
Analysis – Class 3 (Decision Making Info)

Positives

➢ All of the sampled local authorities publish Class 3 information as required by the Model Publication Scheme. For examples committee agendas/minutes.

➢ 12 of the sample set publish their strategic engagement plans, setting out how the authority plans to operate.

Areas for Improvement

➢ Only three of the sampled set made specific reference to decision making information specifically being available in different formats.

➢ While many of the GTIs provide weblinks to Class 3 information, many of the links either do not go directly to the information or do not work altogether.

Class 3 Information (AVG/100)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Class 3	72.5	52.5	87.5	77.5	85	82.5	72.5	77.5	67.5	52.5	72.5	80	61.1	58.3

# Analysis – Class 4 (Budgetary Documents)

Positives

➢ Every local authority makes publicly available financial statements, including annual accounts, financial policies and budget allocations to key areas of policy.

➢ All local councils provide information on senior staff/board member expenses.

Areas for Improvement

➢ Working weblinks directly to the budgetary documents were only provided by 3/14 sample set. While 12/14 councils provided weblinks to information, they would often require further searching to get to the information or weblinks would be broken.

➢ Only 2/14 of the sample explicitly state that budgetary information can be provided in different formats.

➢ 9/14 of the sampled local authorities do not provide information on internal finance regulations.

Class 4 Information

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
■ Class 4	77.5	67.5	65	90	75	90	80	70	75	60	77.5	77.5	72.2	61.1
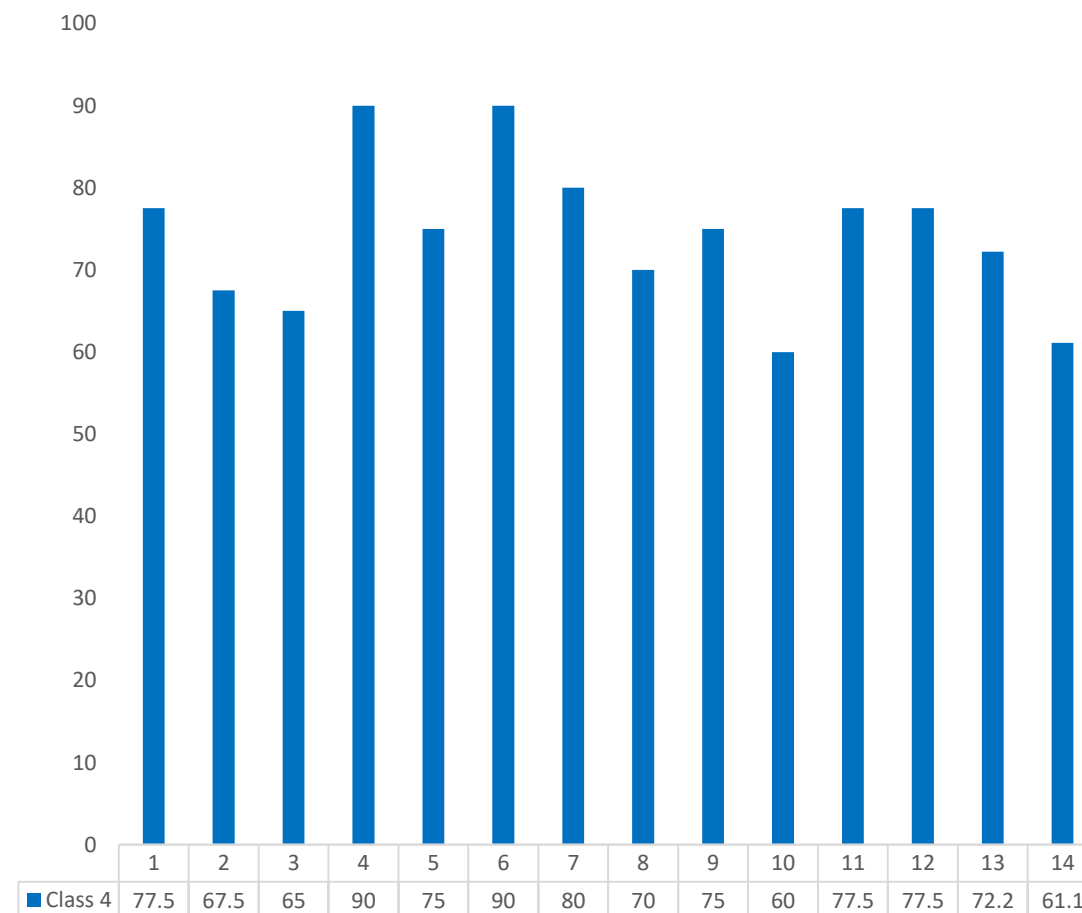
Recommendations

I.   All councils should use and adhere to the guidance provided by the Scottish Information Commissioner for adopting their Model Publication Scheme. A more uniform and definitive set of guidelines could be set in publishing information conducive to human rights budgeting.

II. Local councils in line with the guidance from the Model Publication Scheme, should review and update their Guide to Information and state the date of review. Any old GTIs should be removed from the website to avoid confusion.

III. Local councils should ensure that their Guide to Information provides working web-links either to the correct webpage to find the appropriate information, or preferably directly to the desired information. This should be done for all information contained in the GTI.

IV. Information necessary for public participation in the budgetary process should be available in different formats on request.

V.   Increase overall ease of access to budgetary and decision making information by reducing the time required to navigate webpages.
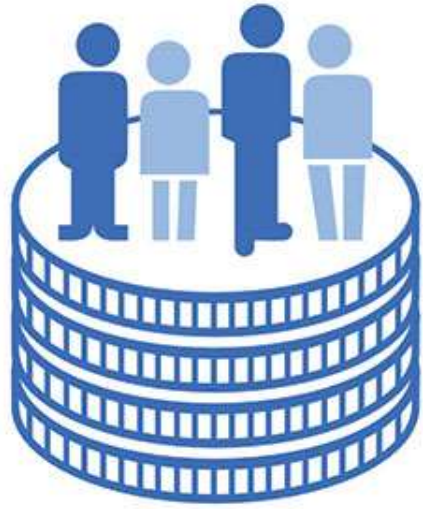
Kirstie English
Indicator 3:
Quality of participation in national budget process

Aim of this indicator

- This indicator has been designed to assess the quality of budget participation with Scotland's national budget process.

- The indicator has been redrafted since last year and now produces more standardised scores and allows for an understanding of the quality of participation on a committee by committee basis.

- There is three key ways data is collected for this indicator:
  - By reviewing what's available online
  - Clerk interview
  - Consultee survey

#YourBudgetYourRights

The seven best practice principles

- The indicator is based on the seven best practice principles identified in the [Consultation Charter](). The principles are:
  1. Integrity
  2. Viability
  3. Accessibility
  4. Transparency
  5. Disclosure
  6. Fair Interpretation
  7. Publication

#YourBudgetYourRights

Integrity

- Overall looks as if meaningful contact was made with consultees with intention to actually use their views, which means there had to be evidence of:
  - Honesty of intention
  - Willingness to listen
  - Taking genuine account of views expressed
  - No decisions already taken or at the very least being clear about the choices already made

#YourBudgetYourRights

Visibility

- Refers to how the committees made sure consultees would actually know about the consultations being carried out on the budget and the various ways they engaged with them. This involved checking the social media accounts of the committees to see if they were employed to inform consultees and the Clerks will also be asked to provide evidence of any more traditional forms of media employed to reach participants.

#YourBudgetYourRights

Accessibility

- Looks as if consultees were easily able to take part in the consultations. For this principle there had to be evidence of:
  - Using effective means to cater to hard to reach groups
  - Meeting accessibility requirements such as providing documents in languages other than English and catering to those with vision or hearing impairments
  - Allowing consultees to submit testimonies in formats other than written English.

#YourBudgetYourRights

Disclosure

- This principle related to how clear the committees were regarding any choices that may have already made surrounding the budget. It also touched on if the committees asked about the backgrounds of the consultees.

Fair Interpretation

- Aims to understand how the committees used the data and what information they provided online so that their processes could be assessed by groups such as the SHRC.

Publication

- This principle related to how the information gathered via the consultations was then presented and how informed consultees were about this process.

The scores

- There is between 4-7 questions for each indicator, for each question the overall quality of participation in the budget process is awarded a traffic light score. This year all the traffic lights are based on a numeric score as shown bellow:

    - Green: 61-100
    - Amber: 41-60
    - Red: 0-40

- The mean score will also be calculated for the principle as a whole so along with a traffic light for each question there will be an overall traffic light and numeric score for how the participation in the budget process related to each of the seven indicators.

#YourBudgetYourRights

Committees	Q1.1	Q1.2	Q1.3	Q1.4	Mean for committees
Culture, Tourism, Europe & External Relations Committee					
Economy, Jobs and Fair Work Committee					
Education and Skills Committee					
Environment, Climate Change and Land Reform Committee					
EHRiC					
Finance and Constitution Committee					
Health and Sport Committee					
Justice Committee					
Justice Sub-Committee					
Local Government & Communities					
Rural Economy and Connectivity Committee					
Scottish Commission for Public Audit					
Social Security Committee					
Mean for principle questions					

#YourBudgetYourRights

Findings so far

- Lack of information published online:
  - Three committees don't have budget scrutiny pages on the parliament website
  - Those that do have budget scrutiny pages often don't publish their open call or even state if consultees were contacted via open call or by being written to directly
  - On open call webpages the link to the privacy document is broken, there is no way to tell if this has always been the case and it is a privacy issues either way

  - Positives:
    - They don't seem to be going to all the same consultees as last year
    - Consultees were able to provide oral evidence a good proportion of the time
    - Some evidence of a full year scrutiny approach being taken, although this isn't present in all committees yet
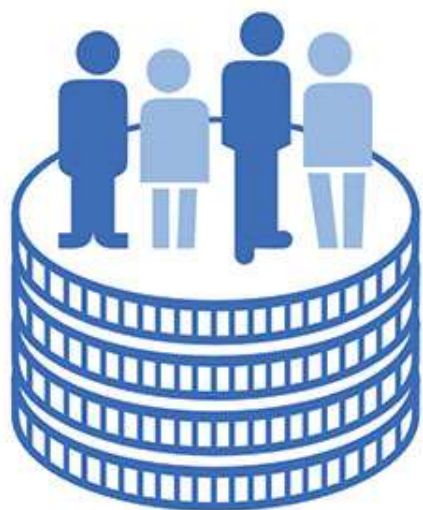
#YourBudgetYourRights

INTRODUCTION

- Budget figures are **always relative**.

- To determine if budgetary figures are high or low, we need to ask…high or low *relative to what?*

- For example, say the budget for the Scottish Human Rights Commission goes from £1 million in 2014/15 to £2 million in 2019/20.

- Doubling the budget sounds like a lot, but what if:

  - The overall budget tripled in that same period? As a percentage share, it shrinks.

  - The cost of goods and services increases 150% over the same period? The Commission's purchasing power decreases, so the budget doesn't stretch as far.

- We need to convert budgetary figures into **comparable indicators**.

STEP ONE: IDENTIFY COMPARABLE INDICATORS

Examples for resource allocation:

- Expenditure ratios (percent out of a total) by sector
- Expenditure ratios by sub-sector
- Per unit or per capita expenditure by sector and sub-sector

Examples for resource generation:

- Government revenue as percent of GDP
- Tax revenue as percent of government revenue
- Different tax types (e.g. income, corporate, VAT) as percent of total tax revenue
- Tax (by type) as a share of a taxpayer's total income
- Average illicit financial flows

Examples for resource expenditure:

- Variance between budgeted amounts and actual budget outturns
- Budget turnaround time in relation to policy commitment
- Efficiency of spending, including transaction costs and leakages

STEP TWO: MAKE COMPARISONS

- To other **comparable countries.**

- To national or international **targets or commitments** agreed to by the government.

- To **guidelines** from international bodies.

- To other **parts of the budget**.

- To other **relevant economic indicators**.

- **Between groups**

FIGURE 15 — Annual Expenditure on Social Protection, Health and Education per Capita in the EU-15 (latest figures available)

FIGURE 22 — Tax Evasion vs. Budget Cuts in Spain (2012)

Potential estimated revenue gained by combating tax evasion: **€38 Billion**

National budget cuts 2011-2012: **€27.3 Billion**

Total revenue lost to tax evasion: **€88 Billion**

2011 Total Public Deficit: **€91 Billion**

Source: Ministry of Finance and Public Administrations of Spain, 2012 and GESTHA, 2011

COMPARISONS BY GROUPS – ALLOCATIONS

- May be possible to infer who is benefiting, by looking at the classification of budget lines.

- Calculating **per capita** allocations can facilitate comparison by groups.

- Other techniques, such as 'benefit incidence analysis', can complement.

FIGURE 16 — Early School Leaving and Government Spending on Education per Student by Autonomous Community

Pearson Correlation Coefficient: -0.76

Source: Ministry of Education of Spain, 2010 and 2011
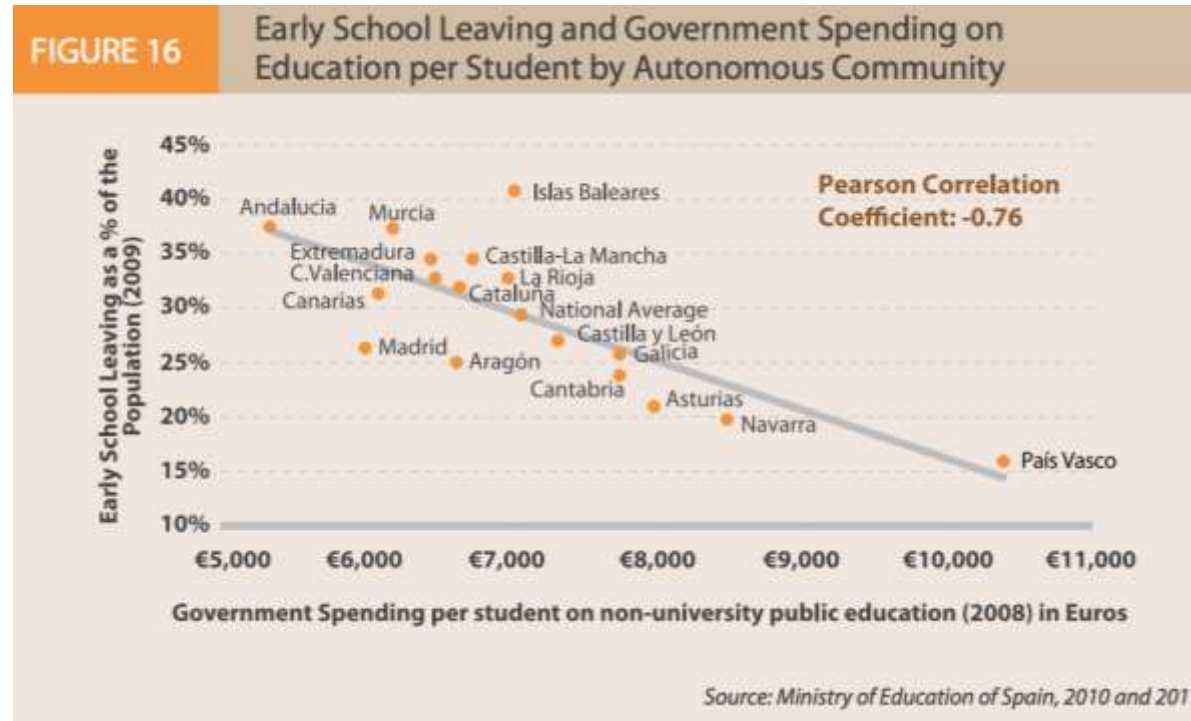
STEP THREE: ANALYZE TRENDS OVER TIME

Nominal budget figures need to be "adjusted for inflation" to enable valid, accurate comparisons over time.
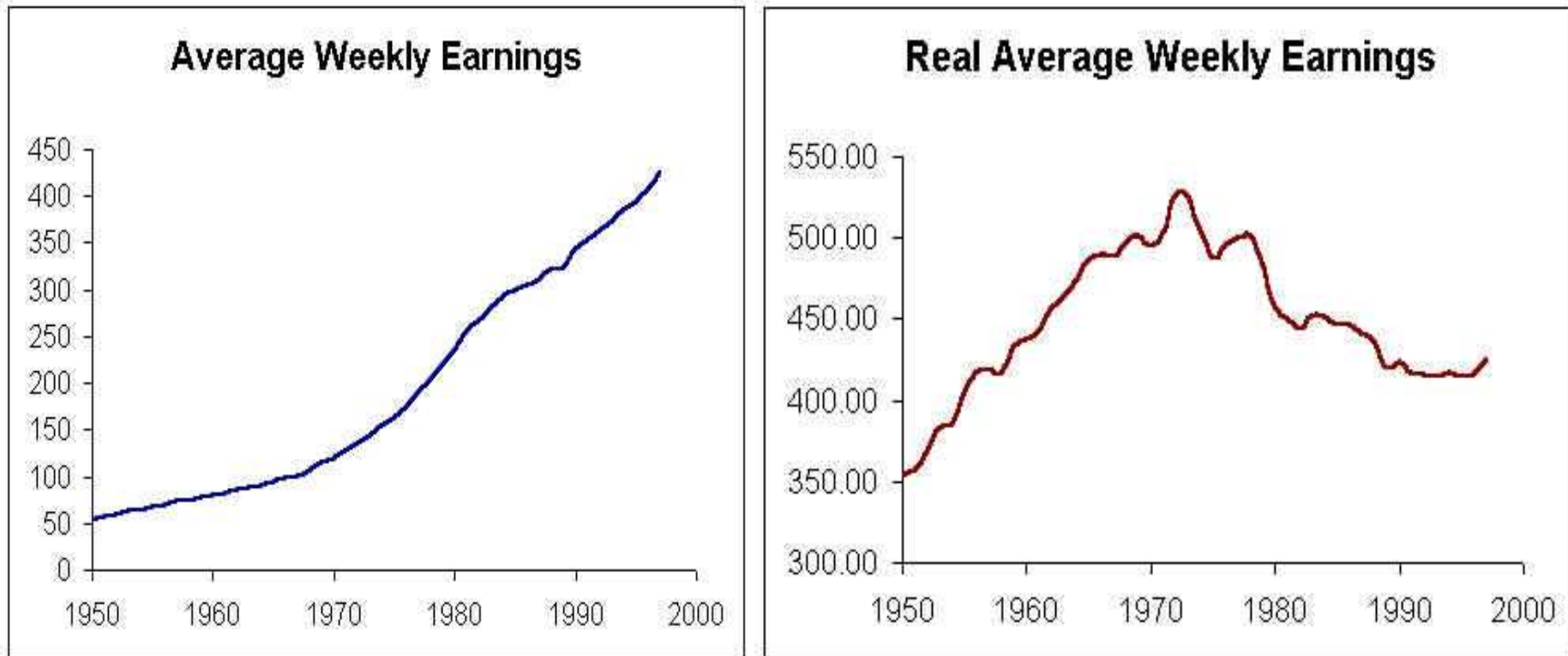
US Nominal vs Real Earnings (1950-2000)

For additional guidance on calculating inflation see https://www.youtube.com/channel/UCC2xE0TOy_aqCxbsfO3bs3Q

EVALUATING PUBLIC SPENDING

There is a **variety of tools and methods** that track expenditure and assess it against the criteria of participation, transparency and accountability. Some are more formal, structured and macro-level (or big picture). Others are more ad hoc, informal and micro-level (or small scale).

Government Oversight and Auditing	Non-government Oversight and Auditing	Public Procurement and Bidding
• Financial audits • Compliance audits • Performance audits • Audit opinions	• Performance/ Social Audits • Public expenditure tracking surveys (PETS) • Quantitative service delivery surveys (QSDS) • Citizen score cards (on inputs, outputs and outcomes of government expenditure	• Differential Expenditure Efficiency Measurement (DEEM), Philippines • Integrity Pact
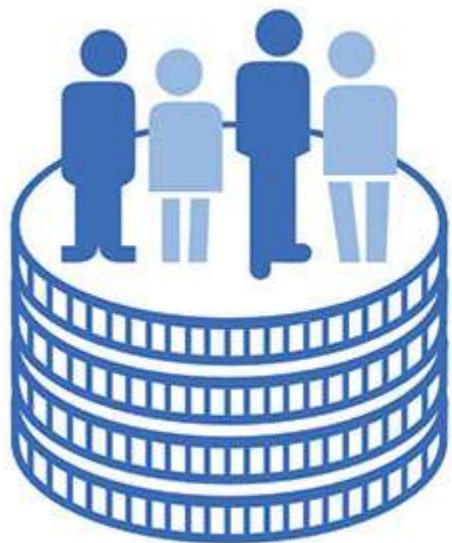
Dr. Alison Hosie

Spotlight Budget Analysis

Scottish Budget

#YourBudgetYourRights

Scottish Government Budget ⓘ

○ Cash terms ◉ Real terms* ○ Share of the budget/portfolio

○ Grouped ◉ Stacked

*Real terms based on 2016-17 prices.

Health and Sport

- ☑ Select all
- ■ ☑ Food Standards Scotland
- ■ ☑ Sport
- ■ ☑ Health

Health and Sport

Portfolios

- ☐ Select all
- − ■ ☐ Health and Sport
- + ■ ☐ Finance and the Constitution
- + ■ ☐ Education & Skills
- + ■ ☐ Economy, Jobs and Fair Work
- + ■ ☐ Justice
- + ■ ☐ Communities, Social Security and Equalities
- + ■ ☐ Environment, Climate Change and Land Reform
- + ■ ☐ Culture, Tourism and External Affairs
- + ■ ☐ Rural Economy and Connnectivity
- + ■ ☐ Administration
- + ■ ☐ Crown Office and Procurator Fiscal Service
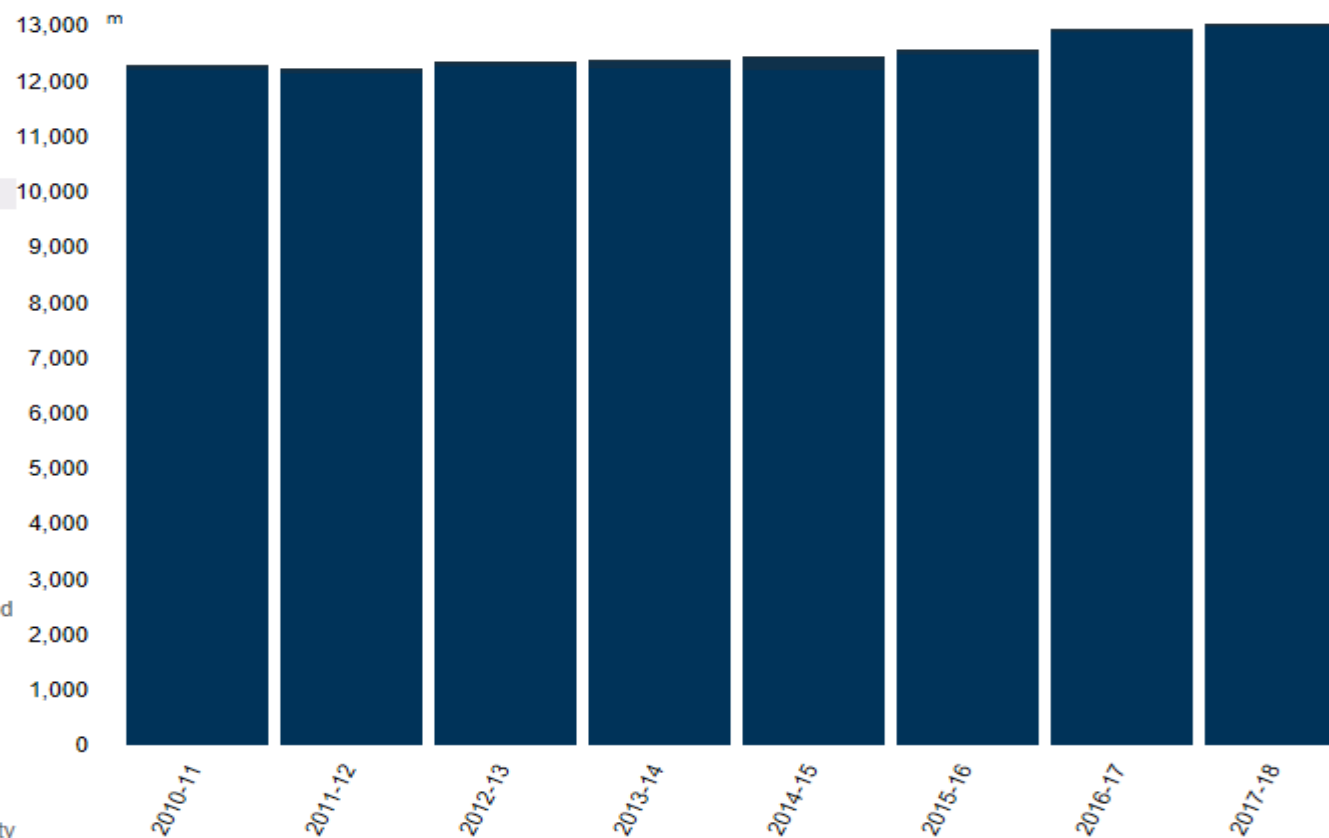
Get selected data: csv xls

The Health and Sport portfolio is responsible for helping the population maintain and improve their health and wellbeing. The majority of this budget goes to the NHS. The services provided also contribute directly to growth in the Scottish economy by supporting people to live longer, healthier lives.

#YourBudgetYourRights

Level 4 data?

Scottish Budget 2019-2020: Level 4 Data

Health and Sport
Finance, Economy and Fair Work
Education and Skills
Justice
Social Security and Older People
Communities and Local Government
Environment, Climate Change and Land Reform
Rural Economy
Transport, Infrastructure and Connectivity
Culture, Tourism and External Affairs
Government Business and Constitutional Relations

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Level 4 data…?

Health and Sport	2018-19 Scottish Budget £m	2019-20 Scottish Budget £m
NHS Territorial Boards		
NHS Territorial Boards (2018-19 figures restated)	9,718.178	10,090.100
Total Level 3	9,718.178	10,090.100
NHS Special Boards		
NHS Special Boards	1,184.256	1,225.600
Level 3 Total	1,184.256	1,225.600

| Health and Wellbeing	2014-15 Budget £m	2015-16 Draft Budget £m	% 20
NHS and Special Health Boards			
Territorial Boards			
NHS Ayrshire and Arran	618.9	632.4	
NHS Borders	179.8	183.8	
NHS Dumfries and Galloway	259.7	265.5	
NHS Fife	557.3	571.4	
NHS Forth Valley	449.6	459.3	
NHS Grampian	773.3	812.6	
NHS Greater Glasgow and Clyde	2,046.5	2,090.4	
NHS Highland	522.8	541.8	
NHS Lanarkshire	890.3	915.2	
NHS Lothian	1,188.0	1,220.6	
NHS Orkney	35.8	37.1	
NHS Shetland	39.7	40.5	
NHS Tayside	645.1	659.2	
NHS Western Isles	62.2	63.6	
	8,269.0	8,493.5	
Special Health Boards			
NHS National Waiting Times Centre	45.2	46.0	
Scottish Ambulance Service	209.7	212.1	
NHS National Services Scotland	280.5	283.3	
Healthcare Improvement Scotland	15.2	15.2	
The State Hospital	33.9	34.2	
NHS 24	62.1	62.7	
NHS Education for Scotland	391.3	392.5	
NHS Health Scotland	17.7	18.0	
	1,055.6	1,064.0	
Other Income	67.4	68.1	
Total NHS and Special Health Boards	9,392.0	9,625.6	

#YourBudgetYourRights

Budget Line	Cash absolute (Millions) 2015-16/2019-2020	Real absolute (Millions) 2015-16/2019-2020	Cash % 2015-16/2019-2020	Real % 2015-16/2019-2020	Total (2015/16) (Millions)	Total (2019/20) (Millions)	Total (2019/20) (Millions) Real based on 2015/16
Health	2,162.0	1004.6	15.1	7.6	12,161.10	14,323.10	13,165.68
NHS Territorial Boards	1,528.5	713.1	15.1	7.7	8,561.6	10,090.10	9,274.74
NHS Ayshire and Arran	87.6	29.4	12.2	4.4	632.4	720	661.82
NHS Borders	23.9	7.1	11.5	3.7	183.8	207.7	190.92
NHS Dumfires and Galloway	33.6	9.4	11.2	3.4	265.5	299.1	274.93
NHS Fife	90.0	36.5	13.6	6.0	571.4	661.4	607.95
NHS Forth Valley	67.7	25.1	12.8	5.2	459.3	527	484.41
NHS Grampian	145.3	67.9	15.2	7.7	812.6	957.9	880.49
NHS Greater Glasgow & Clyde	140.8	-39.5	6.3	-1.9	2,090.4	2,231.20	2,050.90
NHS Highland	85.7	35.0	13.7	6.1	541.8	627.5	576.79
NHS Lanarkshire	284.1	187.2	23.7	17.0	915.2	1,199.30	1,102.39
NHS Lothian	220.9	104.5	15.3	7.9	1,220.6	1,441.50	1,325.02
NHS Orkney	12.5	8.5	25.1	18.6	37.1	49.6	45.59
NHS Shetland	10.1	6.0	20.0	12.9	40.5	50.6	46.51
NHS Tayside	103.7	42.1	13.6	6.0	659.2	762.9	701.25
NHS Western Isles	12.1	6.0	16.0	8.6	63.6	75.7	69.58
Improving Outcomes and Reform						209.2	192.29
Other Income	1.4	-4.2	2.0	-6.6	68.1	69.5	63.88
National Boards (previously NHS Special Boards)	161.5	62.5	13.2	5.5	1,064.1	1,225.60	1,126.56
NHS Waiting times Centre	8.0	3.6	14.8	7.3	46.0	54	49.64
NHS Scottish Ambulance Service	47.8	26.8	18.4	11.2	212.1	259.9	238.90
NHS National Services	55.2	27.8	16.3	8.9	283.3	338.5	311.15
Healthcare improvement Scotland	9.7	7.7	39.0	33.6	15.2	24.9	22.89
NHS State Hospital	1.1	-1.8	3.1	-5.4	34.2	35.3	32.45
NHS 24	5.9	0.4	8.6	0.6	62.7	68.6	63.06
NHS Education for Scotland	33.4	-1.0	7.8	-0.3	392.5	425.9	391.48
NHS Health Scotland	0.3	-1.2	1.6	-7.0	18.0	18.3	16.82

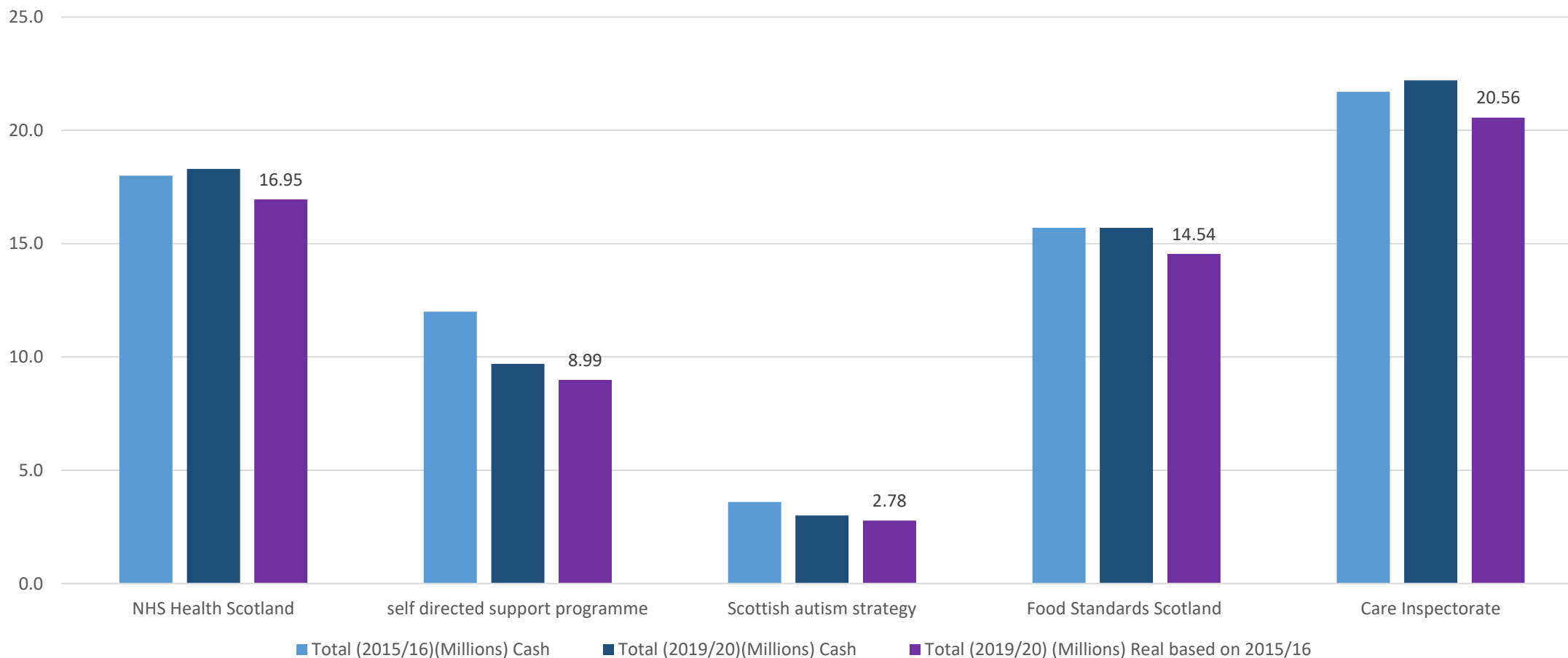Variations in Health Board Budget Allocations: Cash vs Real Absolute (millions) change 2015/16-2019/20

#YourBudgetYourRights

Variations in Health Board Budget Allocations: Cash vs Real % change 2015/16-2019/20
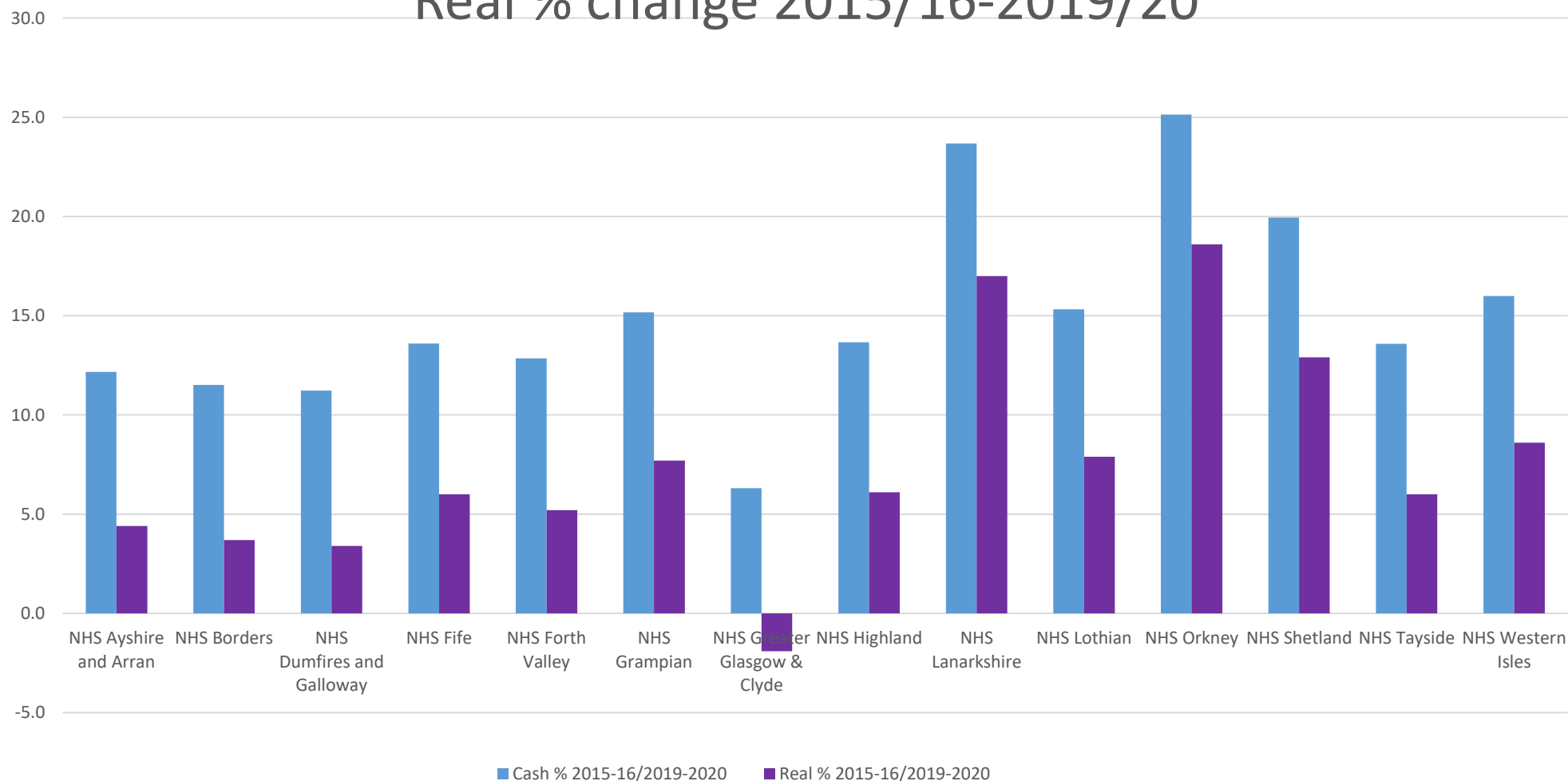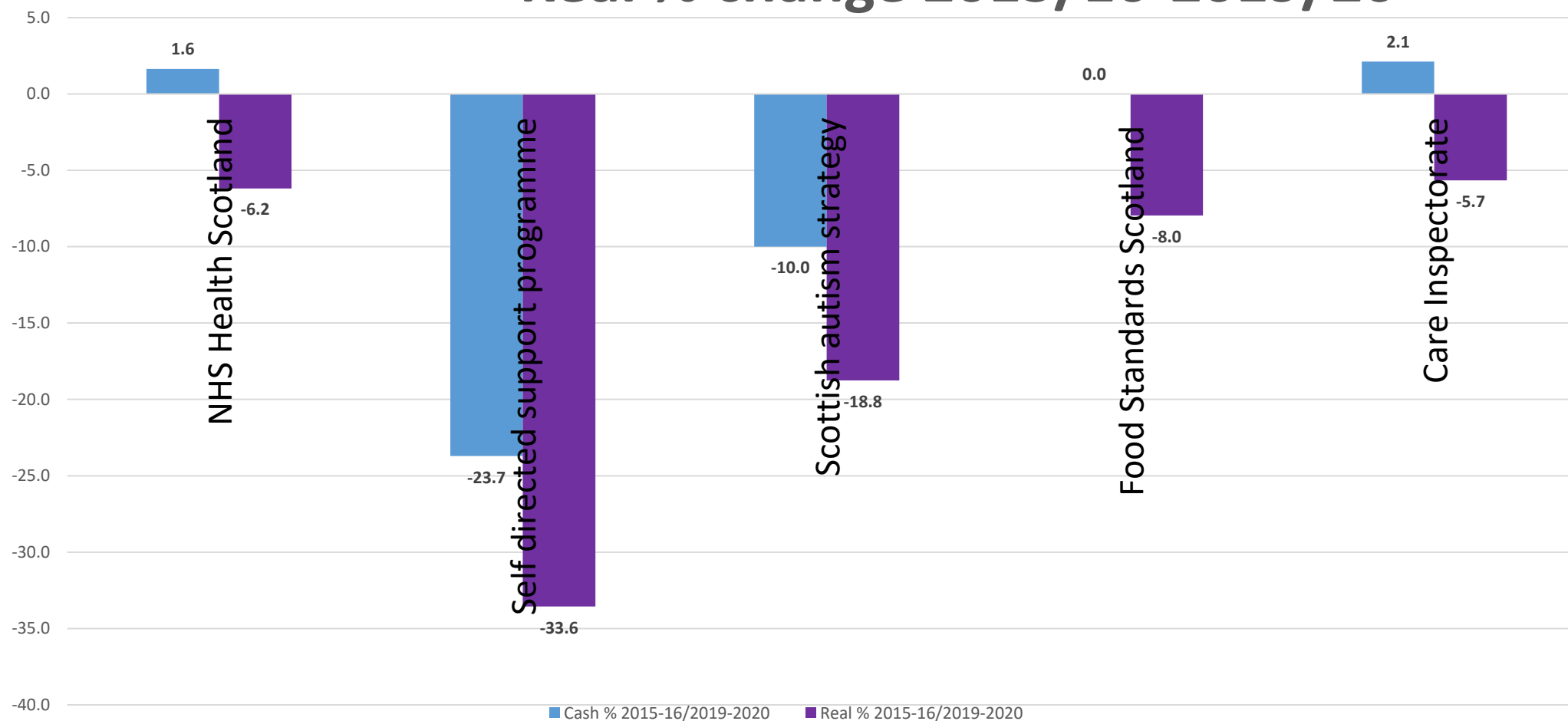
Cash % 2015-16/2019-2020   Real % 2015-16/2019-2020

#YourBudgetYourRights

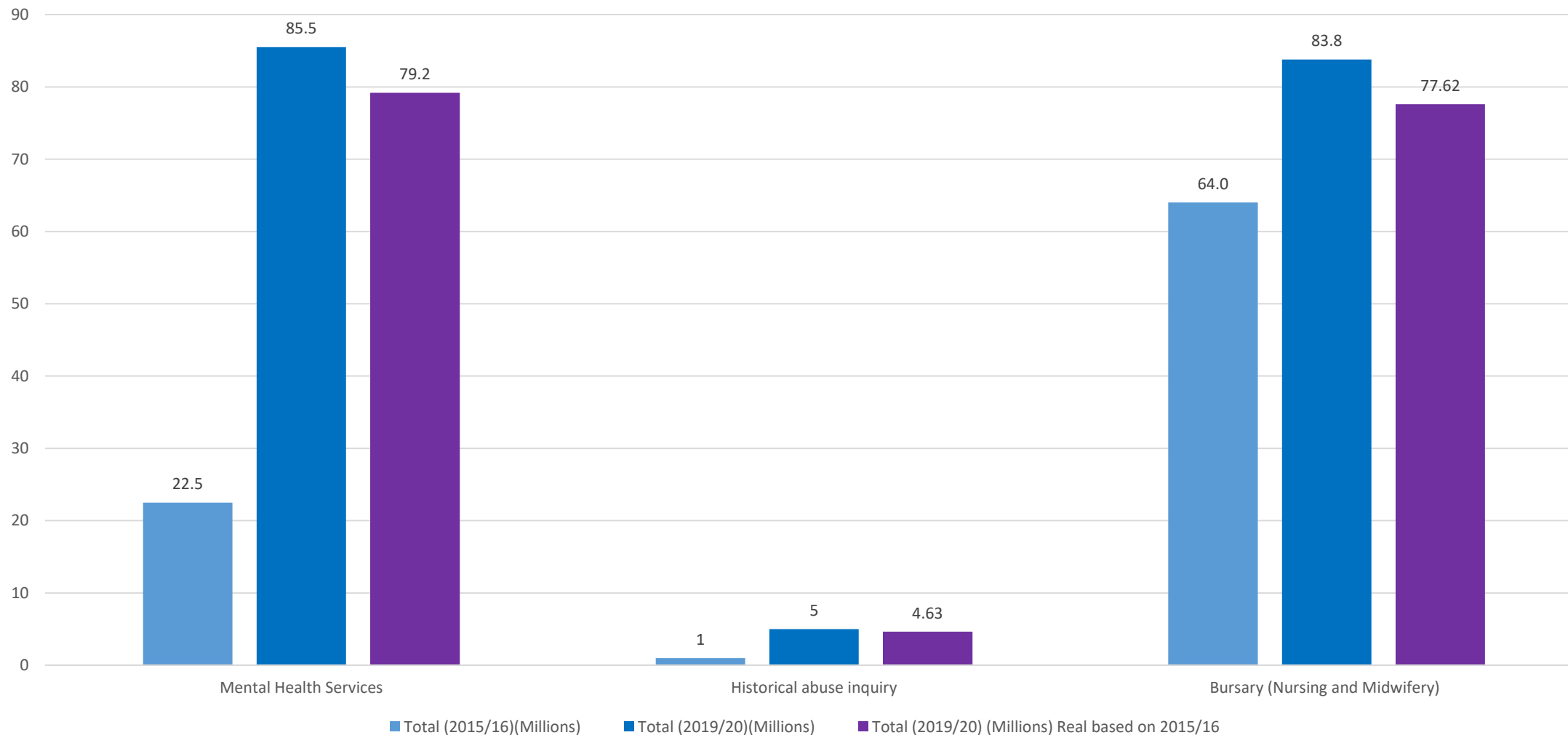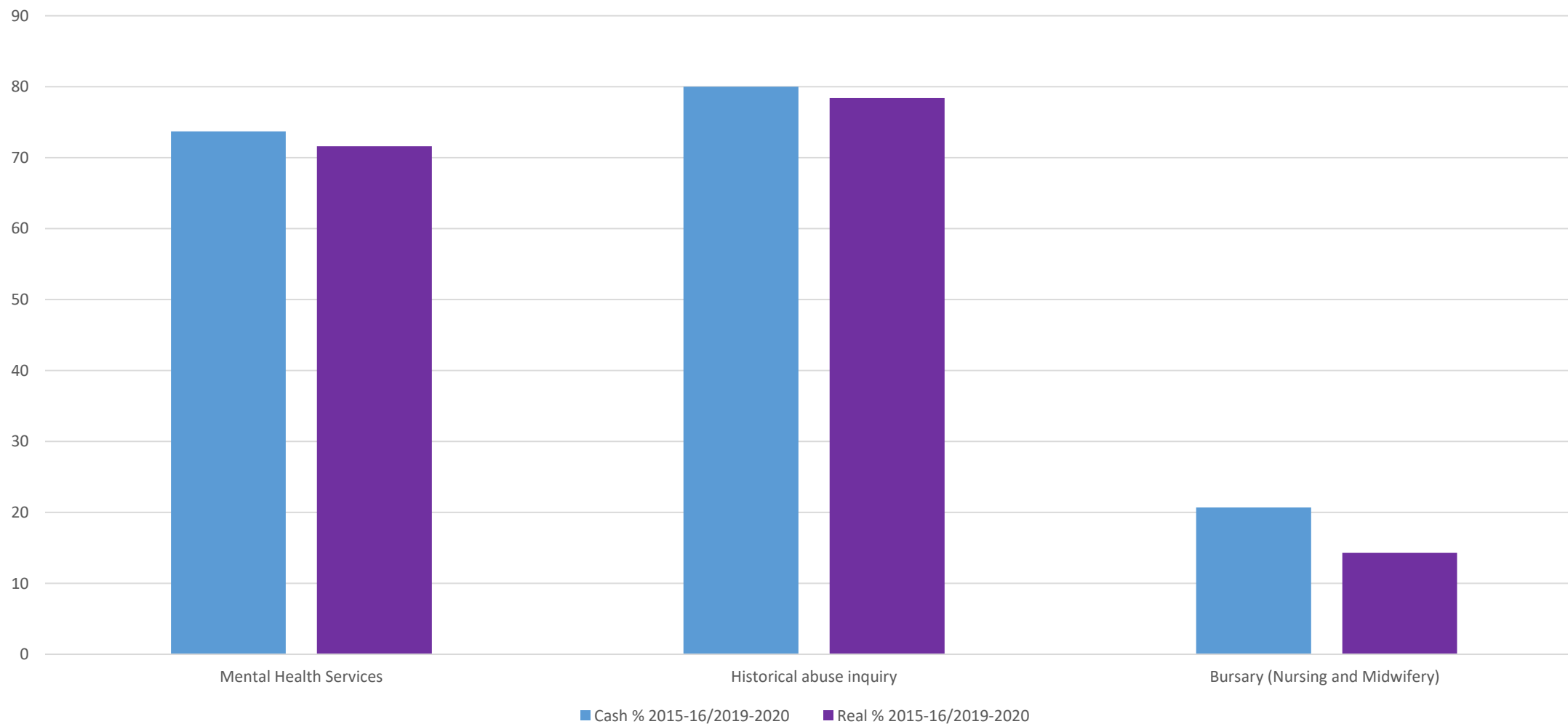Variations in selected health budget allocations: Cash vs Real Absolute (millions) change 2015/16-2019/20 (a)

#YourBudgetYourRights

Variations in selected health allocations: Cash vs Real % change 2015/16-2019/20

#YourBudgetYourRights

Variations in selected health budget allocations: Cash vs Real % change 2015/16-2019/20 (b)

#YourBudgetYourRights

Issues with data transparency and availability

- **Further breakdown necessary** e.g. 'Mental Health' doesn't help to understand any difference in, for example: adult and child services; what type of services / therapies are receiving the investment.

- '**Other under £2 million**' - common category which often includes entire budgets for rights-focused areas that are not possible to explore.

- 'No Change' – no change is **always** a change in real terms. Cumulative 'No Change' over 5 years is a lot of change.

- Varying **degrees of depth of explanation** – when positive change usually good detail provided, when no change or disinvestment explanations can be limited and opaque.

#YourBudgetYourRights

Budget Bingo

- "The 2019-20 budget now also includes resource that was previously within the administration budget" explanation was used the following number of times across portfolios:
  - Health – 11
  - Fair work & Economy – 11
  - Education & Skills – 22
  - Justice – 18
  - Social Security & Older People – 0
  - Communities and Local Government – 10
  - Environment, Climate Change and Land Reform – 10
  - Crofting Building Grants & Loans Scheme Income (CBGLR) – 1
  - Transport Infrastructure and Connectivity – 4
  - Culture, Tourism and External Affairs – 7
  - Government Business and Constitutional Relations – 1

#YourBudgetYourRights

#YourBudgetYourRights

Scottish Government Budget ⓘ

⦿ Cash terms ○ Real terms* ○ Share of the budget/portfolio   ○ Grouped ⦿ Stacked

*Real terms based on 2016-17 prices.
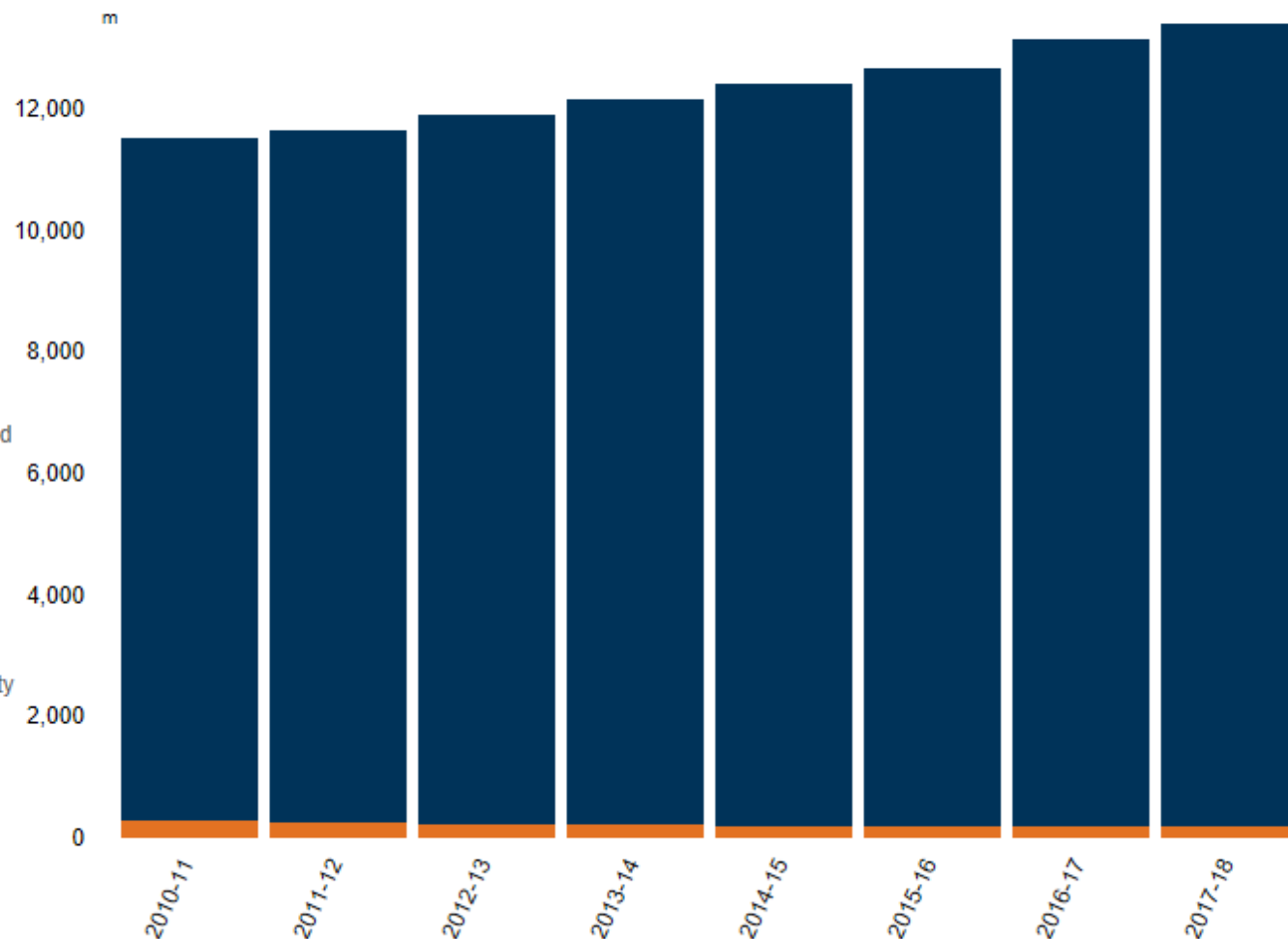
Portfolios

☐ Select all

✚ ■ ☑ Health and Sport

✚ ■ ☐ Finance and the Constitution

✚ ■ ☐ Education & Skills

✚ ■ ☐ Economy, Jobs and Fair Work

✚ ■ ☐ Justice

✚ ■ ☐ Communities, Social Security and Equalities

✚ ■ ☐ Environment, Climate Change and Land Reform

✚ ■ ☐ Culture, Tourism and External Affairs

✚ ■ ☐ Rural Economy and Connnectivity

✚ ■ ☑ Administration

✚ ■ ☐ Crown Office and Procurator Fiscal Service

m

12,000

10,000

8,000

6,000

4,000

2,000

0

2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18

Get selected data: csv xls

Issues with data transparency and availability

- Changing budget lines makes following resource allocation over time complex.
  - Annually this is accounted for (to a greater or lesser degree) by the 'What it buys' and 'Explanation of significant changes from previous year' sections.
  -

Outcomes Framework	This reflects the amalgamation of numerous high value in-year allocations provided to NHS Boards. Includes previous bundles such as effective prevention and dental, IVF and Maternity and Neonatal Services.	A 5% efficiency saving has been applied to this budget for 2019-20.

  - Comparing 2015/16 to 2019/20 like for like – for half of the budget is not possible.
  - It is complex – budget priorities change and develop; portfolios change, mix and merge – would a base budget followed through a parliamentary term be feasible to improve transparency?

#YourBudgetYourRights

Scottish Government Budget ⓘ

○ Cash terms ● Real terms* ○ Share of the budget/portfolio   ○ Grouped ● Stacked

*Real terms based on 2016-17 prices.

Communities, Social Security and Equalities

Communities, Social Security and Equalities

- ☑ Select all
- ☑ Police Loan Charges
- ☑ Scottish Housing Regulator
- ☑ Office of the Scottish Charity Regulator
- ☑ Scottish Futures Fund (SJC&PR)
- ☑ Welfare Reform Mitigation
- ☑ Housing and Regeneration
- ☑ Governance, Elections & Reform
- ☑ Social Justice & Regeneration
- ☑ Social Security
- ☑ Housing
- ☑ Equalities
- ☑ Third Sector
- ☑ Planning
- ☑ Local Government2
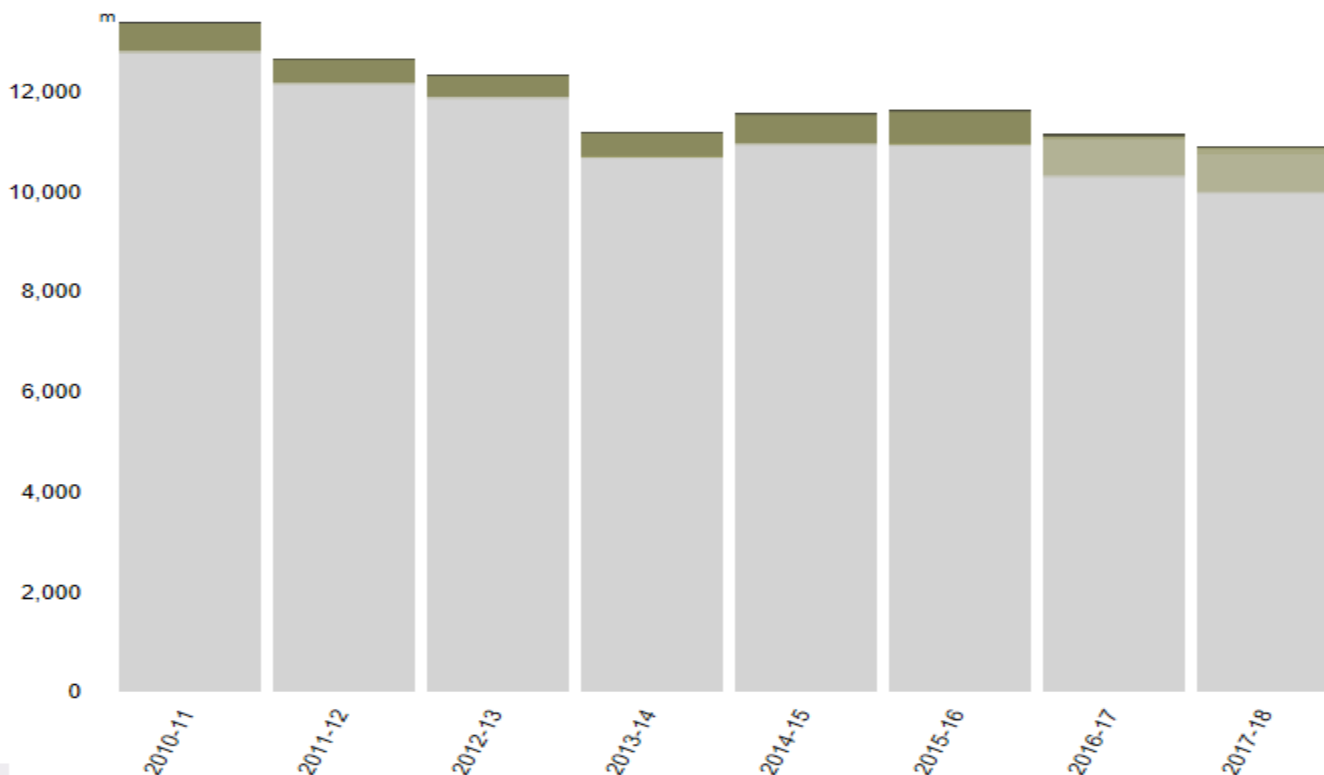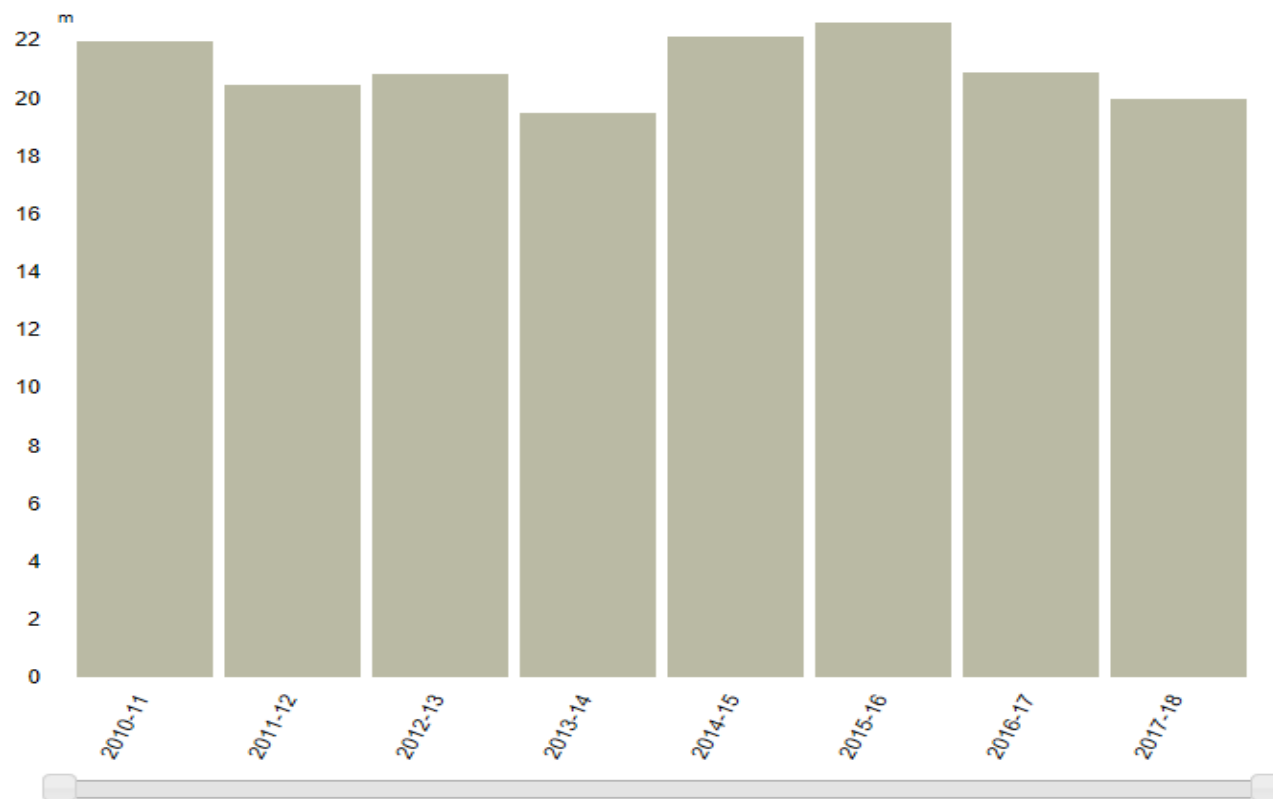
Get selected data: csv xls

This portfolio also incorporates the Scottish Government's funding for local authorities in Scotland. It also provides funding to support affordable housing supply; to tackle fuel poverty and support Government targets on climate change; to support the planning system; to regenerate and strengthen communities; to support the third sector and develop social enterprise; to promote equality; to tackle poverty and develop Government plans for a fairer Scotland and continuing to develop policy and operational plans for our new social security powers.

Portfolios

- ☐ Select all
- ➕ ☐ Health and Sport
- ➕ ☐ Finance and the Constitution
- ➕ ☐ Education & Skills

#YourBudgetYourRights

#YourBudgetYourRights

Human Rights Budget Work:
What, Why, How?

Health and Sport

Finance, Economy and F...

Education and Skills

Justice

Social Security and Ol...

Social Security

Social Security Assist...

Equalities

Promoting Equality and...

Roundings

Communities and Local ...

Environment, Climate C...

Rural Economy

Transport Infrastructu...

Government Business an...

Culture, Tourism and E...

Crown Office and Procu...

Scottish Parliament an...

#YourBudgetYourRights

Promoting Equality and Human Rights

	£ Million
2019-20 Draft Budget:	24.6
2019-20 Draft Budget: (in 2018-19 prices)	24.2
2018-19 Draft Budget:	22.7

Change 2019-20 on 2018-19:

	cash	real
percent	8.4%	6.5%
absolute	1.9 m	1.5 m

How does this budget compare?
(% change in cash terms)

5.4% L0: Scottish Budget
375.9% L1: Social Security a...
8.4% L2: Equalities
8.4% L3: Promoting Equalit...
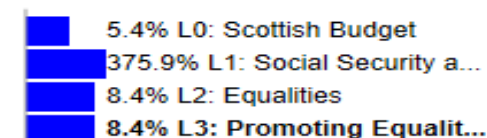
What it buys:
Intermediaries to support the equality infrastructure and invest in the capacity of equality organisations; Strategic Interventions to support key equality interventions and measures that will help to drive forward equality and respond to Ministerial priorities; and Specific Funds to support frontline activity to address violence against women and to support activities to promote equality, foster community cohesion, address discrimination, hate crime and inequality.

Explanation of significant changes from previous year:
Additional resource will support strategic equality, human rights and cohesive communities work in order to continue to advance equality and to deliver on our commitment to respecting, protecting and implementing human rights for everyone in Scotland.

Human rights focus in the budget

- This budget recognises the cross-cutting nature of equalities and human rights and supports delivery of equalities objectives right across government.

- This resource will continue to support the progression of human rights.

- We will respond to recommendations from the First Minister's Advisory Council on Women and Girls, prioritising actions that will ensure that gender equality continues to be central to policy development across Scotland. We will also respond in full to the recommendations from the First Minister's Advisory Group on Human Rights Leadership and address the human rights and equalities impact of EU Exit.

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In 2019-20 our budget will:...

- Continue to deliver the Scottish Human Rights Defender Fellowship.

- Deliver a response to the First Minister's National Advisory Council on Women and Girls and continue to support frontline services and wider activity to address gender based violence and inequalities, including a major campaign to challenge sexual harassment and sexism.

- We will implement our Social Isolation and Loneliness Strategy and deliver a framework policy on older people.

- Strengthen support to, and protect the human rights of, the Gypsy/Traveller community in Scotland.

- Continue to deliver the Race Equality Action Plan and maintain Scotland's reputation as a progressive country in terms of Lesbian, Gay, Bisexual, Transgender and Intersex equality.

- Support work to tackle hate crimes and support cohesive communities (see detail in the Communities and Local Government portfolio).

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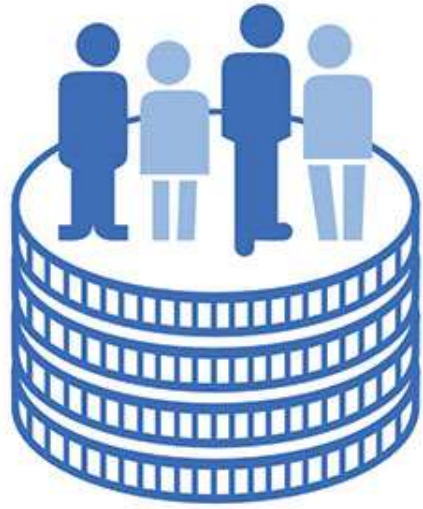
Human Rights Budget Work : What, Why, How?

Dr. Alison Hosie

Dissemination Series

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Human Rights Budget Work Dissemination Series

- Aim: To produce a series of short publications which set out the What, Why and How around human rights budget work (HRBW).

- Audiences:
    - Those engaged in the process of budgeting and/or those responsible for formal scrutiny of the budget.
    - Those interested in budget scrutiny (out with official scrutiny roles – e.g. NGOs, Civil Society, NHRIs & the public)

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HRBW Paper 1: Human Rights Budget Work

The budget "reflects the values of a country – who it values, whose work it values and who it rewards… and who and what and whose work it doesn't." Pregs Govender 1996

- **What is a national budget?**
- **Why is the budget relevant to human rights?**
- **What are human rights obligations?**
- **What is Human Rights Budget Work?**
  - Human rights budgeting
  - Human rights budget analysis
- **Why do human rights budget work?**
- **How do we do it?**
- **Why is human rights budget work important for Scotland now?**

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HRBW Paper 2: Human Rights Budgeting

"Budgets are a key sign of a government's values. So, if human rights are not in there, what they're really saying, is that they are not a value worth counting". Professor Aoife Nolan, 2014

- **What is a national budget?**

- **Why are human rights relevant to the budget?**

- **What are human rights obligations?**

- **How to take a Human Rights Based Approach to budgeting?**

- **Assessing the rights: Are they Available, Acceptable, Accessible and Quality (AAAQ)?**

- **Impact assessments**

- **What is it happening in and why is human rights budgeting relevant for Scotland?**

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HRBW Paper 3: Human Rights Budget Scrutiny

"Surely little the State does is more important than constantly using so much of the nation's work and wealth. Few other governmental activities so consistently affect the everyday life of citizens." Heclo and Wildavsky 1981

- **What is Human Rights Budget Scrutiny?**
- **Why do we do Human Rights Budget Scrutiny?**
- **Who does budget scrutiny?**
- **How do you do human rights budget scrutiny?**
  - Ask the right questions; Identify Indicators; Make Comparisons; Analyse Trends over time; Actual spend
- **Why is human rights budget scrutiny important for Scotland now?**

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HRBW Paper 4: Human Rights Obligations & Norms and the Budget

- *"Human rights have been embodied in national, regional, and international laws. As such, they are an accepted basis, and in many cases a legal obligation, for government action. Choices made among options using this framework are not perceived as being the subjective wishes of one group, but as priorities agreed upon by a society as a whole". Ann Blyberg*

- **What is a national budget?**

- **Human Rights Based Approach and the Budget**

- **Human Rights Obligations & Norms**

- **How to apply human rights norms to the budget**

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HRBW Paper 5: The Budget Process & Human Rights Procedural Principles

"The declines in budget transparency are worrisome against a global backdrop of rising inequality, restrictions on media and civic freedom, and a weakening of trust between citizens and their governments. Citizens of every country in the world have the right to know how their government is raising and spending public funds." Warren Krafchik, Executive Director of IBP

- **4 page document**
- **What are the human rights principles relevant to the budget process?**
- **Why are human rights principles relevant to the budget process?**
- **How do you monitor human rights principles within the budget process?**
- **Why is it important for Scotland?**

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Indicator reports and scorecards

- Three independent reports setting out the three process indicators developed by the Commission

- Spotlight Score cards for the three indicators:
  - **Open Budget Index** (Indicator of Transparency, Participation & Oversight of National Budget) (6 pages)
  - **Indicator of Accessibility & Transparency of Local Budget Information** (4-6 pages)
  - **Indicator of Participation** (incl accessibility and transparency of budget info and integrity of participation process) in the National Budget Process (4-6 pages)

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Spotlight focus on elements of the Scottish Budget 2019-20

- Focus on....?

- Process – Transparency and accessibility of data
  - Necessary improvements to support human rights (and general) budget analysis
  - Useful data for a citizen's budget

- Subject area scrutiny

- Overall trends & comparative analysis

- Partnership spotlights?

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