

Kate Forbes MSP  
Cabinet Secretary for Finance, Economy and Fair Work  
T3.21  
The Scottish Parliament  
Edinburgh  
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24 June 2020

Dear Cabinet Secretary,

**Response to written questions by Alex Cole-Hamilton (Edinburgh Western) (LD) S5W-29253-S5W-29258**

The Commission noted with interest your responses to the written questions by Alex Cole-Hamilton (Edinburgh Western) (LD) dated 26 May 2020. As your reply is a matter of public record we wanted to raise with you a few areas of concern. We believe that a rights based approach to fiscal policy grounded in transparency, participation and accountability, will be critical as part of economic recovery going forward and particularly wanted to draw these issues to your attention in this context. Key recommendations for progressive change are located at the end of the letter.

As you note, the budget year under review to produce the Commission's recently published [Open Budget Survey](#) (OBS) report (in line with the current global [Open Budget Survey](#) process) was 2017-18. This means that the documentation period under review ran from the pre-budget stages in 2017, through to the final audit stages in December 2018. This includes some of the evidence of progress documents you refer to in your response.

Your response referred to the work of the Budget Process Review Group. The BPRG findings, published in 2017, closely informed our work, particularly the BPRG's recommendations relating to

- Transparency
- Participation
- Scrutiny
- Outcomes-focused budgeting & budget scrutiny, and
- Equality dimensions of the budget.

As we were aware of the changes that were starting to take place post-BPRG, our report provides a detailed account of the progress and changes that have been implemented since the budget under review, as well as others that are forthcoming. The report also fully acknowledges the efforts of the Open Government Partnership, and indeed we have had a number of fruitful discussions about the findings of our work with the Partnership.

Nonetheless, the central aspects of the Scottish budget process that resulted in low OBS scores for transparency and participation remain unchanged and we do not believe they are being suitably addressed. We are concerned that if the process were to be repeated for the last two budget cycles, the scores would not be significantly improved.

In particular, timely access is required to all eight key documents in accordance with international good practice standards:

- Pre-Budget Statement
- Executive's Budget Proposal and supporting documentation
- Enacted Budget
- Citizens' Budget
- In-Year Reports
- Mid-Year Review
- Year-End Report
- Audit Report

In more recent budgets, three of these essential reports are still not produced by the Scottish Government (namely: pre-budget, in-year and mid-year reports) in the format or availability standards required in

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international practice. The latter two are especially critical to facilitate evidence-based, quick decision making in the time of and recovery from COVID-19. These missing documents are also key to facilitating outcomes-based budget scrutiny.

The Commission acknowledges the work of the Open Government Partnership on developing some innovative ideas for participation engagement opportunities and would welcome these being put into practice.

To support participation in the budget process, before decisions are made, the Open Budget Survey promotes the importance of governments producing an accessible (simpler and less technical) version of the Executive Budget Proposal (Scottish Draft Budget) at the same time as the underlying documentation. For example, a Citizens' Budget for the Scottish Draft Budget should be released while the legislature is still considering the Scottish Draft Budget and before it is approved.

The OBS refers to this as the "Citizens' Budget". As best practice, the OBS further suggests that all countries should work towards ensuring all key budget documents (pre-budget through to the Audit report) have a "Citizens' version".

Currently the only "Citizens' version" of a Scottish budget document that is produced by the Scottish Government is the "Scotland's Finances: Key Facts and Figures" document. This is, however, only produced once the budget has been enacted and has not been published consistently – no such documents can be found online for budgets 2017-18 or 2020-21). When it is available, it is not easy to find. It is not listed under the 'Key Documents' section on the Scot.Gov website for any of the available budget cycles. Finding this document therefore requires knowing about its existence and its name in order to search for it.

Whilst fully acknowledging the progressive intent to changes and improvements in Scotland's budget process, we remain concerned that

recent developments will not produce the progress required and recommend that careful consideration is given to our report's key recommendations specific to Government:

## **Transparency**

- The Scottish Government should publish all eight key documents.
- A Citizens' version of each of the key documents should be prepared and published at the same time as (and located with) the key document, in order that citizens can be engaged with the budget when it matters.
- Within the Scottish budget documentation, analysis and narrative about how policies across the board may impact on vulnerable or marginalised groups should be improved.
- Policy planning should be driven by outcome expectations and evidence of what works – which requires accessible, transparent information.
- Within Scottish budget documentation, reduce the repetitiveness. Focus 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 budget documentation 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.

## **Participation**

- Produce clear and well-advertised guidance for public engagement with the budget process.
- Provide citizens with 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.
- Actively engage with individuals or civil society organisations representing vulnerable and marginalised communities during the development and implementation of the budget.

- 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). Policy consultations / subject inquiries within government could consistently and routinely address budgetary elements to improve budgetary focus and scrutiny.

The Commission is committed to working constructively with government and other stakeholders to secure improvements in all of these areas. We would welcome the opportunity to discuss our concerns and recommendations with you in more detail.

Yours faithfully

Judith Robertson

**Chair of the Scottish Human Rights Commission**

**Members of the Commission's Human Right Budget Working Group**

Dr Alison Hosie

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