

# **Finance and Public Administration Committee Inquiry into the Scottish Budget Process in practice**

March 2025

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## Introduction

The Scottish Human Rights Commission (SHRC) welcomes the opportunity to respond to the Finance and Public Administration Committee's consultation on the budget process. This response draws on our experience in promoting a human rights-based approach to budgeting, with a focus on ensuring that resource allocation aligns with Scotland's international and domestic human rights obligations. We recognise the progress made toward improving transparency and public engagement in the budget process. However, significant opportunities remain for enhancing early-stage influence, aligning financial planning with national outcomes, and embedding outcome-based reporting.

In this response, we address key areas such as the effectiveness of the Medium-Term Financial Strategy (MTFS) in supporting long-term financial planning, the potential of the forthcoming Fiscal Sustainability Delivery Plan to ensure fiscal transparency and stability, and the need for a more strategic approach to spending reviews. We also highlight barriers to achieving the core objectives of the budget process and offer suggestions for improving public engagement and parliamentary scrutiny. By adopting a more robust human rights framework and improving alignment with the National Performance Framework (NPF), we believe Scotland can deliver more sustainable and equitable outcomes for all.

## Part 1: Four Objectives to the Budget Process

### 1. To what extent have the following four objectives for the Scottish budget process been met this parliamentary session?

#### **a) Greater influence on formulation of the Scottish Government's budget proposals**

There has been some progress in enabling greater engagement with external stakeholders in the budget process, but this has not yet translated into meaningful influence on budget formulation. A recurring concern is that by the time consultations begin, many core budget decisions have already been taken, leaving limited scope for external actors—including civil society and rights holders—to shape the budget in a substantive way.

While the Scottish Government has made some efforts (to varying degrees of success) to embed human rights principles such as participation, transparency, and oversight into the budget process, these have largely focused on how the process

operates, rather than what the budget seeks to achieve. In other words, there has been an attempt to apply the procedural elements of a human rights-based approach (HRBA), but little progress in using international human rights standards to define and guide the substantive goals of the budget. This remains a key gap.

For example, SHRC's rights-based review of the Scottish budget process for the Open Budget Survey (OBS) highlighted some steps forward in improving procedural transparency and opportunities for participation.<sup>1</sup> However, as the Commission has previously raised, the real challenge lies in embedding human rights standards—such as the obligation to progressively realise economic, social and cultural rights—into the formulation of fiscal policy and resource allocation decisions. Without this, it is difficult to demonstrate whether decisions are reasonable, equitable, or improving outcomes for rights holders.

Nonetheless, there are some early signs of progress, particularly within certain parliamentary committees. The Equality, Human Rights and Civil Justice Committee and the Finance and Public Administration Committee have both begun to engage more directly with human rights principles, and references to human rights budgeting are starting to appear in their discussions. While this engagement remains limited and has yet to extend meaningfully across other Committees, it signals an important, if initial, step towards a more rights-based approach to fiscal scrutiny.

Incorporating international human rights standards and treaty body recommendations into the budget process would strengthen early-stage formulation and ensure alignment with Scotland's legal obligations. More inclusive and participatory pre-budget consultations with civil society groups, rights holders, and marginalised communities could further enhance this objective, ensuring that budget decisions are assessed against their impact on rights and outcomes rather than procedural compliance alone.

## **b) Improved transparency and increased public understanding and awareness of the budget**

Efforts to improve transparency through initiatives such as the Equality and Fairer Scotland Budget Statement (EFSBS) and commitments to open government principles are evident. However, these measures often lack the depth and accessibility needed to significantly enhance public understanding. The connection between resource allocation and national outcomes, including how budget decisions impact marginalised communities, remains underexplored.

A key concern is the disconnect between key budget documents and decision-making processes. While the EFSBS is produced annually, it is not always clear how

it interconnects with the Programme for Government (PfG), the Fiscal Outlook, or other strategic financial planning tools. This lack of alignment reduces its impact as a meaningful tool for shaping decisions rather than simply assessing them retrospectively. In its current form, the EFSBS appears to mirror a more general approach to impact assessments — whereby they are conducted after key budgetary decisions have already been made rather than being used as an analytical tool to inform and influence decisions at an early stage.

To improve transparency and public understanding, budget documents should be simplified, and more visual tools and plain language explanations should be incorporated to reach a wider audience. Additionally, ensuring that documents such as the EFSBS are clearly linked to wider budgetary, and policy decision-making frameworks would make them more meaningful and useful.

Providing community-level impact assessments and engaging with local groups could bridge the gap between national decisions and individual understanding. Greater use of digital platforms for engagement and visualising budget data could further support this goal, allowing for a more interactive and transparent process.

### **c) Effective responses to new fiscal and wider policy challenges**

The Scottish Government has faced numerous fiscal and policy challenges, including rising inflation, the cost-of-living crisis, and ongoing public service reform. While short-term responses have been implemented, a more strategic and rights-based approach is needed to tackle these challenges holistically. The Resource Spending Review (RSR) highlighted the need for preventative spending and sustainable funding models, but without a clear link between spending decisions and measurable outcomes, it is difficult to assess their long-term effectiveness.

In addition to these economic pressures, demographic changes are placing increasing strain on Scotland's public finances, as highlighted by SFC. An ageing population, rising healthcare and social care costs, and broader shifts in workforce participation mean that the public sector is becoming increasingly expensive to sustain. Without a clear fiscal strategy that accounts for these demographic pressures, future budgetary decisions risk being reactive rather than forward-looking.

One of the primary concerns remains the lack of transparency in how budget decisions respond to these fiscal challenges. Future iterations of the Fiscal Sustainability Delivery Plan may help address this gap by incorporating more forward-looking assessments, scenario planning, and demographic trend analysis to better prepare for emerging fiscal risks. Ensuring that budget decisions are assessed not just in financial terms, but in their long-term impact on rights, equality, and

service sustainability, will be essential in making Scotland's public finances more resilient and equitable.

#### **d) Better outputs and outcomes as measured against benchmarks and stated objectives**

There is insufficient connection between resource allocation and Scotland's National Performance Framework (NPF). While the NPF was originally introduced as an outcomes-based budgeting framework to enable more outcomes-focused decision-making, in its current form it fails to achieve this goal. Rather than guiding budget decisions in a meaningful way, the NPF largely sits separately from financial decision-making, limiting its ability to drive improvements in public policy and service delivery.

A major limitation of the NPF is that its indicators are insufficient to effectively measure progress. Many of the existing measures are broad and high-level, making it difficult to link them directly to budget decisions and assess whether public spending is delivering tangible improvements. SHRC-funded research has previously highlighted that the NPF is not widely used within the broader public sector, further weakening its role as a meaningful tool for guiding investment and policy decisions.<sup>2</sup> If the NPF is to be a truly effective framework for measuring and improving outcomes, its reform must reflect on its original purpose and embed a rights-based approach alongside economic, social, and environmental goals to ensure that all areas of public spending contribute to national and international commitments.

To address these weaknesses, a shift toward outcome-based reporting is essential, with clear benchmarks and measurable progress indicators that align with human rights standards and other key policy objectives. Embedding some form of independent monitoring and evaluation processes will also be necessary to ensure that outcomes are assessed accurately and transparently, and that the NPF becomes a meaningful tool for guiding and assessing public spending decisions rather than a disconnected policy document.

## **2. Barriers to meeting the four core objectives and suggestions for overcoming them**

### **Barriers:**

Several barriers continue to limit the effectiveness of the budget process. One significant issue is the timing of engagement, which often occurs too late to allow for meaningful external contributions. By the time consultations take place, key decisions have already been made, reducing the scope for stakeholders to shape



budget priorities in any substantive way. As a result, the current process limits the potential for real deliberation—consultations tend to serve as opportunities for feedback on decisions already taken rather than as part of a shared, participatory decision-making process. This reactive approach weakens the role of civil society and community groups, whose insights could add significant value if engaged earlier in the decision-making cycle.

A critical gap in the current budget process is the absence of an annual Pre-Budget Statement (PBS). As consistently advocated by the Commission and recommended by the Open Budget Survey (OBS), this document should be published ahead of the pre-budget scrutiny period over the summer, setting out fiscal policy intentions and key priorities for the year ahead.<sup>3</sup> This would provide a vital opportunity for early and informed engagement by Parliament and civil society—linking strategic fiscal planning to resource allocation decisions before they are finalised.

A revised Equality and Fairer Scotland Budget Statement (EFSBS) could then follow and complement the PBS by providing the necessary human rights and equalities analysis and data to inform decision-making—rather than being used to justify budget decisions after the fact. This sequencing would bring the Scottish budget process closer into line with the OECD’s recommended model of ex-ante, concurrent, and ex-post budget analysis. Currently, Scotland’s approach is out of sync, with most equality and human rights assessments occurring too late in the cycle to meaningfully shape priorities or resource allocation. Realigning the process would help ensure that human rights and equalities considerations are embedded from the outset, rather than treated as retrospective assessments.

Another key barrier is the complexity and inaccessibility of budget documents. These documents are often highly technical, making them difficult for the public to understand and engage with meaningfully. Without clearer, more accessible information, many individuals and organisations are excluded from the budget discourse. Additionally, there is a weak alignment between budget allocations and Scotland’s National Performance Framework (NPF). This disconnect reduces transparency and accountability, making it harder to evaluate whether public spending is genuinely delivering on national outcomes.

The lack of robust data and year-on-year benchmarks further hampers the ability to monitor and assess progress. Without sufficient data, it is challenging to measure the impact of budget decisions and ensure resources are being used effectively.

There is also a broader lack of coherence across the core set pieces of the Scottish budget process. In particular, the Draft Budget and the Programme for Government (PfG) are insufficiently aligned. While the PfG sets out the Scottish Government’s



policy ambitions—including its human rights goals—these are not clearly integrated into the Draft Budget or followed through in terms of resource allocation.

More broadly, there is limited read across between the Medium-Term Financial Strategy (MTFS), any prospective Pre-Budget Statement (PBS), a revised Equality and Fairer Scotland Budget Statement (EFSBS), the PfG, and the Draft Budget. Ideally, these documents should work together as part of a clear and sequenced process:

- MTFS setting out the long-term fiscal outlook
- PBS providing the immediate fiscal context
- EFSBS offering early-stage human rights and equalities analysis
- PfG outlining programme ambitions
- Draft Budget allocating resources to deliver them
- In-year budget reviews should then provide accountability for any adjustments (virements) made during implementation

Realigning these components would improve both the accessibility and the strategic coherence of the budget process.

### **Suggestions for Overcoming Barriers:**

To overcome these barriers, it is essential to strengthen early-stage consultation and involve stakeholders earlier in the budget process. Engaging marginalised communities and civil society from the outset would ensure a broader range of voices are heard and reflected in budget decisions. An annual Pre-Budget Statement should be introduced as a standard publication, outlining key fiscal priorities and allowing for meaningful early engagement on resource allocation. Simplifying budget documents is equally critical. Using plain language, visual data representation, and infographics would help demystify the budget process and make it more accessible to the public.

Budget decisions should also be clearly linked to the National Performance Framework, human rights standards, and the Sustainable Development Goals (SDGs) to provide a more coherent framework for resource allocation. Finally, developing robust outcome-based reporting with clear performance indicators and benchmarks would enable more effective monitoring and evaluation, ensuring that public spending delivers tangible outcomes aligned with Scotland's strategic objectives.

## Part 2: Medium-Term Financial Strategy (MTFS)

### 3. To what extent does the MTFS support a more strategic approach to the Scottish Government's financial planning?

The Medium-Term Financial Strategy (MTFS) is a useful tool for providing a long-term perspective on Scotland's financial planning, particularly in the context of fiscal sustainability and addressing future challenges. However, the document often remains high-level and highly fiscal-oriented, making little or no reference to policy commitments, the Programme for Government (PfG), or human rights and equality considerations. As a result, it does not currently function as a truly strategic tool for linking fiscal planning with policy objectives.

A key issue is that the approach to the budget process, and therefore also the MTFS do not systematically integrate a human rights-based approach (HRBA) or explicitly consider how fiscal decisions impact the progressive realisation of economic, social, and cultural rights (ESCR). HRBA needs to be embedded throughout all budget processes, and planning documents—including both fiscal and policy frameworks—to ensure alignment and to demonstrate clearly and early on where the fiscal outlook may impact upon the Scottish Government's ability to allocate resources and fulfil ESCR obligations.

Expanding the MTFS to incorporate rights-based language and considerations would allow it to serve as a tool through which the Scottish Government (SG) can demonstrate and evidence the rationale behind its decision-making. This would provide an opportunity for the government to justify resource allocation choices, particularly in times of fiscal constraint, in a way that aligns with international human rights obligations. By framing decisions within the principles of progressive realisation, non-retrogression, and reasonableness, the MTFS could strengthen transparency and accountability in budget planning.

Importantly, introducing an annual Pre-Budget Statement as part of the fiscal planning process could enhance the MTFS by providing earlier transparency on fiscal policy priorities and enabling more robust scrutiny and engagement. This would bridge the gap between high-level fiscal forecasting and practical resource planning, allowing stakeholders—including Parliament and civil society—to better understand the government's approach to balancing resources between competing priorities.

By integrating human rights considerations and progressive realisation commitments at this early stage of budget planning, the Scottish Government would create a

clearer, more accountable decision-making framework. This would ensure that fiscal planning is proactive rather than reactive, making it easier to follow how financial decisions evolve over time and how they align with Scotland's legal and policy commitments.

#### **4. How is the MTFS currently used by parliamentary committees, and how might it be further developed to support effective scrutiny and a strategic approach to financial planning?**

Parliamentary committees currently use the Medium-Term Financial Strategy (MTFS) primarily as a reference document to understand long-term fiscal trends and identify potential risks. While it provides a useful overview, its high-level nature limits its value for detailed scrutiny and targeted analysis. To support more effective parliamentary engagement, the MTFS needs to be further developed and refined in several key areas.

First, the inclusion of more detailed breakdowns of planned spending, explicitly linked to national outcomes and human rights commitments, would significantly enhance its utility. This would help committees trace the connection between fiscal decisions and Scotland's strategic priorities, making it easier to assess the alignment of resource allocation with stated objectives. Introducing measurable targets and benchmarks is another essential improvement. Clear indicators for tracking progress would allow committees to monitor whether spending is achieving its intended outcomes and make it easier to hold decision-makers accountable.

Improving integration between the MTFS, annual budgets, and the National Performance Framework (NPF) is also critical. Creating a more cohesive narrative that connects these documents would help committees gain a comprehensive understanding of how long-term planning translates into yearly resource allocation and measurable outcomes.

Additionally, building the capacity of parliamentary committees is essential. Offering targeted training on budget scrutiny, human rights budgeting, and long-term financial planning would equip committee members with the skills and knowledge they need to engage meaningfully with the MTFS and related fiscal documents.

Finally, aligning the MTFS more closely with an annual Pre-Budget Statement would significantly enhance its practical value. The Pre-Budget Statement would offer an early glimpse of emerging fiscal priorities, enabling committees to engage with and scrutinise these priorities before they are embedded in the annual budget. This early

engagement would foster greater transparency, strengthen scrutiny, and ensure a more strategic approach to financial planning.

## Part 3: Fiscal Sustainability Delivery Plan

### 5. What key areas should the Fiscal Sustainability Delivery Plan include to ensure it supports fiscal transparency and “stable ground” for longer-term financial planning?

The Fiscal Sustainability Delivery Plan should focus on several key areas to ensure it supports fiscal transparency and provides a stable foundation for long-term financial planning. First, it is crucial that the plan aligns with Scotland’s National Outcomes and clearly demonstrates how resource allocation links to these outcomes and the country’s human rights and Sustainable Development Goals commitments. A well-designed plan should offer transparency by providing detailed data on spending and expected outcomes, accompanied by scenario planning to prepare for various fiscal risks and uncertainties.

Progressive taxation should also be a central pillar of the Plan, both to generate the resources required to realise rights and to address inequality. This reflects the principle of progressive realisation under international human rights law, which obliges governments to use the maximum of available resources to advance economic, social and cultural rights over time. The UN Committee on Economic, Social and Cultural Rights recently re-emphasised that States must adopt tax policies that are effective, adequate, progressive and socially just.<sup>4</sup> It warns against over-reliance on regressive taxation, such as consumption taxes, which disproportionately impact low-income households and women. Instead, the Plan should demonstrate how fiscal policy supports redistribution and enables investment in the public services essential for realising rights.

A strong emphasis on preventative spending is also critical. This includes early intervention in areas such as health, social care, and housing, which can improve long-term outcomes while reducing future demand on public services. Such investment is not only fiscally prudent, but also central to a human rights-based approach that prioritises long-term wellbeing and promotes equality. Preventative spending should be supported by clear performance indicators and evaluation mechanisms to ensure that investments are effective, targeted, and aligned with Scotland’s strategic objectives.

Finally, the Plan should integrate climate resilience and just transition goals into financial strategy, ensuring that long-term fiscal planning supports environmental

sustainability and protects the rights of future generations. By aligning fiscal policies with climate goals, the plan can better safeguard Scotland's economic and social wellbeing while mitigating the potential impacts of climate change on public finances.

An annual Pre-Budget Statement would complement the Fiscal Sustainability Delivery Plan by offering an early indication of fiscal priorities and risks. This would enhance transparency, create a more predictable planning environment, and provide stakeholders with a clearer picture of Scotland's long-term financial strategy.

## **6. How should parliamentary scrutiny of this Plan, a new aspect of the budget process, operate?**

Parliamentary scrutiny of the Fiscal Sustainability Delivery Plan, as a new aspect of the budget process, should be structured around clear milestones and benchmarks to assess progress effectively. Establishing these milestones will provide a consistent framework for evaluating the plan's implementation and ensuring accountability. Regular reporting and updates on the plan's progress are essential to maintain transparency and allow for ongoing oversight by parliamentary committees.

To enhance the scrutiny process, ongoing engagement with civil society and human rights institutions should be facilitated. This will ensure that a wide range of perspectives are considered and help improve the overall transparency and accountability of fiscal decisions. Additionally, the plan should be closely aligned with pre-budget scrutiny, enabling it to inform the development of future budgets and maintain consistency with both the Medium-Term Financial Strategy (MTFS) and annual budget documents. This alignment will help create a coherent, long-term fiscal strategy that is responsive to emerging challenges while staying firmly grounded in Scotland's national priorities and human rights commitments.

## **Part 4: Approach to Spending Reviews**

### **7. Learning from the practice of this parliamentary session, how should the Scottish Government approach future spending reviews?**

Future spending reviews should adopt a rights based approach, ensuring that resource allocation aligns with Scotland's human rights obligations, the National Performance Framework (NPF), and the Sustainable Development Goals (SDGs). By grounding the spending review process in these commitments, the government can create a more equitable and accountable framework for financial decision-making. Greater transparency is also essential—providing clear criteria for assessing

budgets and explaining the rationale behind resource allocation will help build trust and allow for more effective scrutiny.

A focus on preventative spending is crucial to achieving long-term outcomes and reducing future costs. Prioritising early intervention in areas such as health, social security, and housing can lead to significant improvements in public wellbeing while alleviating pressure on public services. Additionally, meaningful participation from civil society and other key stakeholders should be embedded throughout the spending review process to ensure that decisions reflect the needs and experiences of diverse communities.

Finally, scenario planning should be integrated to address economic uncertainties and long-term fiscal risks. This forward-looking approach will help the government prepare for potential challenges and ensure that spending reviews contribute to a stable and resilient fiscal strategy.

## **Part 5: Effectiveness**

### **8. To what extent has the full-year budget process addressed previously identified weaknesses?**

The full-year budget process has partially addressed concerns about the interaction between the UK and Scottish budget timetables. However, the limited time for scrutiny remains a significant issue. While some improvements have been made in engagement and transparency, challenges in aligning resources with national outcomes and human rights commitments persist.

A key ongoing weakness is the absence of a dedicated Pre-Budget Statement. As repeatedly recommended by the Open Budget Survey and other international best practices, a Pre-Budget Statement would significantly improve the budget process by enabling early engagement on fiscal policy priorities. This document would provide a bridge between high-level strategic planning (e.g., the MTFS) and the detailed annual budget, offering Parliament and civil society a crucial opportunity to scrutinise and shape the government's plans before formal decisions are made.

There is also a need for better integration of fiscal and policy decisions across different government departments to ensure a cohesive approach to achieving national objectives.



## 9. How effective is current public engagement in the budget process, and how can it be improved?

Public engagement in the budget process is growing, but significant barriers remain. Current efforts tend to focus more on consultation than on genuine co-production, limiting the extent to which the public can meaningfully influence budgetary decisions. For engagement to be truly effective, it must become more accessible and structured around a coherent framework, ensuring that a wider range of voices is heard and acted upon.

Simplifying budget documents is an essential first step. Using plain language and visual tools such as infographics can make complex financial information easier to understand. Targeted outreach to marginalised communities is also vital, as these groups are often underrepresented in budget discussions. Expanding digital platforms for broader access and feedback can further strengthen public participation.

While participatory budgeting has the potential to empower communities, its current form in Scotland lacks a clear guiding framework, such as one based on human rights principles. Without this underpinning, it risks becoming fragmented, inconsistent, and limited to a feedback model rather than fostering genuine public participation in decision-making.

A more meaningful approach to participation must go beyond consultation and instead focus on deliberation, where stakeholders are actively engaged in shaping budget proposals alongside decision-makers rather than simply responding to predefined options. Deliberation is at the heart of democratic governance, ensuring that engagement is continuous and reciprocal rather than occurring in isolated consultation exercises. Instead of inviting stakeholders to give their views once key budgetary decisions have already been formed, Scotland should move towards a co-development model—one in which communities, civil society, and Parliament are meaningfully involved in shaping fiscal priorities before decisions are finalised.

Embedding deliberation into participatory budgeting would not only improve transparency but also enhance trust in decision-making and strengthen public accountability. Participatory budgeting literature strongly supports this shift—recognising that it is not just about consulting the public but about enabling society to be actively engaged throughout the process. Scottish Parliamentary Committees could play a central role in fostering this shift, acting as facilitators of structured, ongoing dialogue between the government and the communities most affected by fiscal decisions.



To be truly effective, participatory budgeting must be aligned with human rights standards, Scotland's National Performance Framework, and deliberative democratic principles. A rights-based participatory budgeting model would ensure that participation leads to fairer, more accountable, and more inclusive outcomes, moving Scotland towards a more democratic and socially just approach to budgeting. This Committee should also draw on wider work across the Scottish Parliament on deliberative and participative processes, including pilots and innovations in citizen engagement, to inform its inquiry and strengthen the role of public participation in budget scrutiny.

## **10. What adjustments are required to enhance the overall effectiveness of the budget process?**

To enhance the overall effectiveness of the budget process, several key adjustments are necessary. First, developing a robust system of outcome-based reporting would help align budget decisions with measurable outcomes and improve transparency. By clearly linking resources to expected results, it becomes easier to evaluate the effectiveness of public spending and hold decision-makers accountable.

Strengthening early engagement with stakeholders is another crucial step. Engaging key groups—such as civil society organisations, community representatives, and especially people from marginalised groups—earlier in the budget process allows for more meaningful input and ensures that diverse perspectives are reflected in budgetary decisions.

Improving accessibility is equally important. Simplifying budget documents and using visual data representation, such as charts and infographics, can help demystify complex financial information and make it more understandable for a wider audience. This approach not only enhances public engagement but also supports informed scrutiny by stakeholders.

Finally, building capacity within parliamentary committees and civil society organisations is essential. Providing targeted training on budget analysis, human rights based budgeting, and scrutiny techniques would empower these groups to engage more effectively in the budget process, fostering a stronger culture of accountability and evidence-based decision-making.

## **11. Are any changes needed to the information, guidance, and support provided to parliamentary committees?**

Parliamentary committees would benefit from several key enhancements to support more effective budget scrutiny. One important area is enhanced training on human

rights-based budgeting and budget scrutiny. This training would equip committee members with the necessary skills to assess budget proposals through a human rights lens, ensuring that resource allocation aligns with Scotland's legal obligations and national outcomes.

Improving access to relevant data and analysis is another critical step. Evidence-based scrutiny requires timely and detailed data, allowing committees to monitor budget decisions and evaluate their impact. Access to such information would enable more informed discussions and lead to stronger recommendations.

Developing outcome-based guidance would also be highly valuable. This includes creating resources to help committees evaluate budget outcomes against established benchmarks and national performance indicators. Introducing human rights-based indicators—such as Structure, Process, and Outcome indicators—could provide a more comprehensive framework for connecting commitments, resource allocation, and measurable impact. This approach would help committees better understand how budgets translate into tangible outcomes for communities.

Recognising this need for capacity building, SHRC will be working on developing more resources to support parliamentary committees in this area as part of our upcoming operational plan. These resources will be aimed at providing practical guidance and tools to enhance scrutiny and strengthen the connection between human rights obligations and budget decisions.

Finally, fostering greater collaboration between committees is essential to ensure a cohesive approach to scrutinising cross-cutting issues. Many budgetary decisions affect multiple sectors, and closer collaboration would allow committees to align their work, share insights, and present unified recommendations on complex policy challenges.

## **Rethinking Budget Scrutiny: A More Strategic and Collaborative Approach**

While the consultation does not explicitly ask about the structure of parliamentary budget scrutiny, it is important to reflect on how the scrutiny process itself could be strengthened to make it more effective. Current approaches to budget scrutiny across parliamentary committees are fragmented, often repetitive, and lack strategic coordination. This duplication not only places an unnecessary burden on parliamentary committees but also reduces the effectiveness of scrutiny by diluting focus, creating inefficiencies, and limiting opportunities for meaningful cross-sectoral analysis.

Rather than maintaining a disjointed and siloed approach, there is an opportunity to establish a new, collaborative model of budget scrutiny that aligns with international best practice. This would mean:

- A more structured and coordinated approach to committee scrutiny, ensuring that budget analysis is streamlined, complementary, and avoids unnecessary repetition across different committees.
- Strengthening cross-committee collaboration, particularly where budget issues cut across multiple policy areas (e.g., health, education, and social security).
- Embedding human rights and equality-based scrutiny within all committee budget processes, rather than limiting such considerations to specific committees or isolated budget statements.
- Learning from best practices in other countries, where parliamentary scrutiny is conducted through more deliberative, evidence-based, and outcomes-focused processes that allow for greater public engagement and transparency.
- Exploring the potential for a more formalised mechanism—such as a standing cross-committee budget scrutiny body or shared analytical framework—to provide more coherent, joined-up oversight of the Scottish budget process.

A reformed approach to budget scrutiny could also create a more reciprocal and deliberative relationship between Parliament and civil society, ensuring that external expertise is drawn upon at the right stages of decision-making. This would allow budget scrutiny to shift from being a reactive exercise to a more forward-looking and strategic process that proactively shapes budget priorities before decisions are finalised.

It is also important to reflect on the track record of previous reviews of the budget process—particularly the Budget Process Review Group recommendations from 2017.<sup>5</sup> That process produced a number of well-considered recommendations, many of which remain relevant today but have not yet been fully implemented. This raises important questions about how Parliament evaluates the uptake and impact of its own reform efforts. Without a clear mechanism for tracking the implementation and effectiveness of previous recommendations, there is a risk of falling into a cycle of "review, recommend, repeat." SHRC has, for over a decade, consistently called for a more robust and coherent approach to human rights budgeting, yet progress—both within the Scottish Government and in the Scottish Parliament—has been limited and slow. This inquiry provides an opportunity not only to identify further

improvements, but to ensure that previous recommendations are not lost or sidelined, and that accountability for reform is embedded within the scrutiny process itself.

The Commission would welcome further discussions with parliamentary committees about how this model could be developed, drawing on both international best practice and Scotland's own experiences to establish a more effective, efficient, and transparent approach to budget scrutiny.

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## Endnotes

<sup>1</sup> The [Open Budget Survey](#) is part of the [International Budget Partnership's](#) Open Budget Initiative, a global research and advocacy programme to promote public access to budget information and the adoption of accountable budget systems. Scotland's Open Budget Survey 2023. - [Main report \(available as a PDF\)](#) and [in Word](#)).

<sup>2</sup> Flegg A, 'Towards Fiscal Justice: The Potential For and Of Human Rights Budgeting in Scotland' (2025) University of Glasgow (forthcoming).

<sup>3</sup> [Open Budget Survey](#); Scotland's Open Budget Survey 2023. - [Main report \(available as a PDF\)](#) and [in Word](#)).

<sup>4</sup> See [Tax policy and the International Covenant on Economic, Social and Cultural Rights](#)

<sup>5</sup> See [Budget Process Review Group Final Report 30 June 2017](#)