

Equalities, Human Rights and Civil Justice Committee

Summary of Responses

The following summary of written evidence is based on the submissions received to your call for views, which asked the following questions:

1. What data and information is needed to assess whether budget decisions are helping to progressively realise human rights?
2. What needs to change to increase meaningful participation in the budget process, particularly for marginalised groups?
3. What can be done to make budget information more transparent and accessible?
4. Do the Resource Spending Review or previous Scottish fiscal documents demonstrate a commitment by the Scottish Government to realising rights over time?
5. For example, is it possible to look at Budget documents and decipher if expenditure on realising rights is increasing or decreasing?
6. Is government funding directed to the right areas to enable the public sector to meet its human rights obligations?
7. Does the Scottish Government raise sufficient revenue to realise human rights? If not, how could the government raise more revenue to ensure rights realisation?
8. Is revenue raised in an equitable way?
9. What is the distributional impact of budget decisions? Do budget decisions have a discriminatory impact on different groups of the population? Do budget decisions help reduce structural inequalities?
10. Does the current approach to Equality Impact Assessments and Fairer Scotland Duty Assessments produce a fair budget/meaningfully impact budget decisions? If not, how can this be improved?
11. How can human rights be fully incorporated into the impact assessment process?
12. Do the 9 key opportunities and challenges identified in the Equalities and Fairer Scotland Statement correctly identify the key opportunities and challenges around building a fairer Scotland?
13. Can progress against these priority areas be tangibly measured?

14. Has the Resource Spending Review given the voluntary sector the funding certainty it was hoping for?
15. Are funding arrangements for the voluntary sector fit for purpose?

Respondent overview

You received 16 submissions on the Citizen Space consultation platform. These were made up of:

- 3 submissions came from individuals.
- 13 submissions came from organisations. Of these:
 - 7 submissions were made by public bodies or intermediary organisations.
 - 4 submissions were by voluntary sector organisations.
 - 1 submission was made by a union.
 - 1 submission came from a professional body.

Of these, 11 respondents chose to make their submission public. These were:

- [Audit Scotland](#)
- [CEMVO Scotland](#)
- [Chartered Institute of Housing Scotland](#)
- [Equality and Human Rights Commission](#) (“EHRC”)
- [Health and Social Care Alliance Scotland](#) (“the ALLIANCE”)
- [NASUWT](#)
- [Scottish Commission for People with Learning Disabilities](#)
- [Scottish Council for Voluntary Organisations](#) (“SCVO”)
- [Scottish Human Rights Commission](#) (“SHRC”)
- [Scottish Women’s Budget Group](#)
- [Scottish Women’s Convention](#)

Summary of responses by question

N.B. Evidence has been restructured slightly to allow for instances where respondents gave a response particularly relevant to one question, under another question.

What data and information is needed to assess whether budget decisions are helping to progressively realise human rights?

11 respondents answered this question.

Many submissions made similar points around the need for widespread, regular, sustained, longitudinal and disaggregated data, which is published regularly and made available to the public (in line with research ethics practice standards) – this was the underlining message across most of the specific data points made below.

Audit Scotland explained that “good financial decisions are data driven” and pointed out that it had previously highlighted the following data gaps:

- “a lack of robust data in relation to health inequalities and the need for intersectional equality data (NHS in Scotland 2021, February 2022)
- No consistent method for recording unmet need. A person may be assessed as needing social care support but may not meet the eligibility criteria in place. This makes it difficult to assess the level of unmet need and therefore what more is required to deliver a person-centred, human-rights approach to social care. (Social care briefing, January 2022)
- There is a need for good quality data to assess the cost-effectiveness of funding in drug and alcohol services and the level of investment in prevention needed to achieve maximum benefit. There are gaps in data needed to monitor and evaluate progress against the outcomes set out in the government strategy ‘Rights, respect and recovery’. (Drug and alcohol services briefing, March 2022)
- Improvements are needed in data availability, tools and skills to support performance monitoring, strategic decision-making and planning service improvements. Data has been important in guiding the response to the pandemic but there are key areas where a lack of data could hamper recovery, such as unmet needs, service demands and backlogs. Data is a key tool in tackling inequality but there are gaps in equality data, particularly at a local level. (Local government in Scotland Overview 2022, May 2022)
- There is a lack of published data on wider outcomes (beyond one year reconviction rates) for offenders receiving any kind of sentence. Community Justice Scotland have reported that there is a lack of suitable data to measure progress against national indicators, and as a result they were unable to assess progress towards national outcomes, including whether community

justice partnerships are having an impact on improving outcomes for offenders. (Community justice: Sustainable alternatives to custody, July 2021)

- Councils are at an early stage of understanding how data can be better used to inform decisions, and understand user and community needs to achieve better outcomes. (Digital progress in local government, January 2021)”

Audit Scotland emphasised that a lack of data “makes it difficult to know whether budget decisions and/or the performance of public bodies are supporting the progressive realisation of individuals’ human rights.”.

Fiscal transparency

The EHRC said “there remains a lack of transparency in the Scottish budget to date, which is problematic”, and suggested that the Committee ask the Scottish Government about the “Current progress of its Fiscal Transparency project and what consideration has been given to providing the types of data set out in answer to this question”, and said:

“analysts must have access to timely, transparent, and accessible financial information in a sufficient level of detail. This is required to facilitate a human rights analysis of the budget and determine its impact on the progressive realisation of economic and social rights. The more detailed the information, the more in depth the analysis can be and the clearer a causal connection can be made between budgetary decision-making and the progressive realisation of rights.”

The SHRC said it “would look for accessible data on resource generation, allocation and spend in Scotland.” For examples, see responses under Question 3.

It explained that “Making comparisons with the information gathered via indicators allows a government to compare its place and relative progression or regression both externally, therefore as a range of data for comparative purposes is also noted below.”, and went on to set out examples of types of data needed for comparative analysis:

- National or international targets or commitments agreed to by the State (e.g. UN Treaties).
- Guidelines from international bodies (e.g. UN treaty body General Comments).
- Other comparable countries.
- Different parts of the budget (e.g. areas of economic, social and cultural rights compared to civil and political rights).
- Other relevant economic indicators (e.g. nationally defined indicators of economic progress)
- Between groups (e.g. equalities and groups with protected characteristics)

The SHRC explained that this “Helps to identify who is/ is not benefiting – disparities at local levels can help raise red flags of possible discrimination in the distribution of decentralised funds”, and that “Calculating per capita allocations can help facilitate

by-group comparisons”, before going on to emphasise the importance of analysing trends over time.

SCVO said that “To enable colleagues across the voluntary sector to understand spending decisions and assess their impact, the Scottish Government should:

- collect information across all government departments to get an accurate picture of how much funding flows to the voluntary sector and from which budget lines.
- calculate and publish its total direct funding of voluntary organisations for grants and procured contracts.
- produce a breakdown of which Scottish Government budget lines provide funding to the voluntary sector.”

Gender and intersectional data

The SWC pointed out that “disaggregated gender-based data is not collected across public services” and that improved data collection could better help the Government to track intersectional elements of disadvantage across services. One anonymous individual said that data on biological sex was needed to avoid limiting data on “adult/child human females”.

The ALLIANCE said that “Disaggregated data gathering and intersectional analysis, including monitoring personal outcomes, is essential to develop fully realised policies. Such work should follow human rights principles of equality, non-discrimination, participation and accountability.”

It went on to emphasise the importance of gathering equalities data, including demographic groups outwith protected characteristics, such as unpaid carers, care experienced people, survivors of trauma and/or abuse, and victims of crime.

NASUWT also spoke about the need for intersectional disaggregated data. And explained that “Data is needed to complete high-quality equality impact assessments (EQIAs) and these should be part of a process of gender mainstreaming within Scottish government policy processes.”

Other comments

One person said that data on Civil Law and its enforcement was important, linking this to tackling white-collar crime and the regulation of financial services.

What needs to change to increase meaningful participation in the budget process, particularly for marginalised groups?

There were 12 responses to this question.

Most submissions spoke about the need to understand and reflect lived experience, including intersectionality, and the importance of improved public engagement, a transparent and jargon-free process, and accessible documentation (including in accessible languages such as BSL, Easy Read etc). SWBG said “The Scottish population needs to feel that information is created for their engagement in the process rather than only formal consultation processes”.

Audit Scotland cited positive examples of how to foster meaningful participation found during its work on social security. It explained the importance of “principles of dignity, fairness and respect for those using the system”, and spoke about the Scottish Government’s effective use of experience panels.

SWC spoke about the challenges faced by marginalised groups in this context, and said:

“In order to tackle the deep-seated distrust felt by minority groups, it would be valuable for the Government to incorporate a participatory approach. This would enable marginalised women to be consulted and included in policy creation giving them a voice, empowering them to explain what issues are most important to them.”

Defining meaningful

SHRC suggested that it would be useful for the Committee to first establish what is meant by ‘meaningful’ participation. It said that once this was defined, it would be possible to draw on international best practice, and then measure the difference between ‘current practice’ and ‘desired best practice’ to better understand what needs to change. Other submissions, including that from NASUWT, echoed this.

On definitions, it pointed out that “Participation and participatory approaches can mean different things to different people and can represent a range of practices and levels of engagement. However, common elements include:

- a desire to understand a policy problem from the perspective of the people who are affected by it;
- recognition that formal, academic or professional knowledge does not provide a full picture of a policy problem;
- recognition of power imbalances between people who make decisions in a professional capacity and those who are affected by them;
- an intention to hand power to people affected by an issue;
- measures to dismantle or overcome barriers to people’s participation; and
- recognition that effective participation requires resources, attention, time and commitment.”

SHRC also suggested that:

“the Committee seek clarification from the Scottish Government as to how it intends to address Recommendation 29 from the National Taskforce for Human rights Leadership:

29: The Taskforce recommends that further consideration be given to including an explicit right to participation, drawn from the principles of international human rights law, within the legislation.

Finally, SHRC also highlighted that “the incorporation of the UN Convention on the Rights of the Child will also require specific actions to be taken to ensure children’s views are heard within the budgetary process”.

Participation and lived experience

The **ALLIANCE** references and supported the SHRC’s work and recommendations. It also said that the Scottish Government should “make space to listen to the voice of lived experience, providing proper facilitation and support of their engagement”, explaining:

“This should include (although not be restricted to) funding for accessible communications on the budget process and decisions, and any assistive technology or support costs required to enable lived experience representatives to take part in and contribute to the work of the care boards. Learning from current groups such as the People Led Policy Panel should be used to help embed active participation in the budget process.”

SWBG said:

“Formal consultation processes provide an important element of participation but the initiative to reach wider groups sits with organisations who may not have specific funding to participate in budget processes, this initiative should sit with Government and Parliament to ensure meaningful participation is an option. This could be done through funding to particular organisations to reach out to key stakeholders on the budget process, examples such as the work of the Inclusion Scotland People Led Policy Panel supporting consideration of the National Care Service is just one option that could be considered.”

EHRC suggested that compliance with the Public Sector Equality Duty should “mean listed authorities are considering how to engage with people sharing protected characteristics and their representative groups”. It explained that although involvement is only required by Part 4 of the duties, increased involvement by its nature helps all authorities to comply with the PSED.

Appropriate and targeted funding

NASUWT said that well-funded, representative public services were essential because of the central role public services play in social infrastructure. It argued that prioritising protected groups within teaching and prospective teaching staff was vital to wider culture change and inclusivity.

SCVO emphasised the importance of adequate funding for voluntary organisations, and said:

“Consistent approaches to partnership working between the sector and Scottish Government would enable the Scottish Government to reach the many marginalised people and communities organisations across the sector work with.”

What can be done to make budget information more transparent and accessible?

There were 12 responses to this question.

Communication

Audit Scotland highlighted that although it has seen “examples of improvements to budget information to make it easier to digest, including summaries published alongside budget documentation”, more still needed to be done to improve transparency. It spoke about examples of where improvement was needed, but also highlighted the Scottish Government’s acknowledgement of the issues and its commitment to financial transparency in Scotland’s Open Government action plan: 2021 to 2025.

SWC suggested that better use by the Scottish Government of social media during the budget process would be helpful but highlighted that “this would only be achievable however, by simplifying jargon and complicated language”. It went on to emphasise how a participatory approach to developing documents and including teaching on the budget process in the curriculum would be ideal.

The **ALLIANCE** said:

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

Both the **SWBG** and **EHRC** called for the development of a Citizens’ Budget, to make the documents and process more transparent and accessible.

Budget data

The **EHRC** said:

“There has been welcome progress in the last year, with the creation of the 5-year fiscal transparency project led by the Scottish Exchequer and the inclusion of fiscal transparency goals within the Open Government Partnership Action Plan. However, given this acknowledgement and the current focus on the need for fiscal transparency, it is all the more disappointing that the first spending review in almost 10 years lacks transparency. For example, whilst it is understandable why the RSR can only provide Level 2 data for years 3 and 4 of the review, it is not sufficient in terms of transparency to only provide Level 2 data for the forthcoming two years. It also was unfortunate to see it only mentioned human rights once throughout the entirety of the document despite Scotland’s ongoing commitments to legal incorporation.

Access to level 4 data, outlining the intentions of budgetary allocations in more detail, is a step forwards towards accessible information on the allocation of the Scottish budget. However, often the information included within level 4 data can be scant on detail. Publishing this data in as much detail as possible will allow for improved analysis with firmer connections being able to be made between specific allocations and their intended impact on identified human rights.”

The SHRC listed the following data as being needed:

“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.
- Tax effort: Tax Evasion Gap.
- Average illicit financial flows.
- Palma Ratio: measure of overall economic inequality.

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.
- Expenditure ratios by country defined minimum core obligations.

Examples for resource expenditure:

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

Budget and other tools

The **SHRC** explained that:

“Up until budget 2019-20 the Scottish Parliament provided a user-friendly accessible budget tool, which provided information on % change in both real and cash terms. Change was accounted for (to a greater or lesser degree) by the ‘What it buys’ and ‘Explanation of significant changes from previous year’ sections. However, when there was no cash change the explanation provided was ‘no change’, when in reality, no change is always a change in real terms. Cumulative ‘No Change’ over 5 years is a lot of change and is key to identifying progressive realisation or retrogressive government action.

Despite this issue, the tool was very useful to at least identify top level allocations on a year-to-year basis. This tool has been updated, and unfortunately, much of this explanatory data has been removed, it doesn’t

provide as much lower-level data (level 4) as before and it is no longer possible to see the data presented visually in a way that make differences between portfolios easy to compare. Further, the budget tool now only allows comparisons for the past 3 years. Understanding how the budget impacts on rights would require a longer view to be taken, with data made available for a minimum of the past five years. Assessments from previous years, and the cumulative impact previous years over time, should form a key part of formulating budgets for coming years.”

It went on to explain that a budget tool which allowed for budget comparisons across a full parliamentary session would support progressive realisation analysis and improve transparency.

The SHRC also explained that a better understanding of past allocations and spending would also improve transparency and the ability for analysis, suggesting that the areas to explore would be:

- “Whether the government has spent what it said it was going to spend during the course of the year? In other words, have allocated funds been spent as planned?
- If allocated funds have not been spent, how have they been reallocated?
- Was the reallocation process transparent, participative, and accountable?”

NASUWT referenced the Scottish Government’s commitment to publishing EQIA’s from the 2013-24 budget process onwards. It said:

“The Committee needs to review the quality and consistency of EQIAs that are contributing to the budget process. There is a concern that EQIAs can often be retrofitted to the policy process rather than being an integral part of the decision-making process. The Committee has an important role to play in ensuring the Government meets its commitments to transparency and holding Government to account in the forthcoming budget cycle. This should include ensuring that necessary EQIAs are conducted and scrutinising published materials to ensure quality.”

Transparency

The **SHRC** spoke about the Open Budget Survey, explaining that sub-national governments aren’t covered by this but. It cited that its own research, published in April 2020 and conducted on the same principles, revealed that:

“despite improvements made since the Budget Process Review Group report in 2017, Scotland remained below what is considered to be acceptable by international best practice standards with regards to fiscal transparency, with a score of 43. A key contributor to these low scores was the fact that Scotland does not produce 4 of the 8 key fiscal documents as defined by international best practice.”

It reiterated some of its transparency recommendations, which included:

- “The Scottish Government should publish all eight key budget documents: four were missing (PreBudget, In-Year, Mid-Year and Citizens’ Budget).
- A Citizens’ version of each of the key documents should be prepared and published at the same time as the key document, in order that citizens can be engaged with the budget when it matters.
- Within the Scottish Draft Budget (Executive Budget Proposal) analysis and narrative about how policies across the board may impact on vulnerable or marginalised groups should be improved.
- Policy planning should be driven by outcome expectations and evidence of what works – which requires accessible, transparent information.
- Within the Scottish Draft Budget (Executive Budget Proposal) reduce the repetitiveness, focusing on providing concise and consistently presented information, and include information that should be provided in other reports (such as longer-term projections and connections to National Outcomes).
- It should be possible to connect the budget allocations being referred to in the Scottish Draft Budget (Executive Budget Proposal) with the Level 1-4 budget lines.”

SHRC suggested that the Committee should ask the Scottish Government “to commit itself to undertaking the Open Budget Survey in line with the international survey methodology (every 2 years) in order to assess the transparency (and participation and accountability) of their budget cycle against global comparators.”.

The SHRC also emphasised the need for transparency between national and local budgetary data, explaining that “in order to be able to adequately assess progressive realisation within Scottish budgetary decisions, it is necessary to know where allocations are spent at the local level – and the degree to which this is the choice at the local level, as opposed to directed or ringfenced spend.”.

CEMVO supported the SHRC’s calls for data and information to be collected and disaggregated at every stage of the budget process “from generation and allocation to spending”.

SCVO said “Access to transparent data is essential for voluntary organisations to assess the positive, negative, or neutral impact of the Scottish Government’s spending decisions on the rights of people and communities across Scotland. Without the tools to measure the impact of budget increases, decreases, and preventative measures, it is difficult to understand the actions taken by the government and how and why funding flows from the government to different parts of the voluntary sector.”.

The **EHRC** emphasised that transparency and accessibility isn’t just about language and data – it said it also must be made clear “how and why decisions are made”, and how proposals have changed in light of the evidence collected.

Do the Resource Spending Review or previous Scottish fiscal documents demonstrate a commitment by the Scottish Government to realising rights over time?

There were 9 responses to this question.

Audit Scotland's comments summarised a key theme across evidence:

“Although the Scottish Government has made a commitment to taking a human-rights based approach to budgeting, we have found in our audit work it could be clearer about what this will look like and how it will measure it. It can be difficult to track how budget decisions, assessments and implementation of policies link together, or the impact these have on outcomes.”

It noted that the COVID-19 pandemic had added further complications. For example:

“The Scottish Government expressed a clear overarching intention for Covid-19 spending to be aligned with National Performance Framework outcomes. Our analysis of sample funds found that while the intended outcomes of individual funds were clear, there is little mention of specific links to the National Performance Framework, the four harms or equalities priorities.”

The **SHRC** suggested that human rights had not “featured heavily in influencing the decisions adopted through the Review. Or at least, have not been demonstrated to have done so within the published documents.”. Other submissions made similar points, and said that documents fell short in “linking intended policy outcomes to the realisation of rights.” (**NASUWT**).

The SHRC said that “the Scottish Government must demonstrate that it has evaluated the impact of any ‘efficiency’ measures, such as those proposed in the RSR, to ensure that they do not result in retrogressive steps in rights realisation” and asked that the Committee ask the Scottish Government to evidence that all possible alternatives for continuing current service levels had been explored before implementing efficiencies.

It went on to say:

“At present there is no demonstrable evidence of an understanding across government of what Scotland’s human rights obligations are or how they should be incorporated into policy development, including the budget. There is therefore no explicit connection to realising rights over time in the RSR or previous Budgets.

There has been some welcome progress of introducing a human rights focus into the Equality Fairer Scotland Budget Statement (EFSBS). However, the depth of understanding about how the contents of rights connect to the different portfolios is not evident and the general connections that are made do not appear to have penetrated the thinking behind the main fiscal

documentation to any meaningful degree. There is thus significant room for improvements to be made on these initial steps.”

Although it echoed some of these remarks, the **ALLIANCE** also said:

“The Resource Spending Review has made welcome commitments to a range of areas, which we outline in more detail in our response later questions. Overall, the Scottish Government’s recent budget documents and approaches do demonstrate a general commitment to realising rights over time. However, it is unclear whether or not the funding attached to these commitments, even where it is intended to increase, will be sufficient to advance the realisation of rights at the pace necessary.”.

CEMVO said it welcomed the Scottish Government’s commitment to the realising of rights:

“... however without adopting a key monitoring tool to the budget process such as human-rights budgeting, human rights-based approach and EQHRIA’s, this commitment has very little substance.”

CEMVO also pointed out the accessibility flaws in the Scottish Government’s documentation.

SWBG highlighted that evidence of impact assessments was not published with the RSR, and that “a commitment was made in the RSR for the publication of impact assessments with future budgets”. It asked that the committee should “ensure this commitment is maintained within a turbulent fiscal outlook”.

For example, is it possible to look at Budget documents and decipher if expenditure on realising rights is increasing or decreasing?

7 respondents answered this question.

SWC point out that, within the most recent Scottish Government budget, there are “many commitments made which do demonstrate that the Scottish Government are attempting to realise human rights over time”, but that the economic policies suggested seem to focus on entrepreneurship rather than care. It suggested that investment was focused towards typically male-dominated industries, and as a result recommended that a gender budgeting strategy be adopted alongside participatory methods in order to make current inequalities more visible. The SWBG also called for the integration of gender budgeting into the decision-making process.

The **SHRC** spoke about the use of budget tools, and the level of data available:

“Currently, level 4 data provides some insight into the specific purpose of resource allocation, however, these are not connected to human rights. Were specific budgetary lines to be connected to relevant rights, as viewed by those making budgetary decisions, this would provide a first step and platform to being able to track expenditure for specific rights and whether it has had an impact.”

It also spoke about SPICe’s budget tool, describing it as “the main tool currently available to the public to interrogate budget allocations”, and expressed disappointment about some of the changes made to this in recent years.

N.B. SPICe can confirm that these original tools were developed as part of a long-term project with Napier University, some time ago. For both technical and accessibility reasons it wasn’t possible to move our budget tools across to the new Scottish Parliament website (launched in 2021). We realise that the tool we created in-house on the SPICe blog for last year’s budget wasn’t as useful or as user friendly as the old tools, but we felt we should at least offer something to help people understand the budget. To build on this, we are currently looking at options to get a version of the older tools on to the new website. However, this is not a straightforward task and so is taking some time to get right.

Finally, SHRC pointed out the challenges in understanding the outcomes of past spend, describing the Budget documents as being primarily forward-looking.

The **ALLIANCE** noted challenges around understanding whether funding has increased in real terms or not based on the presentation in Budget documents. It went on to explain:

“... human rights are threaded throughout all areas of expenditure, with direct expenditure against the “Equalities” line item only a very small fraction of overall spend. The cross-cutting nature of human rights is emphasised within the 2022-23 budget document by the fact every portfolio area is listed as contributing to the National Outcome on human rights.

Whilst this recognition is welcome, it is not possible to meaningfully disaggregate the various line items according to impact on realising rights, and thus whether or not there is a net increase in rights related expenditure. Instead, only broad stroke inferences can be drawn, for example that increases in expenditure on social security or social care are likely to support the realisation of rights to social security or independent living, without it being entirely clear in which ways or to what extent.”

NASUWT said that it was “concerned that the budgetary documentation will not support the Government to meet the aims of the PSED: listing spending priorities under equalities headings falls significantly short of articulating impact.” And said that “the Scottish Government should be meeting its responsibilities under the PSED by collecting and using evidence when developing policies”.

Is government funding directed to the right areas to enable the public sector to meet its human rights obligations?

There were 9 responses to this question.

There were mixed views on this. Most submissions spoke about where improvements needed to be made but there was some focus on positive first steps. **NASUWT** suggested there was a lack of research evidence available to answer this question.

The **SWC** suggested that women and girls were overlooked in current funding arrangements. It said, “There are many possible changes to public policy that could be made, for example encouraging employers to create flexible work patterns, providing more affordable childcare, and improving education surrounding violence and healthy relationships.”.

The **SHRC** reiterated the need for improved fiscal transparency and transparency around decision-making, but also changes to the wider budget-setting process. It argued:

“Resource generation, allocation, and expenditure should be driven by meeting rights-based outcomes, based on assessment and evidence to underpin the prioritisation of public funding.”

Although the SHRC acknowledged the importance of prioritising spend on Health and Social Care, it expressed concerns about funding for local authorities and other areas, and said:

“The RSR mentions throughout the document, the potential role of ‘preventative spend’, especially in relation to health. However, the interdependency of rights highlights that many areas where preventative spending could have an impact on health would not necessarily feature within the allocation of health spending for example. It is therefore important that more holistic determinants of health and preventative health measures are explicitly connected through budget allocations.”.

It concluded:

“A Human Rights Based Approach could provide that change by supporting the distribution of resources in a way that puts people first. What is required is a zero-based budgeting exercise, where time can be taken to provide a true assessment of rights realisation across Scotland (as best as possible), and allow this assessment to bring into question whether Scotland is raising enough resources to truly realise people’s rights. In clear instances where Scotland is failing to deliver rights, the question must become how to raise more resources, whether that be through efficiency or taxes for example. It involves thinking through what is required to how people’s rights are impacted by the way that money is raised, allocated, and spent.”

The **ALLIANCE** also supported a focus on Health and Social Care whilst supporting a human rights budgeting approach. It said that it was also important to “recognise third and independent health and social care organisations as equal and valued delivery partners, resourced by additional, sustainable, ongoing, and secure funding.”.

The **SWBG** submission was another that highlighted the role of local government in terms of preventative spend and expressed concerns about a lack of investment in that area. It went on to say, “It is not clear from the RSR what assessment process was undertaken that informed the decision-making contained within it and greater transparency of this process should have been provided.”.

CEMVO said that human rights budgeting should be a legal requirement “to ensure funding is allocated to public bodies in an equitable way that allows human rights obligations to be met.”.

The **EHRC** said:

“... the budget process should be clearly aligned with, and intended to contribute to, the achievement of well-defined outcomes. The Scottish specific duties require the setting of such outcomes, and in so doing offer a constructive process. Combined with the NPF, this should provide a set of outcomes which the budget seeks to achieve. However, it may be the case that even in combination there are gaps and therefore additional outcomes, specific to the budget process, should be developed.”.

Does the Scottish Government raise sufficient revenue to realise human rights? If not, how could the government raise more revenue to ensure rights realisation?

There were 7 responses to this question.

Audit Scotland gave a useful summary:

“It is clear that the Scottish Government has considered how its policies and budgeting will affect different groups, including its Framework for Tax setting out the principles and strategic objectives that underpin the Scottish Approach to Taxation. However, there is currently an implementation gap between the government’s good intentions and realising rights.

... Aligning activities with outcomes involves considering what a proposed new strategy is aiming to contribute at the outset and being clear what success will look like. This is difficult, given the inevitable uncertainties about long-term funding and unknown events. However, it is precisely because of this uncertainty that planning ahead, and setting clear measurement criteria is so important to maintaining progress.

Long-term outcomes are different to more immediate outputs and this continues to cause some confusion. Outputs are the tangible measures that can indicate progress towards long term goals, but they are not the outcome objectives themselves.

This confusion can cause public bodies to plan measures of success focused solely on short-term outputs with little or no measures relating to the ultimate intended outcomes. We have seen this in several of our audits ...

Recently we have seen positive signs that outcomes are being considered more clearly and earlier in policy and spending decisions.”

The **SHRC** said that a completely new approach to setting the Budget was needed. Explaining that “Budgeting should start from desired right-based outcomes, followed with development of policy to achieve those outcomes and the generation of resources required to fulfil them”. It suggested that the Committee should ask the Scottish Government to “fully consider” taking a human rights-based approach to budgeting.

It went on to suggest that the current approach to taxation undermines the development of a rights-based approach to taxation, and said:

“There are a number of revenue raising tools that the Scottish Government should explore. The Committee could ask the Scottish Government to be more politically bold and engage with more progressive taxation options, especially around land and wealth. Economically, it is important to keep in mind the impact of prevention. Socio-economic disadvantage is hugely costly

to the State. Extra spending and resource raising to fulfil people's basic economic and social rights, will lead to efficiencies being made in the future."

The tools it referenced included those beyond income tax, such as land value taxation, revaluation of property to support local tax reform, wealth taxes, and the revenue of the Crown Estates.

The **ALLIANCE** also supported tax reform. It did not make specific suggestions, but explained:

"we would advocate that decisions on public finances should have due regard to two of the key principles of progressive realisation of human rights, those of "non-regression" and "maximum use of available resources."

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

CEMVO, **NASWUT** and **SWBG** also supported the use of taxation reform to maximise revenue. **SWBG** said:

"In Scotland, as across the UK, the unequal taxation of income from wealth and income from work represents a tax break for wealthy men. In order to reach a progressive taxation beyond income tax the Scottish Government could include consideration of land value taxation, revaluation of property to support local tax reform, wealth taxes and the revenue of the Crown Estates. It will also be vitally important that Scottish Government commitments to a progressive income tax regime are held strong, ensuring those that can afford to contribute more do so through the recovery. Organisations such as the Fraser of Allander Institute, CPAG and the Institute for Public Policy have set out options which could be considered further to bring further revenue into the Scottish Budget."

Is revenue raised in an equitable way?

There were 5 substantive responses to this question.

The **SHRC** said that the “Scottish taxation principle of who can afford to pay pays more is the right one”, but that the system had the potential to be much more progressive. It explained:

“With a fair tax system that aims to be progressive, the proportion of tax paid should reflect the relative income or wealth of the taxpayer. The taxation system has the ability to raise additional revenue for the government and the responsibility to do so in a way that does not negatively impact on those who can least afford to pay. The way taxes are levied has a strong redistributive potential.

Whilst in recent years the Scottish Government has taken the opportunity to change the way that income is taxed and in doing so introduce a more progressive system that is fairer to those on lower incomes, wealth (unearned income) has not received the same treatment.”

It also emphasised the importance of effectively tackling tax evasion, avoidance and abuse, and said that “A State or devolved administration that does not take strong measures to combat tax abuse is not allocating the maximum available resources to the realisation of economic, social and cultural rights.”.

The **ALLIANCE** gave recognition to the increasingly progressive approach to Income Tax, but emphasised it’s view that Council Tax in its current form is regressive. It explained:

“The regressive nature of Council Tax has presented a challenge for local authorities in recent years, not least because the only rate that is explicitly set is the Band D rate, with all other rates then set according to multipliers laid out in statute. This means it is not possible for local authorities to decide only to increase the rates on higher bands. Substantial increases to local tax rates have been felt necessary to continue providing essential public services relied upon by the most vulnerable in society, yet have simultaneously increased the burden of tax most substantially on that same group than on higher earners.”.

CEMVO reiterated that a human rights approach to budgeting would include a human rights-based approach to revenue raising, but transparent and accessible data was crucial to this. It added that:

“the government should avoid raising revenue in a way that leads to privatisation of the public sector which could in any way that could potentially lead to human rights violations either in Scotland or abroad. For example, products in a supply chain which have been produced or curated through human rights abuses abroad.”.

SWBG also said that progressive taxation was needed to address structural inequality and spoke about the regressive nature of Council Tax.

What is the distributional impact of budget decisions? Do budget decisions have a discriminatory impact on different groups of the population? Do budget decisions help reduce structural inequalities?

There were 9 responses to this question.

One anonymous submitter spoke about the missed opportunities in the Highlands and Islands, and the need to focus on 'green' employment.

Audit Scotland referred back to the Christie Commission and its aspirations and said that it has "repeatedly reported that this is not being achieved consistently or at scale". It pointed out how the COVID-19 pandemic had highlighted the extent of structural inequalities and data gaps can make these inequalities difficult to measure and said that "the Scottish Government needs to make sure it is collecting the right data and that there is agreement on terminology.". It went on to explain:

"In our Local government in Scotland Overview 2022 (May 2022), we highlighted that the impact of the pandemic and service disruption has been felt most strongly by those communities and citizens already experiencing inequalities. For some, inequalities have worsened. Others are experiencing inequalities for the first time. Those with intersectional characteristics, that is people who fall into more than one group, and therefore experience several disadvantages at the same time, have suffered the most severe impacts. Councils' recovery and renewal efforts need to take account of worsening, new and overlapping disadvantage. Ongoing disruption to council services has meant that those most in need of support are still experiencing that unequal impact. However, funding to local government has been reduced in real terms since 2013/14. The rest of the Scottish Government budget has seen an increase in funding over the same period. The ongoing absence of a multi-year financial settlement creates uncertainty for councils at a time when effective and robust financial management is crucial. The Scottish Government continues to fund councils on an annual basis. This makes it challenging for councils to plan and budget effectively for the medium and longer term, and work with partners to develop long-term plans to deliver better outcomes and address inequalities."

Audit Scotland gave further examples of where it had highlighted the impacts of funding distribution within its school education audit.

SWC spoke about the challenges faced by specific groups, including women:

"some groups are more likely to experience negative effects when certain choices are made – with those that are consistently silenced or ignored being the most likely to fall into this category. These groups can be called 'hard-to-reach' or 'seldom-heard' when in fact they are 'seldom-listened-to'. Individuals from marginalised groups regularly feel that their issues and concerns are seen as 'lesser' and not prioritised by UK Governments. As a result, large-

scale decisions tend to not include their voice and can cause continued hardship and ultimately maintain social inequalities.”.

The **SHRC** spoke about the importance of using distributional analysis “to better understand the impact of budgetary decisions on different groups” and suggested that the Committee ask the Scottish Government its current position on this work. It also spoke about the importance of differentiating between equality budgets and human rights budgets:

“Progress has been made through publishing of the Equality and Fairer Scotland Budget Statement. Where questions remain is on whether there is a clear understanding that equality and human rights are not synonymous of one another. Equality forms a basic principle within rights realisation and is discussed as non-discrimination. While ensuring equality through budgetary decision making is crucial, it does not capture the whole human rights picture. People may be treated equally fairly or equally poorly, we must thus be able to also measure and focus on whether everyone’s basic rights are improving.”

The **ALLIANCE** said that “where human rights are not appropriately considered, budget decisions can indeed have a discriminatory impact on different population groups.” It used the examples of challenges for people moving from the Disability Living Allowance to the Personal Independence Payment in explaining the impacts of budgetary decisions. It explained that in addition to social security:

“... investment in social care can support people to realise their right to independent living, and thus help to break down the barriers society has put in the way of disabled people’s equal participation. Similarly, investments in these areas can help to reduce the structural inequalities faced by women, who are more likely to provide unpaid care, and to be on low incomes. Increasing their incomes and providing formal social care services, from a well-paid and valued workforce, would be another example of using budgetary decisions to positive effect to reduce structural inequality.”

CEMVO reiterated its support for a human rights-based and anti-racist approach the budget setting, and said that:

“Without recognising individual’s differences, lived experiences and lack of diversity in decision-making roles, budget decisions will continue to have a disproportionate negative impact on different groups in society, especially those most vulnerable. Those involved in the decision making process must commit and conduct meaningful consultation, prioritising these groups while simultaneously taking a pro-active approach to their learning and development to understand barriers to participation such as microaggressions, unconscious bias and white privilege.”

NASUWT spoke about the impacts of an underfunded education system and local government.

The **SWBG** said:

“The Committee has an important role to set the direction for the rest of the Scottish Parliament committees ensuring an equality and human rights analysis is central to their scrutiny of the budget. The intersectional gendered effects of Covid-19 economic impacts, the cost of living crisis, and the climate crisis need to be front and centre in the process of policy, and in turn budget, decision making in all portfolios and in all the Committees. Within this process all committees should ensure equality impact assessments (EQiAs) are undertaken with transparency and updating of this information through the budgeting process. The process of producing the Equality Fairer Scotland Budget statement should act as a driver to guide policy decisions.”

The SWBG also spoke about the importance of distributional analysis and went on to give a breakdown of the value of a gender budgeting approach.

Finally, the **EHRC** said that the questions posed here should be answered through the EQIA process. It explained:

“We have previously undertaken research on the cumulative impact of tax and welfare reforms, disaggregated as far as possible by protected characteristics. It shows the effect of some (tax and welfare) budget decisions at the UK and Scottish levels on people sharing different protected characteristics. This methodology is useful and should be part of the evidence considered by the Scottish Government when assessing the equality impact of the budget. It may also be the case that it would be useful for Scottish Government to commission updated research of this type. Ensuring suitable equality evidence is available to support the budget process (and other economic strategy and policy processes) is something that the Equality Data Improvement Programme should be considering.”

Does the current approach to Equality Impact Assessments and Fairer Scotland Duty Assessments produce a fair budget/meaningfully impact budget decisions? If not, how can this be improved?

There were 8 responses to this question.

Many respondents suggested that current use of EQIAs and Fairer Scotland Duty Assessments was varied in practice and effectiveness.

Audit Scotland noted the ongoing challenges relating to Covid recovery, and how this might impact on non-priority spend. It said “It is not clear whether the SG has considered whether some groups will be disproportionately affected by reduction in funding for other portfolios.”. It made the point that:

“Equality impact assessments should be conducted at the start of a process and not after the decision has been made. Our audit work indicates there is still variation across the public sector as to how well these are carried out. There needs to be shared leadership in taking this forward and staff equipped with the skills to effectively carry out meaningful assessments. These then need to inform change and improvements.”

The **SWBG** highlighted that the Scottish Government was due to respond to the Equality Budget Advisory Group’s recommendations on equality and human rights budgeting, and suggested that the responses might help to emphasise areas for future Committee scrutiny.

It noted that “One of EBAG’s long standing criticisms is that some Scottish Government initiatives appear to retrofit Equality and Human Rights Impact Assessments to their processes rather than integrating them as core parts of policy design, development and decision-making.”. It also suggested that “Work should be carried out to continue capacity building within Scotland’s public authorities to ensure best practice is adopted and maintained through decision-making and full effect is given to FSDA”.

SWBG said that, because of varied practice, it was hard to assess the impacts of these duties and said that “The lack of ability to measure impact is an issue to be addressed moving forward.”

The **ALLIANCE**, **SWBG** and **EHRC** echoed these sentiments.

CEMVO said it welcomed that the Fairer Scotland Duty Assessments:

“... recognise social and economic disadvantage but are alarmed there is no mention of protected characteristics and therefore fails to recognise intersectionality and the disproportionate and compounded impact that can have on marginalised groups of society. Equality Impact Assessments address protected characteristics and the Fairer Scotland Duty Assessment, socio-economic background but without bringing these documents together,

the Scottish Government will further marginalise those with multiple protected characteristics, and in reality not respecting, protecting or fulfilling their human rights.”.

How can human rights be fully incorporated into the impact assessment process?

9 respondents answered this question.

Audit Scotland suggested that participation had an important role in ensuring that human rights are incorporated into the EQIA process. **SWC** agreed, emphasising the importance of speaking to those affected by decisions.

SHRC signposted its own good practice guidance, and said that:

“Incorporating human rights into the impact assessment process is about improving the depth of analysis of other complementary assessment processes. The Committee should encourage the government to reflect this within their forthcoming Equality and Human Rights Mainstreaming Strategy.”

The **ALLIANCE** and **CEMVO** also supported the SHRC/EHRC guidance and stance, and the former said that:

“Considering human rights alongside equalities impacts prompts consideration of impacts on marginalised groups who fall outside of the Equality Act 2010, such as some people living with long term conditions, carers, people living in poverty, and people experiencing homelessness. Additionally, a human rights analysis provides a useful framework to balance competing rights and interests of different population groups.”.

Do the 9 key opportunities and challenges identified in the Equalities and Fairer Scotland Statement correctly identify the key opportunities and challenges around building a fairer Scotland?

There were 7 substantive responses to this question.

The **SWC** supported the proposed opportunities and challenges identified by the Equality and Fairer Scotland Statement, but said that 'Safety' was an omission, and an issue particularly crucial to women and girls.

The **SHRC** said that "the nine key opportunities and challenges represent important issues, however, we feel that they could be enhanced through embedding each within the context of their relevant rights obligation". It suggested that closer links to NPF outcomes would be useful, and suggested that:

"The Committee should consider recommending that the Scottish Government amends the nine key opportunities and challenges to make them rights-based, and incorporate people's right to an adequate standard of living as a means to including the cost of living crisis within the nine.

The Committee should also consider recommending that the government move away from a purely narrative presentation of the nine key opportunities and challenges, to an EFSBS statement that documents the analysis that has informed the fiscal decisions. In doing so, the statement should make clear the relationships between how commitments in the budget (as declared in the Programme for Government) are actually driving progress towards the National Performance Framework Outcomes."

The SHRC also said that "Amending the fifth opportunity/challenge to include the right to an adequate standard of living in addition to addressing child poverty, would also allow for a specific focus on the cost of living crisis."

The **ALLIANCE** said that it was important that these 9 opportunities and challenges were clearly aligned with human rights, and were not viewed in isolation, rather as an interlinked set of priorities. For example:

"... attempts to tackle health inequalities (key opportunity 3) can be supported by appropriate use of digital services (4), improved public transport (7) and good quality housing (9). Budget decisions impacting one of these areas should be evaluated for impacts on the other areas as part of a holistic, whole-government approach to realising human rights."

CEMVO expressed its disappointment that the points identified "do not recognize systemic or institutional racism and the impact that this has on those from ethnic minority communities."

SWBG said:

"The 9 key opportunities and challenges identified provide a useful additional layer of analysis within the EFSBS. However, there is a lack of connection

between this statement, the Programme for Government and critically the National Performance Framework which sets out Scotland's priorities as a nation."

It highlighted that in the context of these challenges, it was important to consider the cost crisis. It went on to explain that

"Consideration of substantial pieces of work conducted during the height of the Covid-19 pandemic also contain important recommendations that continue to have significance. For example, the recommendations of the Social Renewal Advisory Group and the Race Equality and Covid Advisory Groups. Scrutiny on progress made towards these recommendations and how these may need to be prioritised in light of the cost of living crisis."

The **EHRC** said:

"Although the language is different, a case can be made that the nine 'opportunities and challenges' identified in the most recent resource spending review (RSR) are effectively outcomes. The same is true of the ten 'key risks' identified in relation to the 2022-23 budget. It is to be welcomed that Scottish Government agrees that it is appropriate to identify inequalities to be addressed by the budget and other such economic decision-making processes. The attempt to identify relevant NPF outcomes against each RSR 'opportunity or challenge' is also positive.

However, despite what appears on the face of it to be a comparable exercise across the RSR and most recent budget, there is not obviously any attempt to align the RSR 'opportunities and challenges' and budget 'key risks'. Although there is a degree of overlap between some of these, it is not immediately clear whether this is by design or accident."

SCVO provided detailed evidence against those opportunities/challenges where it felt it had expertise. Key points included that "current funding and procurement models are not conducive to Fair Work aspirations", and that further research is needed in understanding the impacts of realising digital service and net-zero aspirations and the impacts on/role of the voluntary sector in relation to these aspirations.

Can progress against these priority areas be tangibly measured?

7 respondents answered this question.

Most said that certain suggested priority areas were more measurable than others, and that, for example, “the Scottish Government will need be clear about what it is measuring, how it will identify how actions have contributed to outcomes and what success will look like. We have highlighted in several reports that the links between spending and improving outcomes needs to be clearer”. (**Audit Scotland**). Many comments linked back to earlier points about transparency, data, and human rights-driven decision-making.

The **SHRC** said:

“Tangible measurement of progress requires a connective shift in how we make fiscal decisions, starting with evidenced priorities and defined outcomes leading to resourced policy and programmes that can then be reviewed for impact. Connecting the nine priorities with the human rights framework, the National Performance Framework, the Programme for Government and the Budget are necessary to facilitate this transformational change in measuring budget impact.”.

It used the NPF as a useful example of how processes could change to support measurement:

“The NPF National Outcomes are currently at the start of their periodic review process. If we are to be able to show the impact of the Spending Review priorities, or indeed any budgetary commitments, it is essential that the National Outcomes and corresponding indicators are used as a framework from which to prioritise resource allocation. The NPF is currently not used well by Public Authorities across Scotland.

For spend to have a measurable impact on improving National Outcomes, it must be underpinned by an original assessment of the current status of NPF outcomes and focus, how resources are allocated to priority areas, and how resources are prioritised towards areas that NPF results show are doing poorly. To connect focused activity to resource allocation and spend from a rights perspective, the NPF also needs to meaningfully engage with the international human rights framework. This is critical if the Scottish Government is to successfully implement its new human rights legislation.

The Scottish Government, in its review of the NPF should consider redesigning it in line with the budget. If Scotland is going to have an outcomes focused approach to decision- and policy-making, then they have to be designed together with processes and purpose, in tandem with one another. At the moment, efforts are made to bring the two together and make them speak to each other. However, it is not realistic to expect two processes designed by two different teams in two different areas of government to know how to talk to each other.”

Has the Resource Spending Review given the voluntary sector the funding certainty it was hoping for?

There were 6 answers.

Audit Scotland highlighted declining budgets in the Social Justice, Housing and Local Government Portfolio, and a lack of clarity on how specific aims around tackling drug-related deaths are addressed in the Budget allocations.

Most other responses echo point on the reduction in funding, and state that the voluntary sector is currently underfunded. Emphasis is given to the additional pressure anticipated from the cost crisis.

The **ALLIANCE** said:

“Broader references to the third sector within the Resource Spending Review are disjointed and patchy. The commitment to introduce long-term funding for the third sector, given in the context of work to reduce health inequalities, is welcome, but the document lacks further detail as to when and how this will be achieved, especially given the anticipated funding changes. Particularly for third sector social care organisations, we are not confident that the Scottish Government has committed to sustainable funding for the third and independent sectors through the development of the proposed National Care Service.”

SCVO said:

“The Scottish Government recognised in the Spending Review Framework that, in the current climate of rising inflation and the resulting cost-of-living crisis, demand for public services will be high and the voluntary sector will continue to play a crucial role. However, the Resource Spending Review did not include multi-year or other funding commitments at the scale that SCVO and others have been calling for, falling short of giving the voluntary sector the funding certainty it needs.”

And pointed out that:

“During last year’s pre-budget scrutiny, the committee heard from the Scottish Government that the multi-year resource spending review would ‘provide certainty to the sector and support effective planning.’ The reality is that this has not happened.”.

Are funding arrangements for the voluntary sector fit for purpose?

There were 6 responses to this question.

Audit Scotland highlighted areas in its own work which had emphasised the importance of the voluntary sector, particularly during the COVID-19 pandemic. It said that following the pandemic “there is an opportunity to think differently about how the Scottish Government deliver and fund services”.

SWC, The **ALLIANCE**, **SWBG**, and **SCVO** all explicitly state or suggest that funding for the voluntary sector is not fit for purpose.

Most, like Audit Scotland, reference the opportunities and challenges faced during the pandemic, and the value that partnership working with the voluntary sector brought in responding to the crisis. These good practice examples and flexible approaches were seen as important evidence in supporting the case for increased and longer-term third-sector funding.

The **ALLIANCE** said:

“The positive impact of longer term funding for third sector organisations was highlighted in a recent ALLIANCE report which gathered learning from projects which received five year funding via the ‘Transforming Self Management’ round of the Self Management Fund [24]. This longer term funding for the Self Management Fund aimed to impact the ability of organisations to effect sustainable change to deliver supported self management to people in Scotland living with long term conditions. The report highlights how long term, secured funding enhanced the sustainability of self management practice and delivery, and in turn, the positive impact on individuals’ lives. Longer term funding made project activity more sustainable by allowing organisations more time to develop project engagement and respond to challenges, supporting improved trust in organisations, providing a consistent and reliable delivery of services, and reaching a larger scope of individuals.”.

SCVO said:

“The emergency funding provided to the sector during the pandemic demonstrated that greater flexibility in existing and new funding arrangements is possible. Both public sector and independent funders flexed models to get funds where they were needed most. Greater partnership working was also demonstrated, including the Scottish Government co-designing emergency funding models with the SCVO and others.

SCVO and colleagues across the sector were hopeful that the approach to funding demonstrated during the Covid 19 pandemic would result in progress towards funding sustainability for the voluntary sector. Instead, the pandemic, rising inflation and the resulting cost-of-living crisis, have exacerbated the challenges that voluntary organisations have faced for many years.”.

On multi-year funding, it explained:

“As is well understood by the committee, short-term funding significantly impacts the effectiveness of the voluntary sector by creating ongoing uncertainty and insecurity on a scale unparalleled by any other sector. Voluntary organisations:

- struggle to plan for the long-term
- face barriers in recruiting, retaining, and developing staff and volunteers
- have trouble offering secure jobs, undermining Fair Work aspirations
- are trapped in a cycle of dedicating time and resources to sourcing funding

Annual funding challenges also distract from providing the services people and communities across Scotland rely on. Similarly, the Scottish Government dedicates significant time and resources to annual processing and decision-making when often there is little change year-to-year. Short-term funding also undermines job security - one of the five Scottish Government Fair Work Dimensions - across the voluntary sector workforce of over 135,000 people.”

SCVO also pointed out the challenges in meeting the fair work agenda within the sector, along with issues around inflationary pay pressures and procurement.

It concluded:

“SCVO encourages the Committee to recommend that the Scottish Government’s 2023/2024 Budget commits to:

- Fair funding that is multi-year, flexible, accessible, and sustainable to help voluntary organisations plan through the cost-of-living crisis
- annual inflationary uplifts for grant funding and contracts to ensure organisations:
 - can meet rising costs to stay open
 - can pay the Living Wage as part of the expansion of the Fair Work First criteria
- timely communication and prompt payments of funds to prevent funding gaps and uncertainty
- transparent monitoring and reporting on public sector funding of voluntary organisations to enable SCVO and others to better understand how the sector is funded by government and public bodies
- reforming public sector procurement to ensure, amongst other priorities, that social, environmental, and economic factors are on an equal footing with cost
- support for the sector to transition to net-zero and reduce the impact of future shocks from the energy market.”

CIH pointed out specific challenges within the housing sector and called for a human rights-based approach to developing the housing budget.

Ailsa Burn-Murdoch, Senior Researcher, SPICe

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