

## **Call for Views on the Scottish Budget Process in practice – summary of responses**

### **1. Purpose**

- 1.1 The Committee is invited to consider the responses received for the Call for Views on the Scottish Budget Process in practice.
- 1.2 Based on the responses received, the Committee is invited to consider the additional witnesses to be invited to give evidence.

### **2. Background**

- 2.1 On 12 February 2025 the Finance and Public Administration Committee launched [a call for views on how the Scottish budget process has worked in practice, during the current parliamentary session \(2021-26\)](#). The call for views closed on 26 March 2025.
- 2.2 This paper provides a summary of the responses received by the Committee.
- 2.3 The questions asked were as follows:

#### **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 – please address each in turn:
  - greater influence on formulation of the Scottish Government’s budget proposals
  - improved transparency and increased public understanding and awareness of the budget
  - effective responses to new fiscal and wider policy challenges
  - better outputs and outcomes as measured against benchmarks and stated objectives?
2. Please set out any barriers to meeting the four core objectives of the budget process and suggestions as to how these might be overcome.

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

The MTFS aims to focus on the longer-term sustainability of Scotland’s public finances and support a strategic approach to financial planning.

The MTFS is expected to be published annually after the UK Spring Statement and at least four weeks before summer recess.

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

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?

### **Part 3: Fiscal Sustainability Delivery Plan**

The Scottish Government said it will publish a Fiscal Sustainability Delivery Plan alongside the MTFS 2025 for the first time.

The government say this will support fiscal transparency and “stable ground” for longer-term financial planning.

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?

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

### **Part 4: Approach to spending reviews**

The Scottish Government is expected to carry out a spending review linked to the equivalent UK spending review.

In advance, it is required to publish a framework document setting out the economic and political context, the criteria which will govern the assessment of budgets and the process and timetable for the spending review.

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

### **Part 5: Effectiveness**

Weaknesses previously identified in the budget process include that it did “not take sufficient account of the interaction of the UK budget timetable with the Scottish budget timetable, and that parliamentary influence on the formulation of the budget has been limited”.

8. To what extent has the full year budget process addressed this weakness? Please set out the reasons for your response and any suggestions on how any remaining weaknesses could be better addressed.

9. How effective is current public engagement in the budget process and are there any ways in which this can be improved?

10. What adjustments do you consider are required to enhance the overall effectiveness of the budget process?

**11.** Are any changes needed to the information, guidance and support provided to parliamentary committees to better support effective budget scrutiny?

2.4 A total of 32 responses were received. The responses received from Scottish Parliamentary Committees are summarised in a standalone chapter at the end of this paper. [All submissions can be found on the Parliament's website.](#)

## **Summary of responses**

### **3. Have the four objectives of the budget process been met in practice?**

3.1 Greater influence on the formulation of the Scottish Government's budget proposals

3.1.1 A few respondents acknowledged that the Scottish Government has increased its level of engagement with stakeholders in relation to the Scottish Budget. COSLA, said that "The 2025/26 budget process saw improved engagement between the Scottish Government and COSLA".

3.1.2 Children in Scotland also noted: "We are supportive of efforts made by the Scottish Government to support greater engagement with the budget proposals. We were pleased to facilitate engagement between our Children's Sector Strategic and Policy Forum and the First Minister in early December, an opportunity that was highly valued by the Forum's members. We feel this reflected a willingness to be open and transparent about proposals and priorities for the budget. We are aware of similar experiences for our members and partners across the children's sector."

3.1.3 Despite this improved engagement some respondents were unsure regarding the extent to which the Scottish Government uses external engagement to design the budget in a meaningful way. The ALLIANCE stated that "whilst the ALLIANCE welcome the opportunities we have had to engage in the budget process in recent years, we are not convinced that the overall process has significantly shaped the resulting budget proposals."

3.1.4 This view is shared by the Scottish Human Rights Commission (SHRC) which notes "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."

3.1.5 Further, Scottish Borders Council stated that "local authorities have often been excluded from significant policy and budgetary decisions, such as the 2024-25 Council Tax Freeze. While there has been some progress, such as COSLA's greater involvement in the latest budget, more structured and consistent involvement is needed to ensure local priorities are adequately reflected."

3.1.6 The Scottish Women's Budget Group also noted that “while the Committees have had access to some key documentation (i.e. Fiscal Framework Outturn Reports, and others produced by Audit Scotland and the Scottish Fiscal Commission) that would allow the formulation of evidence based budget proposals, there are many examples [...] where the committees’ recommendations included in their pre-budget reports have not been taken on board by the Scottish Government”.

### 3.2 Improved transparency and increased public understanding and awareness of the budget

3.2.1 Some respondents noted an improvement in transparency. The Scottish Fiscal Commission (SFC) noted that “since the start of this parliamentary session in May 2021 there have been some welcome improvements in the information published by the Scottish Government as part of the Budget which improves its transparency.

3.2.2 The focus of most responses that addressed this topic highlighted areas where transparency needs to be improved. The Scottish Council for Voluntary Organisations (SCVO), commented on the insufficiency of data provided by the Scottish Government: “in 2025/26 the Third Sector Infrastructure & Development Budget Line was £14.1 million. SCVO estimates the Scottish Government invested over £1 billion in the voluntary sector in 2023 (the most recent year for which accounts data from voluntary organisations is available). Ministers and civil servants regularly use SCVO’s estimates to highlight the scale of government investment in the voluntary sector. Official figures are not available from the Scottish Government, a significant gap in the Scottish Government's understanding of funding flows to the sector.”

3.2.3 The SHRC explained that “a key concern is the disconnect between key budget documents and decision-making processes”. They note that impact assessments are conducted after key budgetary decisions have already been made “rather than being used as an analytical tool to inform decisions at an early stage.”

3.2.4 When answering this call for views question, Carnegie UK provided details of broader research it had conducted which found that “Scotland’s residents have a collective democratic wellbeing score of just 39 out of a possible 100. This means that levels of trust in politics, government and decision-making are concerningly low in Scotland, as in the rest of the UK. Our research showed 38% of people in Scotland have low levels of trust in Members of the Scottish Parliament (MSPs), and 63% disagree that they can influence decisions affecting Scotland. This demonstrates a clear democratic deficit and a pressing need for meaningful change.”

- 3.2.5 Both The Chartered Institute of Taxation (CIOT) and the Institute of Chartered Accountants of Scotland (ICAS) advocate for the introduction of a regular fiscal Bill in the interests of transparency. ICAS notes “It is far easier to refer to a Finance Act or equivalent when researching legislative updates than it is to have to search through discrete legislative provisions and SSIs to ensure one has a correct and complete understanding of the current law in place.”
- 3.2.6 Stephen Kerr MSP has also said that: “A Finance Bill would consolidate tax and spending proposals into a single legislative package, providing a clearer, more coherent narrative of how revenue generation aligns with expenditure. This approach would improve public understanding and enhance parliamentary oversight”.
- 3.2.7 Stop Climate Chaos Scotland advocates for improved engagement and notes unrealistic timescales: “while very aware of the political realities, we do not believe that the budget process has contributed to “improved transparency and increased public understanding and awareness of the budget”. This is because of both the short timescales (caused in part by the timing of the UK budget) and the political realities of the discussions between political parties that are necessarily “behind closed doors””.

### 3.3 Effective responses to new fiscal and wider policy challenges

- 3.3.1 The general view from the respondents that answered this question was that the budget is not taking sufficient account of new fiscal and wider policy challenges. One of the key themes of responses was the Scottish Government’s focus on immediate problems rather than on a strategic outlook. Audit Scotland noted: “In recent financial years, the focus of financial management and sustainability decisions taken by the Scottish Government has been predominantly short-term [...] Immediate budget pressures, such as costs associated with pay awards, have been met through short-term reactive measures, rather than more considered long-term reforms.”
- 3.3.2 COSLA mentioned the need to invest in upstream services that help prevent problems rather than focusing on responding to problems. Colleges Scotland explained that “effective responses to new fiscal and wider policy challenges [require] further work [...] to link decisions with both priorities and future direction”.
- 3.3.3 Several respondents highlighted the lack of multi-year financial settlements and commented that this inhibits a strategic approach to the provision of services for the public. Children in Scotland suggested that “the budget process would be improved by ensuring a focus on a number of key fundamental issues [such as] a commitment [...] to multi-year funding approaches (and a decrease in short-term funding).” This view was echoed by South Lanarkshire Council and by Scottish Borders Council.

### 3.4 Better outputs and outcomes as measured against benchmarks and stated objectives

- 3.4.1 Some respondents argued there is no clear link between the Scottish Government's strategies and objectives and the decision making behind the design of the budget. Scottish Borders Council stated that "there is a need for a long-term approach to budget decision-making and policy development. This approach should respond to the fiscal and policy context, ensuring that year-to-year decisions are aligned with the strategic context and objectives".
- 3.4.2 Carnegie UK explained that "further progress towards effective delivery of the objectives associated with the budget can be made by better embedding Scotland's National Performance Framework (NPF) in all areas of Scottish governance and policy making".
- 3.4.3 The Equality and Human Rights Commission, noted that "there is lack of coherence across the work of the Scottish Government in setting and measuring outcomes". The Scottish Women's Budget Group also noted that "the Scottish Budget is not outcome focused enough" and this leads to an "implementation gap which has persisted during this parliamentary session".
- 3.4.4 A similar view was expressed by the SHRC: "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."
- 3.4.5 Stephen Kerr MSP noted that: "A persistent issue raised through parliamentary scrutiny and independent bodies such as Audit Scotland is the Scottish Government's failure to provide clear and substantive responses regarding [...] the impact of public spending."

### 3.5 Barriers to meeting the four core objectives of the budget process and suggestions as to how these might be overcome.

- 3.5.1 The responses to this subsection have been categorised by theme.

#### Improved data provision

- 3.5.2 The SFC explains that "There remain areas where the Scottish Government could provide more information to improve the transparency of the Scottish Budget. Our August 2024 Statement of Data Needs set out seven recommendations for the Scottish Government to improve the information

published as part of the Budget, MTFS, Budget Revisions and provisional and final outturn.”

3.5.3 The Scottish Women's Budget Group states that “one of the key adjustments that we would like to see is a greater focus on monitoring linked to outcomes to understand the impact of the budget on the Government’s policy objectives, as well as greater use of gender budget analysis throughout the budget process and across the committees. Key to this is the availability of sex-disaggregated data to understand the impact that budget decisions have on different groups.”

3.5.4 Audit Scotland added that “in the recent ‘Fiscal sustainability and reform in Scotland’ report, the Auditor General concluded that there has not been enough communication of medium-term risks and the choices the Scottish Government needs to make to balance its budget.”

#### Increased engagement

3.5.5 Despite certain improvements to transparency, COSLA suggested that “the budget and the Local Government Settlement however remain extremely complex which can be challenging to understand. [...] It is also unclear what early engagement there is with the public to inform the budget setting process.”

3.5.6 The Associated Society of Locomotive Engineers and Firemen (ASLEF) stated that “there is a greater role for workers and their trade union representatives to play in the current budget process. This would potentially have an important impact on the scrutiny of the interdependent nature of policies which the budget is seeking to deliver, since trade unions represent workers across different sectors, the impact of the policies will be felt across members with unions and particularly those covering multiple sectors, able to highlight the positive and negatives on workers of budgetary decisions.”

#### Process for stakeholder feedback

3.5.7 The SHRC noted that the role of civil society and community groups is weakened by the reactive approach taken towards stakeholder feedback: “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. [...] A critical gap in the current budget process is the absence of an annual Pre-Budget Statement (PBS).”

- 3.5.8 The Scottish Retail Consortium expressed a similar view: “there is something missing post Stage One as Budget accords with other parties are reached, in particular the chance for external stakeholders - like Scottish Retail Consortium - to give their perspective on the accord if it impacts their industry”. Equally, Children in Scotland advocates for “more meaningful engagement with key stakeholders, delivered in a time frame that can meaningfully influence proposals”.

#### **4. Medium-Term Financial Strategy (MTFS)**

- 4.1 The MTFS is generally published annually and its purpose is to provide a medium-term perspective on the sustainability of Scotland's public finances, supporting a broad approach to budget evaluation and formation. It is intended to ensure that both Parliament and Government have foresight of the financial challenges and broad financial plans for the next five years. The MTFS also sets out how the Scottish Government proposes to exercise its borrowing powers and the Scotland Reserve within the constraints of the Fiscal Framework.

- 4.2 To what extent does the MTFS support a more strategic approach to the Scottish Government's financial planning?

- 4.2.1 Respondents said they overwhelmingly support the principles behind the MTFS. The MTFS is seen as a positive mechanism which can provide transparency on how the Scottish Government intends to address multi-year budgeting.
- 4.2.2 The SFC noted that “the addition of the MTFS to the Budget process in 2018 has been a positive development [...] this should encourage budget planning over multiple years.” Audit Scotland said that “MTFS is an important component of a whole cycle approach to the budget” while CIOT stated that “the benefits of the MTFS are clear. It provides clear direction of travel [...]”.
- 4.2.3 Most respondents who addressed this question said they are however not convinced that the Scottish Government uses the MTFS to its full potential. One identified drawback was the fact that the MTFS is not updated frequently. The Scottish Women's Budget Group explained that “while the [MTFS] has provided a sense of direction in Scotland's financial planning this has often been short lived. [...] the [...] in year changes to the budget [...] would suggest that the MTFS and/or other fiscal tools are not currently supporting the Scottish Government's fiscal planning to the extent that they should.”
- 4.2.4 Colleges Scotland made a similar point, highlighting that the last MTFS was published in 2023. COSLA added that “the fact that there hasn't been a MTFS published since 2023 is a challenge from a Local Government perspective”.



4.2.5 The Scottish Trades Union Congress (STUC) claims that the MTFS has not supported a more strategic approach to financial planning. It further suggests that “much of the blame for this lies with the previous UK Government whose fiscal policy was characterised by short-term budget decisions, a lack of spending reviews, and general contempt for the Scottish Parliament. However, it also reflects of a lack of early Scottish Government engagement with trade unions on strategic decisions about public sector resourcing and public sector pay.”

4.3 How is the MTFS used by parliamentary committees and how might it be further developed to support effective scrutiny and a strategic approach to financial planning?

4.3.1 Most responses that addressed this point outlined that the MTFS is not sufficiently detailed on how medium-term strategy is intended to be delivered in practice by the Scottish Government.

4.3.2 For example, Audit Scotland highlighted that in the 2023 MTFS “the Scottish Government has set out an overarching approach to fiscal balance, but the detail and medium-term plans to support this are missing”.

4.3.3 Scottish Borders Council made a similar point stating that “the effectiveness of the MTFS is limited by a lack of clarity on how medium and long-term financial pressures will be managed in practice. While the MTFS is effective in outlining the financial picture for the years ahead, it is less clear on the steps needed to reach this end, which limits its effectiveness as a route-map for public sector partners, including local government”.

4.3.4 The SHRC suggested that “improving integration between the MTFS, annual budgets, and the National Performance Framework is 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”.

## **5. Fiscal Sustainability Delivery Plan (FSDP)**

5.1 What key areas should the FSDP include to ensure it supports fiscal transparency and “stable ground” for long-term financial planning?

5.1.1 The majority of respondents who answered this question outlined the need for realistic spending plans that reflect the full impact of future challenges. It was seen as essential that the FSDP is not simply a standalone document but that it relates to wider Scottish Government strategies.

5.1.2 The SFC noted that the “Scottish Government faces fiscal sustainability challenges over the immediate, medium and long-term. It is important that any

plan considers the long-term outlook and makes early preparations for these challenges as well as considering the more immediate challenges of balancing the budget over the next few years”.

- 5.1.3 Audit Scotland’s expectation is that “as a delivery plan, the FSDP will include actions that are detailed, proportionate and timely. It should be clear what each action will contribute to fiscal sustainability, where the responsibility for achieving this action will sit, and the timelines for achieving that action, including any milestones”.
- 5.1.4 COSLA suggested that the FSDP “should include realistic reflections of the continued cost to deliver statutory services across the public sector”. Both South Lanarkshire Council and Scottish Borders Council agreed with this view. Further, South Lanarkshire Council noted that the FSDP “should be fully transparent about the scale of risks to the affordability of public services” and that it should ensure “detailed involvement with stakeholders”.
- 5.1.5 The Scottish Grocers' Federation (SGF) stated that the FSDP should “be transparent on where the funding will come from in order to fund government policies. Specifically, if additional taxation is required to fund budgetary decisions”.
- 5.1.6 Finally, both the ALLIANCE and Audit Scotland emphasised that the FSDP should clearly align with existing Scottish Government priorities.

5.2 How should parliamentary scrutiny of this Plan, a new aspect of the budget process, operate?

- 5.2.1 Not many respondents commented on this question. The SFC suggested that “it could be helpful if the FSDP reflected the scale of challenges [published by the SFC in its reports] and allowed Parliament to judge how effectively the Scottish Government was planning to deliver fiscal sustainability in the short, medium and long term”.

## **6. How should the Scottish Government approach future spending reviews?**

- 6.1 Several respondents outlined the need for realistic multi-year spending plans as well as a suggestion for Scottish Spending reviews to include some form of external stakeholder consultative process.
- 6.2 COSLA noted that “There should be a clear process for timely engagement with key stakeholders including Local Government.” ASLEF added that “as with the UK Government, the Scottish Government should also enable representations to be made as part of the process, with these submissions being made public so that the public are aware of the lobbying which has taken place”.

6.3 The STUC also argued that “The Scottish Government should engage early with trade unions to agree a realistic public sector pay policy that can give certainty and stability to the workforce and the Scottish Budget”.

6.4 South Lanarkshire Council noted that “the Resource Spending review in 2022 included multi-year portfolio spending plans. However, inflationary pressures over the course of 2022/2023 changed expectations of spending and funding significantly. Scenario planning for a range of outcomes should be included in future spending reviews and would enhance the value of the exercise.”

6.5 The SFC said “we note the next Scottish election in May 2026 will be in the second year of the UK’s three-year spending review. As the Scottish parliamentary cycle is unlikely to align perfectly with that of the UK Parliament and Spending Review cycle. There will never be an ‘ideal’ timing for a Scottish Spending Review, so we encourage the Scottish Government to set out multi-year spending plans even when these cross into a new parliament to support planning across the public sector”.

6.6 Audit Scotland makes a similar point: “updating the Spending Review on a regular basis would help ensure the spending projections are more up to date. For example, the UK Government has committed to setting resource budgets for three years and capital budgets for five years, with reviews every two years. This approach intends to enable better financial planning and help achieve value for money. A more regular timetable of UK Government spending reviews, which inform funding assumptions for the Scottish Budget, facilitate the development of more regular and robust medium-term spending plans by the Scottish Government”.

## **7. Effectiveness**

7.1 Weaknesses previously identified in the budget process include that it did “not take sufficient account of the interaction of the UK budget timetable with the Scottish budget timetable, and that parliamentary influence on the formulation of the budget has been limited”.

7.2 To what extent has the full year budget process addressed this weakness?

7.2.1 Some respondents found that the new process has addressed this weakness to some extent. The SHRC explains that “a key ongoing weakness is the absence of a dedicated Pre-Budget Statement. [...] 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”.

7.2.2 Audit Scotland noted that “the full year budget process relies on a robust MTFS to support parliamentary pre-budget scrutiny. [...] In the absence of this, or in a context when the figures included no longer reflect the current fiscal environment, the focus on the process is the scrutiny of the draft budget and Budget Bill. This puts pressure on the ability of the Parliament to scrutinise the budget over the course of [a] three month budget process”.

7.3 How effective is the current public engagement in the budget process and are there any ways in which it can be improved?

7.3.1 Some respondents appreciated the improved public engagement while others questioned its effectiveness. SHRC noted “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”.

7.3.2 The ALLIANCE stated that: “Despite the generally positive approach of the Scottish Parliament to the budget process, it has not necessarily been effective at influencing the Scottish Government. [...] This is a potentially concerning assessment not least because, if engaging in the process does not deliver tangible results, organisations and the public may simply choose not to do so. Engagement is a sign of a healthy, democratic society, and it would therefore be damaging to Scotland’s good governance if there was to be a loss of trust in the process. The Scottish Government must therefore prioritise meaningfully acting on, or communicating its reasons for not doing so, the recommendations of parliamentary scrutiny.”

7.3.3 A number of respondents suggested that the engagement is not sufficiently wide. ASLEF said “we believe the current approach has been too narrow regarding engagement with trade unions, seeing their input as needed only on tax and pay sustainability. As has been evidenced by the decision to reintroduce peak rail fares and the slow progress on replacing Scotrail’s fleet and the reluctance to merge Caledonian Sleeper into Scotrail. There are areas where engagement with workers on the front line and their trade unions could assist the government in making budgetary decisions which have wide ranging impacts within a specific sector and beyond.”

7.3.4 A similar point was made by the SGF: “many key decisions are made without detailed industry input; this leads to uncertainties about future policy and funding commitments”.

7.4 What adjustments do you consider are required to enhance the overall effectiveness of the budget process?

- 7.4.1 The main theme arising from the responses is that the current process has very tight deadlines and that expenditure is not linked sufficiently with desired outcomes.
- 7.4.2 COLSA noted: “The timing of the Scottish Budget publication is challenging for local authorities as it provides very little time to set local budgets ahead of the date that councils are legally required to do so.” The SFC also noted: “The time between the UK autumn fiscal event and the Scottish Budget is very tight. [...] [this provides] very little time for the development of forecasts and the Scottish Government to consider policy decisions”.
- 7.4.3 Scottish Women's Budget Group stated that: “one of the key adjustments that we would like to see is a greater focus on monitoring linked to outcomes to understand the impact of the budget on the Government’s policy objectives.” This view is shared by the SHRC: “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.”
- 7.5 Are there any changes needed to the information, guidance and support provided to parliamentary committees to better support effective budget scrutiny?
- 7.5.1 The SFC noted that quality of data available to Committees could be improved to support more effective scrutiny: “The information published at the time of the Scottish Budget, MTFS, budget revisions, provisional outturn and final outturn could be improved and made more consistent between these publications. To further facilitate scrutiny the SFC suggests that “any spending which is known at the budget-setting stage to have to be transferred later on should be shown in the portfolio which will incur the spending from the outset”.

## **8. Responses from Scottish Parliament Committees**

- 8.1 On 26 February 2025, the Convener of the Finance and Public Administration Committee [sent a letter](#) to the Conveners of other Scottish Parliament Committees inviting their views on how the Scottish budget process has worked in practice. This section summarises the responses received.
- 8.2 The main themes covered in the Committee responses were as follows:
- 8.3 The impact of the scrutiny process on the formulation of the Scottish Budget
- 8.3.1 The Constitution, Europe, External Affairs and Culture Committee (CEEACC) noted that “as part of the cumulative approach [to budget scrutiny] we focused on similar themes in our pre-budget scrutiny throughout the session. [...] One

of the key benefits of this approach has been a focus on holding Ministers to account for progress in delivering commitments in previous years. For example, through cross-referencing recommendations in our pre-budget reports earlier in the session and Ministerial responses. Our experience is that this approach to our budget scrutiny has been impactful”.

8.3.2 The Local Government, Housing and Planning Committee (LGHPC) believes that “pre-budget scrutiny tends to have limited impact on the formulation of the Scottish Government’s budget proposals”. It then added that “our pre-budget scrutiny for 2023-24 focussed on the Affordable Housing Supply Programme (AHSP) and raised “serious concerns” about the prospect of meeting Scottish Government targets. The Budget for 2023-24 then saw a reduction of £133m to the AHSP budget. [...] it is not clear what impact the work of the Local Government, Housing and Planning Committee had on the budget that year.”

8.3.3 The LGHPC suggests “that post-legislative scrutiny of the outcomes the budget may be more effective in holding the Scottish Government to account”.

#### 8.4 Lack of good quality data to inform scrutiny

8.4.1 The Economy and Fair Work Committee (EFWC) stated that “Over the course of this session, this committee has commented on [...] (2) difficulties when comparing spend year-on-year, and (3) a lack of disaggregated data, for example in relation to business support provided during the pandemic by sector and generally in relation to women’s business activity, support and procurement. Some progress has been made”.

8.4.2 The Net Zero, Energy and Transport Committee added that “The effective implementation of the net zero test across Scottish Government areas would significantly increase the ability of committees to scrutinise policy through a net zero lens. Without the level of detail which would be provided by a net zero test, it is challenging for the [...] Committee to effectively consider the carbon emission implications of budget proposals.”

8.4.3 The Education, Children and Young People Committee (ECYP) also noted that “The Committee has often highlighted the importance of good quality data, which is recorded consistently, to inform effective scrutiny. However, such data is not always available.”

8.4.4 The Health, Social Care and Sport Committee (HSCSC) added that “the Scottish Government’s response[s] to pre-budget scrutiny [...] tended to be lacking in the level of detail required for effective scrutiny and rarely commit the Scottish Government to any new actions in response”.

8.4.5 The HSCSC goes on to note that “it was also a particular point of concern that, while giving oral evidence to the Committee as part of last year’s budget

scrutiny, the Cabinet Secretary gave eight separate assurances that he would follow-up in writing to address points that were considered by Members to be missing or unclear from Budget documents”.

- 8.4.6 The HSCSC further adds “I would observe that, if a lack of detail makes it difficult or impossible for parliamentary committees to link spending plans with high level commitments and priorities without receiving further clarification from the Government, there is very little chance of the public being able to increase their understanding and awareness of the budget and how it impacts them”.

#### 8.5 An insufficient link between expenditure and measurable outcomes

- 8.5.1 The EFWC noted that “over the course of this session, this committee has commented on a lack of obvious link between Scottish Government’s planned spend and published plans and strategies, and an apparent lack of cohesion across different policy areas”.

- 8.5.2 The ECYP also stated that “during this session, the Committee has also repeatedly called for clarity on the intended outcomes of each policy from the outset, and how these will be measured. Without this, it is difficult for the Scottish Government, or anyone else, to assess whether a policy has achieved what was intended.”

- 8.5.3 The HSCSC stated that “The lack of mechanisms available to committees to allow them to link budgets/spending to outcomes is an ongoing source of frustration and one which is particularly pertinent to the health portfolio. [...] it is the Committee’s view that effective scrutiny of the budget requires clarity as to what impact spending, particularly additional spending committed during the budget process, is having in addressing health outcomes in Scotland. With the information currently available, there remains limited opportunity for committees – or indeed the general public – to see clearly where spending has had the greatest impact and which policy areas may need additional support.”

### 9. Next steps

- 9.1 The Committee is invited to consider and agree witnesses for the remaining evidence sessions of its budget process inquiry and to delegate to the Convener decisions on any alternative witnesses required due to availability.

Committee Clerking Team

April 2025