

## SCOTTISH PARLIAMENT FINANCE AND CONSTITUTION COMMITTEE'S PRE-BUDGET 2021-22 SCRUTINY CALL FOR VIEWS

August 2020

The [Carnegie UK Trust](#) welcomes the opportunity to respond to the Scottish Parliament Finance and Constitution Committee's call for views on pre-Budget 2021-22 scrutiny. The Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. Our [Strategic Plan \(2016-2020\)](#) takes a holistic approach to wellbeing and outlines our work as focusing on '[Enabling Wellbeing](#)'; '[Flourishing Towns](#)'; '[Fulfilling Work](#)'; and '[Digital Futures](#)'.

### Background

The Carnegie UK Trust is a [leading advocate](#) for wellbeing frameworks that allow governments to measure social progress for citizens in a meaningful way; identify trade-offs between different outcomes; and communicate social progress to citizens. We have therefore focused our response on the Committee's question of, given the ongoing uncertainty and volatility, what changes to the budget process both within government and parliament may be required to ensure sufficient transparency and Ministerial accountability in a rapidly changing fiscal environment.

### Wellbeing and the 2021-22 Budget

As a founding member of Wellbeing Economy Governments (WeGo), Scotland has already made a strong commitment to societal wellbeing and to the Sustainable Development Goals. [Our UK and international evidence](#) shows that this approach can:

- Provide strong leadership by creating an aspirational but achievable vision for society.
- Make sense of complexity by bringing information from across the system into one place.
- Support joined-up government through a shared analytical framework.
- Provide a framework for debating trade-offs between different outcome areas, making decision-making and spending more transparent.
- Inform policy development by providing information on inequalities across wellbeing domains, helping identify structural issues for specific people or places who risk being left behind.
- Catalyse citizen engagement by giving people an opportunity to express their priorities and subsequently to see whether governments are making progress towards these.

The core message of the Scottish Government's National Performance Framework (NPF) is the need to rebalance economic, environmental and social outcomes, and to provide a mechanism for making trade-offs between different domains of wellbeing. In 2019 we [found](#) that further action was required to fully embed the Framework across the different sectors and tiers of the Scottish Government; ensure that it is used in policy development; and links government expenditure to interventions and preventative spend that improve wellbeing.

## Recommendations

The Trust has therefore developed the following recommendations for the process, transparency and accountability of the 2021-22 Budget.

1. **Place national wellbeing at the centre of the 2021-22 Budget.** A crisis can create the conditions for a new narrative to be developed, a change in how we see ourselves and understand the world. We are already seeing calls for a ‘new narrative’ across the UK. Scotland, however, is already at the global forefront of the wellbeing movement, and while the language varies, most calls for a ‘new narrative’ share the key elements of a wellbeing approach:
  - Calls for more long-term planning and building-in resilience;
  - Rebalancing economic, environmental and social outcomes; and
  - Addressing inequalities.

The crisis is therefore a test of the Scottish Government’s commitment to the wellbeing approach it has championed. Placing it front and centre of the 2021-22 Budget requires all decisions to be made through the lens of wellbeing, balancing economic, social and environmental outcomes. To support this recommendation, the Scottish Government should reconvene the Cabinet Secretary’s Roundtable on the National Performance Framework to provide a cross-party focus for discussions on the recovery.

As Scotland moves into the recovery phase, this approach will require strong leadership and explicit, open debate on the trade-offs to be made, particularly in formulating budget proposals. As we have previously argued, there should be a much stronger connection between the National Outcomes and the budget setting process. Where a balance of judgement is being made, the evidence for that judgement should be publicly available and open to discussion and debate. This recommendation does not require legislation, but it does require a significant increase in the visibility of the National Outcomes and of the National Performance Framework at all levels of government and among MSPs, civil society and the public.

2. **Host a full public conversation on national wellbeing in a post COVID-19 Scotland.** The Scottish Government approach of maintaining a mature conversation with the public around the immediate crisis should continue into the recovery phase. While there will be a need for specific conversations with professionals, the public conversation should be focussed on one ‘core conversation’ to ensure high levels of engagement and to ensure that the Scottish Government’s response is holistic. Growing expertise in Scotland on participatory democracy will support this activity, although we stress that engagement should be measured in hundreds of thousands, not hundreds. To support this, we recommend further development of [innovative and engaging ways of communicating about the National Performance Framework](#).
3. **Carry out a radical decluttering of public sector accountability and performance management.** The ‘golden thread’ between Scottish and local government, and between local government and service providers is too weak. The National Performance Framework sits in a confusing and cluttered performance management landscape and there is no clear articulation yet as to how performance management of specific programmes and services should relate to the Framework at a national or local level. Similarly, the governance arrangements for integrated services planning are complex and burdensome. Focus on getting governance arrangements right so that partnerships have the necessary resources, independence and authority to lead the change.

4. **Make transparent decisions that balance wellbeing outcomes.** We support calls for open government, particularly around the information on which budget decisions are made. Where a balance of judgement is being made, the evidence for that judgement should be publicly available and open to discussion and debate.

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