Scottish Parliament

Finance and Public Administration Committee

Scotland’s Public Finances in 2023-24

August 2022

www.scdi.org.uk

The Scottish Council for Development and Industry (SCDI) is Scotland's Economic and Social Forum. We are an independent and inclusive economic development network representing all sectors and all geographies of the Scottish economy. Our mission is to convene our members, partners, and stakeholders across the private, public and third sectors to deliver inclusive and sustainable economic growth for Scotland. Our Blueprint 2030 - Making a Good Living is our vision for the Scottish economy.

For more information or to engage on any other issue please contact the SCDI Policy Team:

Clare Reid
Director of Policy & Public Affairs
Clare.reid@scdi.org.uk
07799049455

Gareth Williams
Head of Policy
Gareth.williams@scdi.org.uk
07917103 997

Gus Robertson
Policy Manager
angus.robertson@scdi.org.uk
07917 190 935

Scottish Council for Development and Industry
Brunswick House
51 Wilson Street
Glasgow
G1 1UZ

Scotland's Public Finances in 2023-24

The Scottish Government's Resource Spending Review assumes that the current taxation policies are maintained while funding for health and social care and social security is prioritised. Are these the right priorities and approach for the Scottish Budget 2023-24 and until 2026-27?

SCDI welcomes the Scottish Government's intention to provide information about its tax and spending plans for the remainder of this Scottish Parliament term through the Resource Spending Review. Its publication has come as the outlook for the Scottish and UK economy has considerably worsened.

The Bank of England has forecast that the UK will enter into a long recession in Q4 of 2022. It expects that GDP will fall by -1.5% in 2023 and by -0.25% in 2024, following which growth will still be weak. With its latest forecast that inflation will peak at over 13% later this year and that the unemployment rate will rise above 6% next year, the UK economy is currently threatened by a period of stagflation.

Revenue spending in Scotland was previously projected to only marginally increase in real terms over the next four years and rapidly rising inflation will significantly increase costs for public services. The pressures on health and social care are understood as services recover from the pandemic and cope with rising demand from an ageing population. While funding for them has been prioritised, annual growth in spending on health will still be lower than its historical long-term average rate of growth.

This still compares favourably with a 16% reduction in funding for enterprise, tourism and trade, an 8% reduction in funding for colleges and universities, and other public services, and a 7% reduction for local government. For many of these services, this is the continuation of a trend in real terms funding reductions since the financial crisis that have seen health comprise an ever larger share of the budget. In a key sector such as higher and further education in which Scottish institutions deliver world class teaching and research, this has been gradually eroding their international competitiveness.

While many areas public services play an important role in supporting the economy, it does seem as though funding that most directly impacts on national and local economic development and business growth has been afforded a lower priority in the Resource Spending Review. This is a concern as there will undoubtedly be a greater need to help sustain economic activity in the recession, and support recovery and expansion (which will increase the funding available for public services) over the next four years. The Scottish Government's Exports Plan and forthcoming Innovation Strategy are two examples of policies that aim to support business growth in areas of long-term weaknesses for the Scottish economy, which it will be more difficult to achieve if their associated budgets are reduced. Rising unemployment will also increase the demand for the reskilling and upskilling of workers. The Resource Spending Review does state that delivery of the National Strategy for Economic Transformation is a priority, but this is not yet evident from the spending commitments made so far.

The competitiveness of an economy is principally the result of its productivity and living standards, which is linked to the international competitiveness of its businesses and the ability of its employers to create and pay the wages of a wide supply of good quality jobs. If tax rates are broadly similar, efficient investment to strengthen the pillars of economic competitiveness, like innovation, skills and infrastructure, is more important than the rates. However, Scotland competes with other parts of the UK and other countries to attract investment and talent, and tax rates are one of the factors. Scotland's ability to retain, grow and attract businesses, and retain and attract key workers, will be absolutely pivotal in generating the rates of growth which will make its public finances sustainable and fund improvements in public services and spending. The Resource Spending Review does not include detailed tax policies, but there are clear needs to maintain competitiveness and help reduce the cost of doing business and the cost of living, as well as to fund public services and increase their efficiency.

The Scottish Fiscal Commission (SFC) notes that Scottish income taxes have grown more slowly than the rest of the UK and is forecasting Scottish taxes to be around £360 million less in 2023-24 than they would be without income tax devolution. The SFC is also forecasting that, as a result of forecast error, the Scottish Budget in 2023-24 could be £221 million lower. How should the Scottish Government's Budget 2023-24 respond to this challenge?

SCDI understands that the latest HMRC income tax outturn statistics mean that there will be a positive reconciliation to the Scottish Government of £50m in 2023-24 rather than a negative reconciliation of £221m. This is clearly to be welcomed and will provide some more headroom in the Scottish Budget.

The slower growth in income tax revenues in Scotland than the rest of the UK over the early years of fiscal devolution does highlight the need to grow the Scottish economy and increase employment, particularly of jobs paying higher wages. The Scottish Government's strategy of bringing more people into the higher rate of income tax by not increasing the threshold of the band with inflation is forecast to increase the number paying it from 7% of taxpayers in 2016 to 17% (697,000 people) in 2027-28. In our view, working with industry to increase productivity, raise wages and attract more people to work in Scotland would be a more robust approach to the challenge of generating revenue than this 'fiscal drag'. Creating these conditions should be the priority for Budget 2023-24 and the Spending Review.

How should the Scottish Government respond to inflationary pressures and the cost-of-living crisis in its Budget 2023-24?

The Scottish Government has accurately described a "growing cost emergency for people and businesses". These rising costs are also affecting public sector and third sector organisations.

The Scottish Government has been engaging with SCDI and with other business and civic organisations on costs. The Scottish Budget can help the response to this emergency by limiting further costs for employers where possible to allow them to maintain levels of employment and increase pay rates. Reviewing the planned increase in non-domestic rates next Spring would be one way of supporting businesses. The Scottish Government can also help people with the cost of living and access to jobs (thus helping businesses with skills shortages, and increasing income tax revenues) by continuing to fund the expansion of affordable and flexible childcare provision in all areas. With the forecast that unemployment will rise significantly, funding for the rapid development of 'micro-credentials' learning and training, implementation of reforms proposed in the Cumberford Little Report on Scotland's colleges, and reforms to the Flexible Workforce Development Fund to meet the needs of more employers would help people to reskill and upskill more quickly, and find new jobs. This would help to reduce unemployment 'scarring', support growth businesses and protect income tax revenues.

The Scottish Budget is not the only way for the Scottish Government to respond to the cost emergency. Better regulation and improvements to the planning system would also support the competitiveness of businesses in Scotland and help them to invest and maintain and create jobs. The use of digital technologies can help regulators and planning authorities to improve their effectiveness and efficiency, and their impact on industry and the economy. The Scottish Budget can help to fund the adoption of these technologies and the changes in processes also needed to implement them.

The Spending Review identifies key areas of reform over the lifetime of the Parliament to support its priorities in the Spending Review, including delivering efficiency savings across the public sector. How should the Scottish Government approach each of these areas to achieve efficiencies while also maintaining effective public services?

Digitalisation

Scotland must aim to be a fully digital and data enabled society, with world-class, future-proofed, accessible and affordable coverage for all. The UK and Scottish Governments and industry should accelerate the rollout and adoption of full fibre broadband, 4G and 5G networks, and smart technologies, in all of Scotland. Public services should plan now as to how they will harness digital and data technologies for modern, high quality public services, supported by reforms which increase their productivity, innovation levels and responsiveness to citizens, setting out how they will progressively transform themselves, particularly around enabling infrastructures and skills such as AI, data and digital. Collective leadership should leverage AI and data in each of the missions for the Scottish National Investment Bank, and across the UN's Sustainable Development Goals and Scotland's National Performance Framework, with an immediate priority the transition to net zero emissions. Improving the digital and data skills and literacy of the workforce and citizens will be key to delivery.

In recent reports SCDI has focused on opportunities in health and social care data, and ClimateTech.

Long-term, strategic investment in health and social care innovation will be critical. New and emerging technologies – enabled and underpinned by ethical, robust and secure data – can and should play a vital role in transforming health and social care. As Scotland looks to build public health resilience after the COVID-19 crisis, it has never been more important. It has been estimated that Scotland's health and social care data could be worth £800m every year, and deliver an estimated £5.4bn in savings for NHS Scotland – 38% of its current budget and three times its predicted budget shortfall by 2025.

The Scottish Government has been consulting on a new Data Strategy for Health and Social Care. SCDI has recommended that this should be back by a Transformation Fund which invests in infrastructures and skills. The aim should be to create healthier places to live, healthier workforces and healthier ageing, and improve Scotland's public health to among the best in Western Europe by 2040.

The key will be to collate front-line health and social care data and turn it into usable intelligence. Openness, integration and interoperability of data sets and systems across a single architecture underpinned by common standards would facilitate ethical and secure national sharing. Businesses should be encouraged and enabled to access this data if they commit to and demonstrate the mandatory ethical standards, cyber security and delivery for the public good. The significant investment proposed for the NHS estate and Scotland's wider health and social care infrastructure will need to provide good quality technology, equipment and connectivity. This will unlock opportunities to prepare for an accelerated transition to a high-tech future. Building on the development of the National Digital Platform for health and social care, this would allow for the creation of a single, comprehensive digital health record for everyone. The primary purpose would be to enable clinicians to predict ill-health in and make better informed decisions for individuals. Anonymised and aggregated, the information can, furthermore, help to manage services, and guide improvements in health and social care services, medicines and therapies, for the long-term benefit of all. With clear public benefit for this sharing and appropriate safeguards to maintain public confidence, third-party companies should be actively encouraged to access this data to generate commercial benefits where social value can be demonstrated. Scottish leadership in health data would require the expansion of new skills in the health and social care workforce, which would support higher job quality, pay and in-work development. It will also attract people with research and innovation skills, and investment, to Scotland. There will be the potential to grow clusters of research, innovation and entrepreneurship in care across Scotland, including in geographies and communities which most need them.

The pandemic saw a major expansion in the use of EdTech in schools, colleges and universities in Scotland and worldwide. Scotland has a growing EdTech cluster and use of their solutions in Scotland's world-renowned education system facilities their entry into and growth in international markets. Despite an ongoing positive utilisation of EdTech by teachers and pupils in schools, home learning and remote learning, SCDI has been informed that some education authorities have ended their subscriptions to EdTech platforms following the COVID-19 education recovery. We believe that EdTech will have a key long-term role in Scotland's education system, helping schools and teachers to improve accessibility, collaboration and engagement with pupils. This will improve outcomes for children and young people, and prepare them with digital and data skills, and for the modern world of work. Education authorities should discuss with teachers and schools how to utilise EdTech in their local contexts, and the new national agency for education and the Scottish Government should work with them to develop a plan for EdTech to improve outcomes and experiences for children and young people, and make efficiency savings. This will help Scotland's EdTech cluster to innovate and scale-up.

Maximising revenue through public sector innovation

Government activity in the economy is traditionally viewed and measured as an expenditure to correct market failures rather than productive investment in a dynamic market economy. This is despite the key role of public investment in the high-risk R&D of, for example, many of the innovative technologies which businesses have combined and developed into innovative products, in innovative drugs and in energy innovation. As the UK and Scottish governments implement mission-orientated approaches to innovation policy, they should articulate how public investment and services create value and how public bodies are planning to create and enable, alongside the private sector, greater wealth in the economy of the future by building the 'four capitals' of economic, social, human and natural capital.

This will focus all public bodies on this role, bring transparency to the value for money investment in our public services bring, and empower them to form collaborative partnerships with the private sector. Scotland has good examples of governments, agencies, colleges and universities, industry and trade unions working purposefully and innovatively together to revitalise economic activity and jobs in response to a crisis and with a focus on specific assets. Mobilisation has, generally, been less effective around economic or export opportunities. This needs to change, for instance to achieve net zero, an R&D-led productive economy and in post-Brexit trade policy. There is a need for systemic thinking and joined up policy objectives across different directorates and agencies of governments, industries, not-for-profit organisations, and colleges and universities to develop the policy outcomes we seek and connect these outcomes with coordinated actions by all those who can influence them.

Scotland's CivTech Alliance is a positive example of the way government can engage with innovative businesses and harness innovation through public contracts, such as open challenges, to streamline procurement, facilitate collaborations, and solve socio-economic and environmental challenges. Our Blueprint recommends that challenge prizes should be developed in a wider range of areas by governments at all levels to stimulate and support a large number of innovative early stage solutions.

Scotland has many non-private organisations, including universities and colleges, public bodies, third sector organisations and charities, which export. Some carry out this work directly, some establish in-country partnerships and others establish wholly-owned subsidiaries. Other than in the education sector, they are not a focus for the Scottish Government's export plan. These organisations are in a strong position to support and encourage exporting in their supply chains and can provide support and assistance to private companies in markets and countries. They have often developed social capital in the countries in which they work, particularly those who contract with foreign governments. Such social capital can assist Scotland's international relations, and businesses in winning more traditional commercial contracts, particularly for purposeful businesses which demonstrate the same values. In our Blueprint, SCDI proposed that, as part of its exports plan, the Scottish Government should create the focus for, and enable and encourage non-private bodies to grow their exports.

Reform of the public sector estate

In a digital world, the use of many buildings and places can be rethought. While important, efficiencies should not be the only driver. There is the opportunity to be innovative and integrative, not only across the Scottish public sector estate, but rather across public, private, education and third sector organisations, to repurpose buildings as flexible/mixed use hubs and meeting places for communities.

In our Blueprint, we highlighted Ireland's strategic investment in a network of up to 400 remote working hubs in rural and urban areas, offering shared back-office services and a centralised booking system, and creating an entrepreneurial ecosystem to encourage business start-ups, mentoring, collaboration, cross-fertilisation and knowledge spill-overs. We proposed that Scotland also should develop a network of Remote Working Hubs which would bring workers together in communities, near services like skills development and childcare, and offer affordable space and facilities for start-ups, social enterprises, engagement between employers and young people, and community groups.

In reducing the public sector estate footprint, the Scottish Government and public bodies should adopt the approach to their disposals of vacant and derelict land recommended by the Scottish Land Commission. Rather than financial returns, they should prioritise economic, social and environmental benefits for communities and the economy of unlocking more unused assets for productive use.

SCDI welcomes the Scottish Government's commitment to reduce public sector office carbon emissions and its Heat in Buildings Strategy. SCDI Chief Executive Sara Thiam is co-chairing the Scottish Government's Green Heat Finance Taskforce with the Minister for Zero Carbon Buildings, Active Travel and Tenant's Rights. Consultation and co-creation with the property sector is key to the evidence-based development and implementation of solutions that will deliver heat decarbonisation by 2045.

Reform of the public body landscape

Many of the opportunities for Scotland are catalysed at the place-based level in which local government is a key player. At present, the 'connectivity tissue' for local economic development and regeneration is often weak at local and community levels, in terms of governance, funding and capacity. The Scottish Government and COSLA should complete the Local Governance Review, and consult on a route map to strengthen local decision-making and strategy and delivery partnerships which drive innovation and inclusion. This should be joined-up with the roll out of Community Wealth Building and work with local anchor institutions, such as key businesses, colleges and universities, and public services, to capture and harness more economic benefits locally and support the growth of SMEs. Decentralisation of some powers to regional or local levels is a direction of travel which, in the main, our consultations have shown is supported but which should not be presumed. There is concern that this should happen in a coherent, rather than a piecemeal, way. There is a need for a strategy which is properly informed by dialogue with stakeholders and allows all those affected to plan for any changes. The Scottish Government and local government should progress exploration of the proposed Fiscal Framework for local government in Scotland to help define its future functions and financing.

Countries such as Australia and New Zealand have established a Productivity Commission, an independent advisory body reporting to their governments which produce evidence-based, high-quality analysis and advice on ways to improve productivity. Their reports help governments to deliver efficiency savings and improve outcomes across the public sector. Our Blueprint proposed that Scotland should adopt this approach, and create a Scottish Productivity and Well-being Commission which performs the same role but with a clear remit across the dual aims of the National Performance Framework. This dual focus on higher productivity and well-being is a fundamental one for societies. Countries which can develop a virtuous cycle of improvements in productivity and well-being, and can successfully resolve any tensions between them, will be in a better position to perform successfully.

Improving public procurement

Changes in public procurement have increasingly promoted social value, not just low price. There is a duty on public sector buyers to consider opportunities for SMEs, supported businesses and the third sector, fair work practices, community benefits, equalities, net zero and the circular economy, and prompt payments in supply chains. Fair Work First criteria is being extended to all public contracts.

However, there is a need to develop new procurement measures which ensure equal weighting for and ensure delivery of long-term socio-economic value in public contracts, especially in those contracts which could have a more transformational impact on national outcomes, such as those for foundational sectors, social housing commissions, or large contracts and their related sub-contracts.

Larger firms simply have more capacity and experience in completing complex procurement tenders. This can lead to the same organisations carrying out contracts in the same ways, becoming 'tried', although not necessarily 'tested' according to standards of delivery, value for money and outcomes.

New public procurement measures should be used to drive innovation. This should include removing barriers for SMEs and third sector organisations across all elements of the procurement system, piloting innovation-led procurement by government departments or public bodies in which government acts as their first customer, and enabling organisations to build and retain IP created through government contracts. Governments should set targets for the procurement of innovative solutions of 5% of their spending, and reform their procurement processes where necessary so that they are outcomes rather than outputs-focussed and promote more collaborative commercial models.

Business purpose can help to maximise value chain impact in the private, public and voluntary sectors – building long-term trust and transparency among buyers and suppliers, focusing on challenges and outcomes on which to work together, and aligning objectives and incentives. The Business Purpose Commission for Scotland recommended that organisations which buy from suppliers should embed and encourage business purpose in their value chains and reward purposeful businesses. 'Purpose-related' specifications should be carefully designed with SME and third sector representatives to increase their participation in value chains and maximise the impact. Tenders should be specified in ways which focus on finding solutions for people and planet, and promote innovative bids. Larger buyers should work with suppliers in supplier development programmes which include a focus on implementing business purpose through long-term partnerships and fair value chain relationships.

Public contracts should be redesigned to increase opportunities for local supply chains to offer innovative and holistic solutions, and help to grow and harness wealth within communities.

Government and businesses should stimulate innovative low carbon products and services using their buying powers. This could include adding, during evaluation processes, the carbon cost of a bid onto the price quoted. Procurement of housing should prioritise suppliers who embed net zero carbon design, circular economy principles, modern methods of construction, bio-based materials, and fair work principles. A percentage of procurement on contracts for offsite fabrication should be set.

The Business Purpose Commission for Scotland said that the history of public-private partnerships has often been beset by the conflicting motivations of maximising profits for shareholders in the private sector and providing social benefit in the public sector. This misalignment has reduced long-term value creation for businesses and society, resulted in costly projects and corporate scandals, and led to a loss of public trust. Business purpose can bring the motivations of the public and private sector into harmony by defining the role of businesses in these partnerships as finding profitable solutions and not profiting from producing problems, and acting as a 'guardrail' in business decision-making. The Commission recommended that government and business should develop new public-private collaborative partnership models which find solutions to deliver objectives on Net Zero carbon emissions, inequalities, opportunity and social mobility, the future of work, and new technologies.

How effective do you think these reforms will be in delivering efficiency savings in the Scottish Budget 2023-24, and beyond? If you have additional or alternative priorities for achieving efficiencies (for example within your public sector area), please provide details.

The shift to preventative spending should be a high priority for all Scottish Budgets, bringing long-term benefits to people and using public resources more efficiently and effectively in the long-term.

What impact will the Spending Review priorities have on the delivery of national outcomes in the National Performance Framework?

Alongside the Resource Spending Review, the Scottish Government published the targeted review of the Capital Spending Review. During and after the Financial Crisis and the Great Recession, the Scottish Government prioritised a package to accelerate capital expenditure to stimulate the economy. While the circumstances are very different now, it is vital that the Scottish Government continues to invest to increase the long-term sustainable economic growth rate, decarbonise infrastructure, and support the capacity of the supply chain in Scotland, which will help to bring down supply chain inflation. Digital networks, housing and energy infrastructure are particularly high priorities for the economy. SCDI members in the north and south of Scotland also urge the Scottish Government to maintain its long-standing commitments to major transport projects in the regions and set out the timescales for their delivery. These are transformational investments in accessibility and connectivity for people and for businesses, enabling firms to send goods and services to national and international markets.

Scotland's National Performance Framework is familiar to policy-makers, but it is more difficult for those outside government to gain a strong sense from it what it is that Scotland is aiming to achieve and how it is currently performing. There are many indicators measuring progress in different ways and while some outcomes in Scotland are improving – and some are not – Scotland's relative performance compared to the best performing countries, which may be improving at a faster rate, is not immediately apparent. A dashboard of Distance to Frontier scores (where 100 = the frontier and 0 = the lowest performance) for key aims would provide a clear and high-profile sense of Scotland's current performance and rate of progress in comparison with the best countries, and of where it is focussing its national endeavours to be among the best. This format should be adopted in the next refresh of the National Performance Framework. The Business Purpose Commission for Scotland has recommended that the Scottish Government should engage businesses with other stakeholders in the planned refresh of the National Performance Framework to inform the refresh, take advantage of the opportunity to align more businesses' Key Performance Indicators with its outcomes, and form collaborative partnerships between the private, public and voluntary sectors around its key missions.

Underlying these national, and supporting their delivery, Scotland also has a need to develop well-defined, real-time measures which supply information on and generate momentum in what is being achieved in specific policy areas, such as net zero and the return on investment on city region and growth deals, and in what is happening at regional and local levels. Better data for rural and remote areas and the islands is important, too, because the geographic spread and diverse nature of different parts of the country can lead to data which superficially appears similar, but which is generated by very different underlying causes, in response to which different policy actions are required.

How should the Scottish Government target spending in its budget to achieve net zero targets?

Scotland has the opportunity join-up its priorities for public health resilience, a digital society and inclusive growth with its net zero strategy in a positive vision for local living and working. Climate actions can deliver a wide-range of co-benefits which reinforce behaviour change and empower communities. Scotland needs to target these 'no regrets' policy opportunities. These should include growth in places that minimises the use of resources and encourages circularity, balancing the economic, social and environmental objectives of place development. Decarbonisation of residential, public and commercial, and industrial buildings, should be phased with property renewals to optimise investments, addressing the 'green premium' v 'brown discount' in pricing. New sustainable travel trends should be supported by active and affordable travel options. Given the evidence that local green spaces and natural spaces supported people's well-being in lockdowns and that use of the outdoors depends on access, there will be a need to protect these places and show leadership in creating new green spaces in towns and cities, as well as changing how developers and others contribute to them. Scotland should work with communities and local organisations to renew the purpose of places to create prosperous, healthy, green and resilient economies, enabling people to live locally and work anywhere. Our Blueprint recommended that the Scottish Government, local government and local partners should commit to the rapid delivery of 20-minute mixed economy neighbourhoods across at least 10 geographically and socio-economically diverse locations, with the infrastructure, jobs, services, active travel and green spaces for people to live, work and play locally. The Scottish Government, local government and industry should also aim to build at least 25,000 homes each home, with a focus on affordable homes and innovation in net zero in all communities.

Scotland should aim to be a leading location where globally critical net zero solutions are brought into being and capture fair shares of the benefits. Governments at all levels, industry, finance, universities, colleges and innovation centres should attract and accelerate investment in leveraging strategic opportunities based on where Scotland's physical and knowledge assets offer comparative advantages and offer strong export prospects (such as the North Sea transition, Blue Economy and bioeconomy), and agree binding commitments to maximise the home-grown opportunities for Scotland's businesses, people and places. The Scottish National Investment Bank has been established and funded to supply patient capital and catalyse private investment in its missions, including achieving a Just Transition to net zero, and it is important that it should deliver on this remit. However, the Scottish Government may need to increase its capitalisation if the public funding commitment of £2bn over 10 years and the Bank's partnerships with private capital prove insufficient to deliver these missions.

The expansion of green industries will only be possible if we take up the immense opportunity to create skilled, well-paid and secure jobs for people in every part of Scotland. Making green jobs our 'new normal' in every industry will increase resilience in both recessions and pandemics. There will be risks, however, to the future of places and the wider climate change targets if the transition to a net zero economy is not a just one and communities are not able to reap the returns of climate actions in their areas through business growth, jobs and local investment. Investment by the public and private sectors in areas which will require lots of jobs should go hand-in-hand with programmes to train and develop workers and people not in work. Our Blueprint recommended that Scotland should scale-up demand for and participation in work-based learning, with an immediate focus on digital, data and green, and develop a new 'Skills Wallet', enabling everyone to invest in education and training throughout their working lives, and supporting just technological and net zero economy transitions.

Net zero should be made explicit in the Scottish Public Finance Manual. Establishing accountability to the imperative of tackling net zero, and a defined set of functions and subsequent objectives, should be rigorously maintained to ensure compliance of the public sector in addressing the climate emergency as well as accountability to other tangible goals delivered with public resources.

How has the Scottish Government reflected its commitment to fiscal transparency in the Spending Review and how can it best ensure that spending in the Budget 2023-24 can be properly identified and tracked?

The Scottish Government and public sector organisations should be exemplars for the sharing of open, transparent and accessible information about their performance against their purpose.

There is a need to ensure that decisions by the Scottish Government and the Scottish Parliament on the Scottish Budget are reached following thorough evidence-based assessments and consultations with stakeholders. Alongside existing impact assessments, there should be a prosperity impact assessment for new policies. All policies and spend should be subject to a genuine requirement for post-implementation evaluation, and policies which do not work should be thoroughly reviewed to ensure that any lessons are identified, shared and learned to improve future policy-making.