

Transform Scotland

Budget Review Process Consultation

28th April 2017

How effective is current public engagement in the Budget process and how can this be improved?

The existing Scottish Budget review process does not provide adequate time to provide effective and meaningful scrutiny by members of the public or by external public interest organisations such as ourselves. The decision to delay publication of the Draft Budget from September until December, which has occurred in the previous two years, has left insufficient time for Committees to obtain appropriate evidence from external stakeholders. This has seriously damaged the quality of the scrutiny of the Scottish Budget.

How effective is the existing Budget Bill process and what, if any, changes are required?

There is a serious lack of transparency in the Budget process. Specifically for transport, there is often a lack of clarity over the breakdown of spending for different sections of the transport Budget. As a specific example, expenditure on active travel (walking & cycling) is still not specified as a line in the Budget, despite repeated requests by subject committees that this be the case, instead only being listed as a footnote in the transport section. The terminology used in the Budget documents is often inconsistent between different Budgets, making scrutiny of the Budgets needlessly complicated.

What should be the core objectives of parliamentary scrutiny of the draft Budget?

To determine whether the expenditures proposed meet the policy objectives set out in the Scottish Government's National Performance Framework, and to propose change where there is a misalignment between the two.

How effective is the existing parliamentary scrutiny of the draft Budget and how can it be improved?

While elements of the process are effective, we regard the overall process as being largely ineffective.

Our experience is that the scrutiny provided by the subject committee with responsibility for transport has then been routinely ignored by the Finance Committee in the latter's own report. While the scrutiny provided by the subject committee has often been of high quality, this process seems to us entirely pointless if the specific recommendations which the subject committee makes to the Finance Committee is then systematically ignored by the latter.

The Finance Committee should be tasked with responding, point by point, to all specific recommendations made to it by subject committees. In the absence of this, the scrutiny process

in the Scottish Parliament appears to us to be entirely broken.

How does the new UK Autumn Budget process affect the timing of the Draft Budget?

We acknowledge that this process has influenced the Scottish Government's decision to publish its own budget at a later date. However, this does not affect our views above regarding the impact on the Scottish Budget process, expressed above, regarding the quality of the scrutiny then afforded by the Scottish Parliament process.

In what ways can the level of transparency of the draft Budget and other Budget documents be improved?

Clarity on transport spending

With reference to transport, the breakdown of spending for each subsection of the transport Budget needs to be much clearer. At present, it is not entirely clear where money will be spent, which modes of transport will benefit, or which projects will be financed. For example, despite its growing importance in Scotland's transport system, active travel (walking and cycling) still does not have its own subsection for spending, instead being split between different subsections. This makes it hard to assess how much money is actually spent on walking and cycling and how this money is being spent. Furthermore, it is not explicit what certain subsections, such as the Future Transport Fund, is used to finance, and whether or not active travel is financed through this fund. There needs to be far greater clarity over the exact breakdown of spending of transport for each mode.

Scrutiny of transport infrastructure spending

The Infrastructure Investment Plan, which represents a major element of Government expenditure, has faced little or no Parliamentary scrutiny and has been subject to no public evidence-taking by the Government or the Parliament. This is of particular importance when considering the vast sums of money being spent through the Infrastructure Investment Plan. It is paramount that the Infrastructure Investment Plan receives greater scrutiny by the Parliament.

Climate change impact of Budget spending priorities

The Carbon Assessment of the Budget is essentially useless as it provides no analysis of 'second round' emissions. As such, there is no full climate impact of Scottish Government spending.

For example, according to the 2017-18 Budget, public expenditure on railways is judged to be emissions-generating when one of the principal reasons why investment is made in public transport is because of its widely-acknowledged in getting people to switch from road journeys, and, as a result, lead to reduced emissions.

This can be further illustrated by the situation where rail investment is judged to be responsible

for more carbon emissions than all the proposed spending on trunk roads¹. This is due to a disregard for the subsequent emissions arising from the construction of road infrastructure (i.e. all future vehicle on these roads). Rail is clearly a far more environmentally sustainable means of transport than private vehicle use, yet the flawed methodology used to calculate the carbon impact of would suggest that the opposite is true. Indeed, even the essentially zero-emission walking and cycling are reported to be responsible for over 10,000 tonnes of CO2 annually, when, should these be replaced by other, more polluting modes of transport, would result in much higher emissions.

The Carbon Assessment must be revised to include second round emissions and make the Scottish Government take full responsibility for the environmental impact of the Budget.

Equalities assessment in the Budget

We regard the Equalities Assessment as essentially useless as we do the Carbon Assessment of the Budget.

The report lists expenditures that, in the opinion of the Government, may contribute to equalities outcomes, but presents no analysis of whether the balance of expenditures contribute positively or negatively to equalities outcomes, nor specifies change from one year to the next.

The Rural Economy and Connectivity section concludes: "This assessment of the 2017-18 Rural Economy and Connectivity Budget has highlighted its positive impacts on equality and shown the limited equality impacts of reduced spend. The Budget reflects and protects ongoing commitments to the rural and island economy, broadband and transport." This is despite presenting no analysis that demonstrates this.

About Transform Scotland

Transform Scotland is the national sustainable transport alliance, campaigning for a transport system which is environmentally sustainable, economically responsible and socially inclusive. We have around 60 member organisations from across the private, public and third sectors. We are politically independent, evidence-based and strictly not-for-profit, with an elected Board of Directors drawn from business, local government and charities.

¹ Carbon Assessment of the draft Budget 2017-18 <http://www.gov.scot/Resource/0051/00511768.pdf>