



Finance and Public Administration Committee: Inquiry into the Scottish budget process in practice

Children in Scotland

26 March 2025

Background

Giving all children in Scotland an equal chance to flourish is at the heart of everything we do.

By bringing together a network of people working with and for children, alongside children and young people, themselves, we offer a broad, balanced, and independent voice. We create solutions, provide support, and develop positive change across all areas affecting children in Scotland.

We do this by listening, gathering evidence, and applying and sharing learning, while always working to uphold children's rights. Our range of knowledge and expertise mean we can provide trusted support on issues as diverse as the people we work with and the varied lives of children and families in Scotland.

Our response

Children in Scotland has been an active contributor to conversations about the Scottish budget process over recent years. As the membership organisations for the children's sector, we are acutely aware of the impact of the budget process on the ongoing stability and sustainability of many of our member organisations. We receive funding from a wide range of sources, including many which are directly informed by the Scottish budget including for our direct services and many of our projects. We receive a core grant through the Children and Young People's Early Intervention Fund.

In formulating this response, we have engaged directly with our Children's Sector Strategic and Policy Forum (the Forum). The Forum is made up of senior leaders across the children's sector. We have also drawn on previous

engagement with our members, including through our Supporting the Third Sector Project.

We would be happy to support direct engagement between our members and the Finance and Public Administration Committee.

This response has focussed on a number of key questions within this call for evidence. In particular, we have focussed on questions relating to budget objectives and the effectiveness of the budget process.

Consultation questions

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?**

Influencing the budget process

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.

However, going forward there are clearly opportunities for more meaningful engagement earlier in the budget process, which could have allowed for greater influence over the proposals. The meeting between the Forum and the First Minister took place after the initial budget debate. As such, while we were pleased to have the opportunity to engage with the First Minister in relation to his proposals and priorities, it was after they had been identified and left a more limited scope to influence them.

The Child Rights and Wellbeing Impact Assessment (CRWIA) itself could be used as a key tool for engagement. It would have to be done earlier in the budgeting process, which would also help ensure that children's rights sat at the heart of financial decision making.

Ongoing fiscal challenges

The ongoing fiscal and economic environment continues to be a key challenge for Children in Scotland, and our members.

It is important to recognise that we have seen areas of progress in relation to key elements of our own funding through the Scottish Government. This has included early confirmation of funding for Enquire and the Inclusion Ambassadors, with a commitment to two-year funding to cover the financial years 25-26 and 26-27. This decision has provided greater stability for Children in Scotland and the services we deliver. We are confident this will increase the efficiency and impact of our work.

Progress in relation to these elements of funding has been based on significant ongoing engagement with the Scottish Government about the value that longer-term funding would provide for the delivery of these services/projects. We have been pleased to have confirmation of this and see it as a step towards upholding SCVO's fair funding principles.¹

However, it is equally important to recognise that a significant portion of the funding that Children in Scotland and our members benefit from has still not been provided in line with the approach outlined above. We continue to receive annual funding for a number of workstreams, which is confirmed late in March (and sometimes beyond the end of our financial year). We also know from our own work, and our members that there are many funding opportunities that are still administered in that way. As we have described to the committee previously, this presents challenges in relation to organisational planning and stability. It also affects retention of staff and reduces the impact of the work delivered.

“It [longer term funding] would have a huge impact - increasing the proportion of our time and resources able to be focussed on delivery, strengthening and consolidating the positive impact of our work with children and families in the short and long term” (Children in Scotland member)

Similarly, we have continued to experience a standstill in our core funding allocation through the Children and Young People's Early Intervention Fund (CYPEIF). We have received core funding from the Scottish Government for many years. For the last ten years this has been flat funding, meaning that there has been an overall reduction in value of over 35% in that time. Ultimately this flat funding has led to difficult decisions, including reducing our activity and therefore the impact we can have. It has also been a key contributor to redundancies across the organisation. The fact that the CYPEIF has been administered on yearly funding agreements (with minor exceptions) has limited our ability to plan for the longer term. It also presents questions

¹ SCVO, Fair Funding, <https://scvo.scot/policy/fair-funding-procurement/fair-funding>

about whether recipients of the fund are being supported to respond to current policy challenges.

This is a picture common to those Children in Scotland members who have been recipients of the fund. Ultimately, the real impact is felt at the level of the babies, children, young people and families they all work with.

“This [longer-term funding] would enable more robust planning and give peace of mind to the staff whose salaries are partly covered by Scottish Government funding” (Children in Scotland member)

*“The opportunity to plan longer term and ensure stability for the organisation lends itself to sustain gains for communities that are served.”
(Children in Scotland member)*

Going forward, to deliver on the aim of the budget and surrounding process supporting ‘effective responses to new fiscal and wider policy challenges’, there needs to be a commitment to longer-term funding, in line with the SCVO Fair Funding principles.²

We would strongly encourage the Committee to continue to advocate for action in these areas.

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”.

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

As we have highlighted above, greater opportunities for early, meaningful engagement in the budget process would improve how it operates. We value efforts by the Scottish Government and Scottish Parliament Committee to ensure engagement with key stakeholders, including our members. We believe for this to continue to add value, they need to continue to realise principles of good, meaningful engagement and for this to happen early in the process, with scope to influence it.

As highlighted previously in this response, we would be happy to support engagement between the Committee and our members as part of this work.

We would also like to see greater consideration of how decisions about the Scottish budget can be informed by and communicated to children and

² SCVO, Fair Funding, <https://scvo.scot/policy/fair-funding-procurement/fair-funding>

young people. There is a significant amount of engagement work with children and young people taking place, and much of this provides important evidence that could support the budget process. We would encourage the Scottish Government to consider how this could be used going forward. We would also be happy to work with the Committee to consider how this evidence could support their work throughout the budget process and to consider the opportunities for more direct engagement with children and young people to supplement this.

As noted above, a detailed CRWIA at the appropriate point in the process would also contribute to good decision making with respect to putting child rights at the heart of the process, and facilitating engagement at the right moment in the process.

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

We believe that the budget process would be improved by ensuring a focus on a number of key fundamental issues:

- A commitment in practice to SCVO's Fair Funding Principles including multi year funding approaches (and a decrease of short-term funding)
- Improved transparency and communication about budget proposals – including timely communication about grants and funding awards.
- More meaningful engagement with key stakeholders, delivered in a time frame that can meaningfully influence proposals.
- Greater fairness of funding to ensure that funding is adequate for third sector and statutory services to deliver their work.
- A greater focus on prevention in the budgeting process, in line with the Christie Commission, to improve outcomes for children, young people and families.

As highlighted in our response to the previous question, another element that would improve the budget process is ensuring that proposals reflect the views of children and young people. There is also a desire from Children in Scotland members represented on our Children's Sector Strategic and Policy Forum to ensure that the budget process is delivered in a way that ensures it is clearly focussed on realising children's rights.

The Forum had strong views around when and how the Child Rights and Wellbeing Impact Assessment is done on the budget. We were pleased to see that a CRWIA was done for the current process. This is a good start, and we can build on that by looking at the timing and the quality of engagement around the CRWIA. It is the Forum's view that this would need to be undertaken earlier in the budget process and be focussed on assessing which areas of work were likely to have the greatest impact on children's rights. The

assessment should then be seen as a key driver of funding under the Scottish budget and as a key tool for engagement.

Undertaking a CRWIA in this way would provide an opportunity for the Scottish Government to make clear evidence-based and outcomes-focussed decisions for the Scottish budget that would improve outcomes for children, young people and families.

It is also worth highlighting that doing so would support Scottish Government to uphold its legal obligations under the UNCRC (Incorporation) Scotland Act.

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

In our 2023 response on effective Scottish Government decision making, we highlighted that the Scottish Government needed to exemplify the following behaviours to promote effective decision making:

- Ensuring inclusion
- Adopting rights-based approaches
- Ensuring decisions are outcomes-focussed
- Prioritising wellbeing
- Making evidence-based decisions
- Thinking long term
- Being honest, open and transparent.

We believe the same applies to the Parliamentary Committees in their work to scrutinise the budget. As such we believe guidance and advice on these things may well support the budget process.

For more information please contact Chris Ross, Policy, Projects and Participation Manager, cross@childreninscotland.org.uk