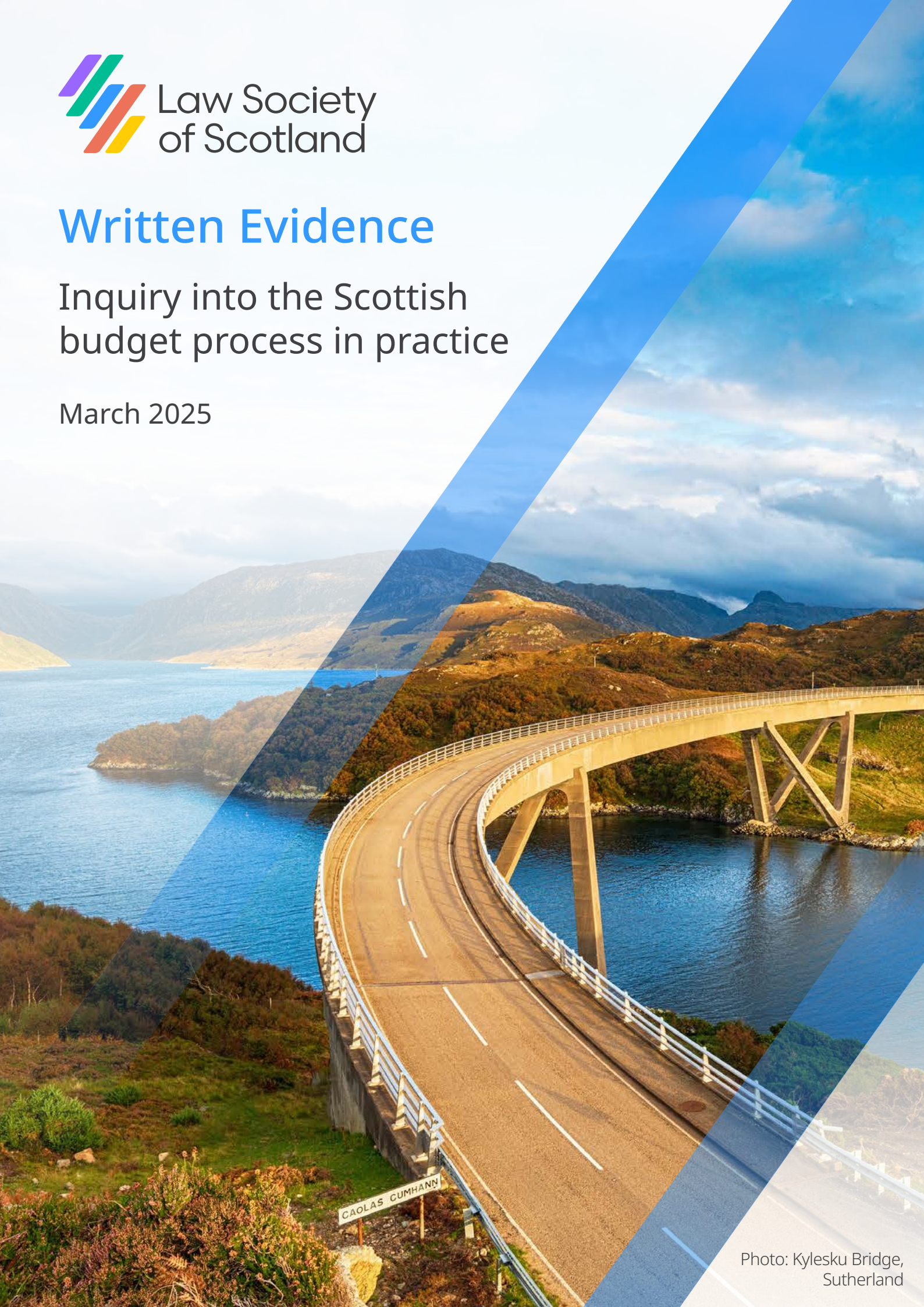


Written Evidence

Inquiry into the Scottish budget process in practice

March 2025



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Introduction

The Law Society of Scotland is the professional body for over 13,000 Scottish solicitors.

We are a regulator that sets and enforces standards for the solicitor profession which helps people in need and supports business in Scotland, the UK and overseas. We support solicitors and drive change to ensure Scotland has a strong, successful and diverse legal profession. We represent our members and wider society when speaking out on human rights and the rule of law. We also seek to influence changes to legislation and the operation of our justice system as part of our work towards a fairer and more just society.

Our Tax Law sub-committee welcomes the opportunity to consider and respond to the Finance and Public Administration Committee of the Scottish Parliament's call for views: *Inquiry into the Scottish budget process in practice*.¹ The sub-committee has the following comments to put forward for consideration.

Questions in the call for views

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?

In previous submissions² we have highlighted the need for a process that allows for regular maintenance of, and amendment to, the devolved taxes.

We suggest that this would form part of the budget process, including formalising a regular timetable and mechanism for stakeholders to give input on any operational and policy concerns with the tax legislation – including so-called “care and maintenance” matters as well as substantive changes to tax policy and to rates and bands. This would support effective responses to new fiscal and wider policy challenges in relation to taxation.

¹ [Inquiry into the Scottish budget process in practice - Scottish Parliament - Citizen Space](#)

² See for example: [Response 88990852 to Managing Scotland's Public Finances: A Strategic Approach - Scottish Parliament - Citizen Space](#)

We believe that an annual process, perhaps including an annual "fiscal event", would allow for greater transparency and increased opportunity for proposed draft legislation to be considered by stakeholders.

We highlight the Aggregates Tax and Devolved Taxes Administration (Scotland) Bill as an example of why this process would be welcomed. Part 2 of the Bill contains a number of changes to the administration of devolved taxes by Revenue Scotland under the Revenue Scotland and Tax Powers Act 2014. As these changes require to be made by way of primary legislation, they have been included in a Bill which primarily concerns the introduction of the Scottish Aggregates Levy. The introduction of such a process would provide a suitable and timely opportunity for these kinds of legislative changes to be made. There are a number of other amendments to the devolved taxes that we would welcome being made; and we understand that the absence of a regular legislative process means that there has not been an appropriate opportunity to introduce primary legislation covering such changes.

More generally, we highlight the importance of public consultation where appropriate to provide an opportunity for scrutiny and comment from stakeholders. We consider there would have been merit in the Scottish Government consulting publicly on the detail of the proposed draft Tax Strategy ahead of the publication of the final version alongside the 2025-26 Draft Scottish budget.

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.

See our comments above, and suggested solutions.

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?

We have no specific comments.

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?

We have no specific comments.

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?

We have no specific comments.

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

We have no specific comments.

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?

We have no specific comments.

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.

We have no specific comments.

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

We have no specific comments.

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

We have no specific comments.

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

We have no specific comments.



For further information, please contact:

Jennifer Paton
Policy Team
Law Society of Scotland
DD: 0131 476 8136
JenniferPaton@lawscot.org.uk