

Devolved taxes: a policy framework

SCVO response to Scottish Government

05 June 2019

Our position

Scottish Government should now aim to engage a wider group of people and organisations in devolved tax policy, using digital platforms and more participative approaches to service design.

SCVO supports an open government approach to tax policy development and engagement

The proposed policy and legislative cycle is sensible and coherent. However, it is imperative that the draft papers and associated data is made openly available in a way which people and organisations can work with.

We are mindful of the need to avoid consultation fatigue and the importance of longer-term tax policy stability, while also remaining agile and responsive to social and economic changes especially as they affect some of our most vulnerable people.

SCVO is supportive of a human rights assessment of tax and budget proposals in addition to the equality, regulatory and data protection assessments.

There needs to be full transparency of data, papers and proposals in order for civil society to have trust that decisions have been taken in the best interests of people and communities.

Our response

Introduction

SCVO welcomes the opportunity to respond the Scottish Government's consultation on the devolved taxes policy framework, available at <https://consult.gov.scot/financial-strategy/devolved-taxes-policy-framework>

SCVO is currently exploring the voluntary sector's ideas and approach to devolved tax in partnership with [Covi](#). Our work is at an early stage. More information available openly at [https://scvo.miraheze.org/wiki/Responsible taxation and the SDGs](https://scvo.miraheze.org/wiki/Responsible_taxation_and_the_SDGs)

Proposal	Our view
<p>The Devolved Tax Collaborative (DTC) as an annual tax forum</p>	<p>The DTC was useful in the early days of the forum. It provided an opportunity for the tax community and a limited number of civil society organisations to engage with the development of devolved tax in its early stages.</p> <p>However, Scottish Government should now aim to engage a wider group of people and organisations using digital platforms and more participative approaches to service design.</p>
<p>Preferences as to how the Scottish Government should carry out engagement on the fully devolved taxes</p>	<p>Scottish Government should now aim to engage a wider group of people using digital platforms and more participative approaches to service design.</p> <p>SCVO is exploring the voluntary sector's ideas and approach to devolved tax in partnership with Covi. Our work is at an early stage. The key questions we are exploring are:</p> <p>How can we ensure that the tax system helps Scotland contribute to our international responsibilities as framed by UN Sustainable Goals, and what lessons can be gleaned for the rest of the UK?</p> <p>What sorts of tax policies might optimally align Scottish National Outcomes with the universal UN SDG agenda?</p> <p>How should the Scottish Government and other bodies incorporate responsible tax principles to best support a sustainable and inclusive economy, where more people are able to participate in an economy that leaves</p>

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	<p>no-one behind? How might better fiscal transparency support the Scottish National Outcomes and SDGs, and greater public trust in the tax system?</p> <p>Do we need to raise more tax revenues to meet the Scottish National Outcomes?</p> <p>How best can we use tax reliefs as an incentive to ensure a more inclusive and sustainable economy? How should we divide up these tax incentives between charities, business, and individuals?</p> <p>How might the Scottish government engage with the UK and international tax cooperation in order to better meet the SDGs?</p>
<p>Proposed approach to tax consultations consulting on issues collectively rather than on an individual basis?</p>	<p>SCVO supports an open government approach to tax policy development and engagement, as articulated in the Scottish Open Government action plan 2019, which was written with input from civil society.</p> <p>SCVO also supports a whole systems approach to tax policy which appreciates the interaction across policy portfolios. We would therefore support the Government's intention to consult on issues collectively. In addition, these consultations should also reference wider policy developments as framed by the National Performance Framework and the Sustainable Development Goals.</p> <p>This requires tax policy to developed openly, with transparent decision making, a clear accountability for decisions, and a high level of participation with people and civil society.</p>
<p>Proposed policy and legislative cycle</p>	<p>The proposed policy and legislative cycle is sensible and coherent. However, it is imperative that the draft papers and associated data is made openly available in a way which people and organisations can work with.</p> <p>SCVO has previously proposed the idea of a budget portal for citizens to engage with the</p>

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	<p>national budget. This idea could be extended to include tax policy proposals and associated data. It is important that both summarised information and the detailed complex data is made available for use and re-use publicly in order to facilitate participation and transparency.</p>
<p>Frequency of policy and legislative cycle</p>	<p>We are currently exploring these issues with voluntary organisations. We are mindful of the need to avoid consultation fatigue and the importance of longer-term tax policy stability, while also remaining agile and responsive to social and economic changes especially as they affect some of our most vulnerable people.</p>
<p>Are existing documents that are published, and the Scottish Government's approach to drafting them sufficient for the purposes of consultation</p>	<p>SCVO is supportive of a human rights assessment of tax and budget proposals in addition to the equality, regulatory and data protection assessments. We are aware that the Scottish Human Rights Commission has been exploring this issue with stakeholders.</p> <p>In addition to the documents, it is important that the Government also publishes the associated data that informs their assessment as fully as possible. This will allow stakeholders to come to their own conclusion on impact as well as relying on the assessments carried out by Government.</p>
<p>Scottish Government's approach to exceptions, where changes may need to be made without advance consultation</p>	<p>We are mindful of the need to for Government to remain agile and responsive to social and economic changes especially as they affect some of our most vulnerable people. This may require changes at time which are done without consultation. These instances should be very much the exception, and in lieu of participation, there needs to be full transparency of data, papers and proposals in order for civil society to have trust that the decision have been taken in the best interests of people and communities.</p>

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About us

The Scottish Council for Voluntary Organisations (SCVO) is the national body representing the third sector. Supporting 45000 third sector organisations, 2000 members, 100,000+ staff, £1m volunteers. [View the latest sector stats](#)

SCVO's policy works to ensure that the needs and concerns of the third sector in Scotland are represented in the Scottish, United Kingdom and European Parliaments.

By acting as an authoritative and trusted voice for the sector, SCVO's policy and research output is delivered through a strong evidence base and an engaged membership.

Further details about SCVO's policy and research can be found at <https://scvo.org.uk/policy-research>

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