SUPPORTING CHILDREN'S RIGHTS
UNCRC IN SCOTLAND

improvement service

Protecting Children's Rights Through Financial Decision-Making: A Local Authority Perspective

Children's Rights Budgeting Action Inquiry Report - May 2025

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Contents

Summary

"Knowing how much we spend on children and young people should be more deeply embedded in the council's DNA to support the realisation of children's rights. Knowing what we spend is one thing—but what is it telling you about the outcomes for those children? Is it what we want for them?" (Action Inquiry Participant)

Local authorities in Scotland have a legal requirement to present a balanced budget. Under the UNCRC (Incorporation) (Scotland) Act 2024, local authorities now also have a duty to act in a manner that is compatible with the UNCRC in all devolved areas. Due to increasing demands on public finances, local authority budgets are increasingly stretched and the need to find significant savings is a constant consideration in local government. In this context, local authority finance colleagues came together using an action inquiry approach to explore the concept and application of 'children's rights budgeting' for local government.

The Improvement Service UNCRC Implementation Project facilitated this inquiry with support from The Observatory of Children's Human Rights Scotland. The Observatory connected the project to academic and civil society organisations with children's rights expertise as part of its Research Network on Children's Human Rights, funded by the Royal Society of Edinburgh (Grant Number 2858). This report does not represent the views of the Improvement Service or Observatory member organisations; rather, it seeks to document the views of the participants of the Action Inquiry.

This report provides a summary of the findings and learning. Local authority finance colleagues welcomed the opportunity to learn more about children's rights across stages in the budget cycle. In their discussions about children's rights and budget decision making, they reflected not just on the potential legal challenges posed by the 2024 legislation but also how to balance the achievement of long-term improved outcomes across the community with the need for significant financial savings in the short term. They expressed concerns about the need to make difficult financial decisions that may negatively impact children's rights. Concerns were also raised about the impact that budget cuts place on individual officers who were tasked with identifying savings, often at short notice. Officers recognised the importance of meaningful public engagement that includes children and young people to be able to do this work effectively.

The report provides a set of further steps and actions for consideration. These include further time for learning and the development of practice examples of children's rights budgets, consideration of children's rights on a continuous basis across the budget cycle, and exploration of how existing data returns can help identify spending that supports children's rights.

What is Human Rights Budgeting?

Human rights budgeting refers to the process of planning and testing budgets using the duties, norms, and principles of international human rights law. It seeks to make budgets more transparent, accountable, participatory, non-discriminatory, and aligned with the protection and promotion of human rights. By embedding human rights principles into fiscal policies and budgets, all public bodies can demonstrate their commitment to the principles and standards of human rights. It is an approach that can be applied to a budget as a whole, to analyse the commitment to a specific human right (such as to health or to education) within a budget, or to be applied to a specific group of rightsholders, such as children and young people.

Children's human rights budgeting builds upon this approach and has been developed and implemented with the aim of providing a more specific application of human rights budgeting. It focuses on ensuring that budgetary processes and allocations are responsive to the needs and rights of children, as enshrined in the UN Convention on the Rights of the Child and other international and national frameworks. It examines whether sufficient resources are being allocated to areas such as education, health care, nutrition, protection, and social welfare in ways that are equitable and effective specifically for children and young people.

1. Background and Purpose of the Inquiry

The Children's Rights Budgeting Action Inquiry was established to bring together 6 local authorities who are interested in developing their approach to children's rights budgeting in their local authority. The Inquiry was designed to allow Colleagues to actively work on building their understanding of children's human rights and what approaches to implementing children's rights budgeting might work at local level. The approach is focused on learning and having access to ongoing support and time to reflect and share their experiences with others. The local authorities who are taking part are:

- North Lanarkshire
- Glasgow
- Shetland
- North Ayrshire
- Inverclyde
- Falkirk

The approach did not ask local authorities to be experts in children's rights or to agree to undertake a full children's rights approach to their budget immediately. Its focus was on exploring what might enable the consideration of children's rights in the budget process, understanding what is needed to support this and testing some approaches in a considered way.

Action Inquiry was also established in recognition that this focus for budgeting work is new. However, the concepts of gender-based budgeting and consideration of equal opportunities and understanding the socio-economic impact of decisions has been established for some time.

The Inquiry was facilitated through the Improvement Service UNCRC Implementation Project with support from colleagues from The Observatory of Children's Human Rights Scotland who also provided connection to other academic and civil society organisations who have expertise in children's rights. The Observatory connected the project to these organisations as part of their Research Network on Children's Human Rights, funded by the Royal Society of Edinburgh (Grant Number 2858), for which we are grateful. This report does not represent the views of the Improvement Service or The Observatory of Children's Human Rights Scotland; rather, it seeks to document the views of the participants to the Action Inquiry.

2. Context for this work

The UNCRC (Incorporation) (Scotland) Act came into effect in the summer of 2024, bringing new obligations on duty bearers such as local authorities. The legislation demands a proactive approach to enable local authorities to meet the requirements of the legislation including a consideration of how decisions around the consideration of children's rights as part of the budgetary process.

The National Benchmarking Overview Report 2023-24 provides clear insight into the financial pressures faced by local authorities.

'*In real terms, total Scottish Government revenue funding for councils has decreased by 1.8% in 2023/24. Local government has suffered from a decade of underfunding for core and existing services, with funding levels not keeping pace with increased demand, growing need and rising cost pressures. While the Scottish Government budget has increased by 45% since 2013/14, the local government budget has remained relatively static. Funding of local government has not kept pace with other parts of the Scottish budget for many years.*'

Those participating in the Action Inquiry highlighted the importance of recognising that after a decade long period of austerity, there is very real challenges in balancing budgets with limited capacity to mitigate the impact of the decisions that need to be taken.

Budgetary pressures are arising from multiple areas including growing demand for social care services as the population ages, the impact of the cost of living crisis meaning that more demand for local government services that support poverty reduction, increasingly levels of pupils with additional support needs in schools and workforce pressures. Audit Scotland's Local Government Budgets Report published in May 2025 highlights a range of other budgetary pressures including those arising from pay deals, increased national insurance contributions and a higher costs associated with capital projects. In this context, Audit Scotland report that collectively Council's planning to deliver around £210 million of approved savings in 2025/26. Most of these saving measures are recurring, with only £12.2 million of non-recurring savings planned.

3. Structure of the Inquiry

An action inquiry process places the focus on curiosity at the centre of the work that is being undertaken. The process did not seek to tackle the complexity of the topic in its entirety, but rather to inquire more deeply into issues of mutual concern and provide space for learning, dialogue and generating questions that are important and of mutual interest. The recommendations and actions that arise as a result therefore come from a place of deeper understanding and consideration of different insights and perspectives.

The structure of the sessions was emergent as early individual conversations with Colleagues identified core elements that were important to provide a foundation for the inquiry. The remaining sessions were emergent as Colleagues reacted and reflected in the information shared with them.

While the majority of the sessions were held collectively, this was supplemented with individual conversations with Colleagues and the Improvement Service to collect personal reflections and work in progress.

Session 1: Introduction to the United Nations Convention on the Rights of the Child

The first session of the Inquiry focused on raising awareness and understanding of children's rights and the UNCRC. The Colleagues were introduced to the specific requirements of the UNCRC (Incorporation) (Scotland) Act 2024 and the new duties that fall on public bodies as a result of the legislation. An important part of this session was time spent considering the inherent obligations of the UNCRC i.e. the key concepts of 1) progressive realisation, 2) using maximum resources available and 3) non regression of human rights.

Colleagues were encouraged to share their initial reactions to the 'ask' of the legislation in the context of the work that they were involved in. This included key questions about the budget development cycle and the key stakeholders involved in that process.

Session 2: Human Rights Principles and Budget Development

Responding to the reflections of Colleagues in session 1, this session focused on the key elements of the budget process and the tools available to Colleagues to demonstrate how they can consider children's human rights across this cycle. This included consideration of the PANEL Principles, Children's Rights Wellbeing

Impact Assessment and the FAIR Approach as tools to embed children's rights. At this session, Colleagues also considered the judgement of the Free School Meals Case in Wales and the implications of this for future. Colleagues considered these approaches in the context of considering human rights across four key areas of budget consideration:

- Income generation
- Allocation
- Spend
- Scrutiny

Session 3: Public Financing of Children's Rights Seminar by the Observatory of Children's Rights for Scotland

The seminar offered colleagues from a wide range of finance roles to consider the principles of Child Rights Budgeting, examples of models used in other countries and how they might translate to the Scottish context, and group discussions on how to progress Public Financing for Children's Rights in Scotland.

Speakers included:

- Professor Graeme Roy, Professor in Economics, University of Glasgow (Chair)
- Professor Jo Ferrie, Professor of Sociology, University of Glasgow
- Professor Neil Craig, Professor of Public Health Economics, Glasgow Caledonian University
- Alberto Musatti, Social Policy Specialist (Public Finance) UNICEF Regional Office for Europe and Central Aisia
- Martin Booth, Director of Finance Glasgow City Council and
- Rebecca Spillane, UNCRC Implementation Project Manager, Improvement Service sharing insights from the Action Inquiry to date.

A full recording of the session, and the slides referred to are available https://education-sport.ed.ac.uk/research/centres-groups-networks/observatory-childrens-human-rights-scotland/work/events

Session 4: Individual Meetings with Colleagues

Individual conversations between the Colleagues and the Improvement Service offered the opportunity to reflect on the past few months of work at the point at which the local authorities had formally 'set' their budgets through Council approval mechanisms.

These discussions also focused on tools available to local authorities to demonstrate the ways in which their budgets are already upholding a range of rights and could potentially be enhanced.

4. Key Reflections Arising from the Action Inquiry Colleagues

4.1 Understanding and Interpreting the UNCRC in the context of local government finance:

Colleagues welcomed the opportunity to learn more about the UNCRC and the UNCRC (Incorporation) (Scotland) Act 2024. While 'the UNCRC' does not routinely form part of their day-to-day work, colleagues work closely alongside service areas who provide a range of services that have an impact on the realisation of rights. They support service level officer to consider their budgets that are under regular scrutiny. Involvement in the Action Inquiry allowed them time to learn alongside colleagues and digest the implications of this was welcomed by all those taking part.

Colleagues highlighted that their communities were more regularly citing the UNCRC in correspondence to Elected Members and officials. This raised uncertainty around how the new UNCRC legislation will be interpreted and applied, especially in relation to potential legal challenges from parents/guardians demanding specific services or provisions. Concerns were raised about the potential for the legislation to be misunderstood or misused by the public. Colleagues also recognised the need to respond appropriately to correspondence from local communities, including any children's rights consideration in this.

Colleagues were interested in the tools available to them to reduce the risk of legal challenge on the grounds of their budget decisions. They importance of demonstrating a robust process for assessing the impact of budget decisions on children's rights, in order to mitigate legal risks was a key focus of the Inquiry.

The importance and challenge of measuring and evidencing "progressive realisation" of children's rights over time, given budget constraints, was also considered as part of the discussions.

Despite statutory and non-statutory guidance being available from the Scottish Government, colleagues expressed a need for practical solutions, guidance, and examples of good practice/case law to help them navigate the implementation of the UNCRC in the budget process to mitigate the risk to their local authority.

4.2 Local Government Finance Rules & Budget Composition

Colleagues highlighted that approximately 80% of their budget is allocated to education and social work services, leaving little flexibility in the remaining 20% to make the savings that are required to balance their budgets. This means difficult decisions must be made that impact those core services and often budget savings are found in the prevention space. As local authorities have been in a prolonged period of budget savings, any ‘low hanging fruit’ has already been cut, meaning that the budget cuts being proposed are deeper.

Colleagues also noted that 80% of their budget comes from Scottish Government grant funding, so their ability to generate significant additional revenue is quite limited. Council tax increases and fees/charges only make up a small portion of their overall budget. Any increase in Council tax needs to be balanced with the need to consider the disproportionate impact on lower income households (with recognition of the Council Tax Reduction Scheme providing support in a range of circumstances). The scale of any increased revenue also differs depending on the scale of the increase, Council size and the nature of the local authority housing stock. Given the constraints on income generation, the main focus is therefore on driving down costs. This often means making difficult decisions to reduce spending on services, which then raises challenges around the impact on children’s rights.

Colleagues also commented on the challenges of increasing fees and charges, as there is often a perception that as a council service, it should be provided at a low or concessionary rate, rather than at full cost recovery. This limits the potential for councils to generate more revenue through their fees and charges.

Colleagues described difficulties in engaging the public and elected members in budget decisions that may have negative impacts on children, even if necessary due to budget constraints. There is discomfort around asking the public to choose which services to cut. Efforts to explain budget proposals in a simple way often mean that the ‘real detail’ of proposals gets lost and there is a risk that services that protect minority or vulnerable groups are posed against universal and ‘popular’ services such as libraries or maintaining the roads. While colleagues were aware that efforts were made to engage with children and young people in budget consultations, they were not directly involved in this work.

4.3 Interaction between Local and National Government on Policy/ Public Finance

Colleagues raised concerns that many of the policies and decisions that have the biggest impact on children's rights, such as welfare reforms, are made at the UK government level, rather than being within the control of local authorities. Colleagues would welcome clearer guidance from the Scottish Government on how they can meet their responsibilities where the responsibility for the outcomes at local level were not within their capacity to change.

Colleagues expressed that they would like greater clarity about how the UK Government and the Scottish government will consider children's rights in their own budgeting process. This is fundamental given the impact that national funding decisions make at the local authority level. A top-down approach from the government was seen as critical to informing and guiding the processes at the local authority level. Given there are so many funding streams from national government that come to local government, if Scottish government robustly considered UNCRC in their policy on these then local government can follow through with delivery.

Colleagues advocated for a greater proportion of funding to come without specific ringfenced obligations, as it allows local Elected Members to make spending decisions based on local priorities. An example of this in one local authority was cited as the Whole Family Wellbeing Fund has not been as effectively as it could be, with unspent money sitting in the fund because the local Community Planning Partnership has chosen not to take certain projects forward. In addition, it was felt that a greater degree of assessment of funding streams and initiatives could be more effective in the delivery of programmes of work that would further support the realisation of children's rights.

4.4 The Budget Development Process. Politics and Pressure

Colleagues spoke about the cyclical nature of the budget development process. The budget development cycle is an ongoing process throughout the year rather than just a single annual budget event. While colleagues in finance have a role in ensuring service areas manage their budget allocations, they are not involved in determining the detail of spend at service level. At service level, the budgets are often about 'tweaking' the status quo or shaving off the set budget saving. Finance colleagues advocated for the earlier and clearer consideration of children's rights at directorate level to ensure that due consideration was given to the requirements of the new legislation.

Elected Members are presented with budget proposals and internal proposals are discussed and either progressed or declined by elected members as part of this process. As with many policy setting processes, Elected Officials, are contacted by constituents and other campaigning bodies to garner their support for particular services to continue or to receive additional funding. In this space, there can be considerable negotiation about budget proposals and officers may need to respond at short notice for requests for additional information.

Colleagues highlighted that this process can intensify in the early months of the calendar year as budget proposals are 'firmed up' and debated at Council meetings. Once proposals become known to the public, pressure from interest groups and affected communities can intensify and individual elected members can face extensive pressure from the public in relation to particular proposals. In these circumstances, officers are keenly aware that the political nature of budgetary decisions is a hugely important consideration.

Where budget cuts are developed at service level, and subsequently alternative proposals are needed, this can leave short timescales and insufficient time for thorough consultation and communication with effected stakeholders.

'The budget process is becoming increasingly politicised. What is a reasonable for officers to do in terms of engagement and checking all consultation responses are valid etc? We have an done what we can with the limited resources that we have. I feel the public can weaponise the law and we can feel bruised as a result'.

4.5 Observations about Children's Rights Wellbeing Impact Assessment on Budget Decision Making at local level

Colleagues had experience of using equality impact assessments (EQIA) as part of their decision-making process and were keen to explore how consideration of children's rights could be integrated into exiting processes rather than creating a separate parallel process.

'*All reports to Council and Cabinet (and committee reports) outline the implications captured through the Integrated Impact Assessment process*'

Colleagues were also interested in the case study of the removal of free school meal provision in Wales as a reference point. Their discussion focused on how this placed an emphasis on the importance of having a robust process in place to assess their decisions and demonstrate their commitment. However, colleagues also expressed some concern that taking this approach placed more emphasis on processes rather than a progressive approach to the realisation of rights and this may not be accepted by Elected Members or by communities.

Colleagues also highlighted the limitations of impact assessment as an approach as they are often focused on strategic decisions or service redesign rather than proactively supporting or evaluating operational changes or assessing how services are already upholding rights. The lack of an consideration of the cumulative nature of decisions being made and how rights can be considered in this context.

There was a sense that the processes and tools discussed need to consider this broader human rights perspective, rather than just focusing narrowly on children's rights at the expense of other protected groups. Colleagues also highlighted that after many years of cuts to corporate and community based services, there is a lack of capacity to undertake the type of community engagement and codesign that ensures robust impact assessments. Even where statutory consultation is required, the resources needed to support this type of process are scarce and this leaves the local authority open to challenge and criticism.

5. Personal Reflections from Participants

The Action Inquiry provided protected time for learning and reflection and this was a core part of the process. Participants shared their personal reflections on what they had gained from taking part:

'This cycle of budget setting has been a very challenging experience. We had some very difficult decisions to make and very little time to make them. Behaviour from some members of the public was very critical and it felt like some deputations became very politicised. Officials who had worked hard to prepare papers etc were left smarting. We need to work much earlier in the process and work out what a reasonable approach to public engagement is in this context'.

'Knowing how much we spend on children and young people isn't as built into the DNA of the council as it should be to support the realisation of children's rights. Knowing what we spend is one thing but what is it telling you about the outcomes for those children – is it what we want for them?'

'I'd like a better understanding of what good looks like. There are lots of generalities and principles which are valid but how do I make this practical. We already invest a lot in impact assessment but it seems to not be enough when the challenge comes from the public and those who can mobilise the electorate'.

'I have been discussing this with my Finance Director and the head of finance aware of the new UNCRC legislation. She said they have started talking to the legal team to ensure the council is starting to factor this in as part of the budget setting and other decision-making processes'

'The discussion really made me think about whether we are just "tinkering" to make the existing processes work, versus truly "setting the budget with children's rights at the heart.'

'We are now working to ensure the council integrates UNCRC into its budgetary processes, aiming to consider children's rights as a core element of budget planning rather than addressing them as an afterthought.'

6. Reflections from the Improvement Service

The Action Inquiry provided the opportunity to work alongside finance colleagues at a point in time where they were working through the budget approval process at local level. This brought the opportunity to highlight examples of practice 'as they happened' and to gather the reaction to these with a children's rights lens.

The Colleagues who took part in the action inquiry brought with them a genuine concern for the implications of the budget decisions that were required to comply with the need to balance the budget. As a result, the Action Inquiry focused predominantly on the processes and tools e.g. Children's Rights Wellbeing Impact Assessment, that would offer protection against legal challenges.

Due to the nature of how colleagues were feeling, the Action Inquiry discussions focused on how colleagues can mitigate or reduce the risk of legal challenge on budget decisions as a result of the new legislative requirements. While colleagues could point out how they can monitor spend on specific budget lines focused on children and young people (e.g. early learning and childcare, playpark provision etc), this became muddy when considering how you can identify spend on more general budget areas which also benefit children and young people, e.g. street lighting, waste services or housing budgets.

Exploration of the annual Local Government Finance Return could provide a resource that can support local authorities to demonstrate the key areas in which they are investing in children's rights and monitor their spend over time. This analysis could help local authorities to demonstrate their commitment and to focus on areas where further investment is needed to further progress children's rights.

7. Recommendations

7.6 While the UNCRC legislation is a powerful tool in driving the consideration of children's rights across budgetary decisions, further work is needed to outline the long-term importance of improving the realisation of children's rights, both in the short and longer term. While the focus on 'early intervention' is not new, this work has remained within the realm of children's services and not on wider systems change that can support a proactive approach to children's rights. The narrative has also focused on the achievement of better outcomes for children rather than a sharper focus on the positive implications for public finances more broadly. This perspective could help to empower local authorities to prioritise the rights of children and young people in decision- making, inform wider transformation and ensure better outcomes in the long term.

7.7 The consideration of children's rights should not be confined to the point of the budget cycle where final decisions are being made. To ensure that children's rights are considered throughout the budget development cycle, colleagues across finance and service areas need to work constructively to understand how budget decisions are affecting the realisation of children's rights. The consideration of children's rights needs to happen at all stages of the budget cycle. The development of a toolkit/ guidance aimed at local government finance could support the practical application of a children's rights approach to policy development. Guidance should include a focus on income generation as well as budget allocation to ensure that all opportunities to consider the impact on children's rights are explored fully. For example, consideration of the Section 75 (developer contributions) from a children's rights perspective, could provide for a greater understanding of the importance of planning and placemaking for the realisation of children's rights

7.8 Further clarification and examples of practice on how to take forward children's rights budgeting would be beneficial. This would enable local authorities to proceed with their work in this space with greater confidence that they can mitigate the risk to the local authority while doing their upmost to protect the rights of children and young people.

7.9 The Local Government Finance Return is prepared by most local authorities on an annual basis. This return is potentially a rich source of data about the funding being allocated to services that support the realisation of a number of children's rights. Further investigation of the scope and potential of this data should be undertaken to determine how to ensure that this data is used to support future work and scrutiny on children's rights budgeting.

7.10 Elected members need to be fully supported to understand children's rights and the obligations of the UNCRC legislation. This needs to go beyond a surface level of awareness and ensure that elected members fully understand concepts such as progressive realisation and non retrogression. This also means empowering them to challenge budgetary proposals that are made without due consideration of children's rights and is particularly important for Elected Members who are portfolio holders.

7.11 Further exploration the impact of ringfencing funding for local authorities could enable the broader consideration of how children's rights could be progressively realised across local government services.

To access the resources mentioned through the Action Inquiry visit the Children's Human Rights in Scotland Knowledge Hub Group www.khub.net.

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