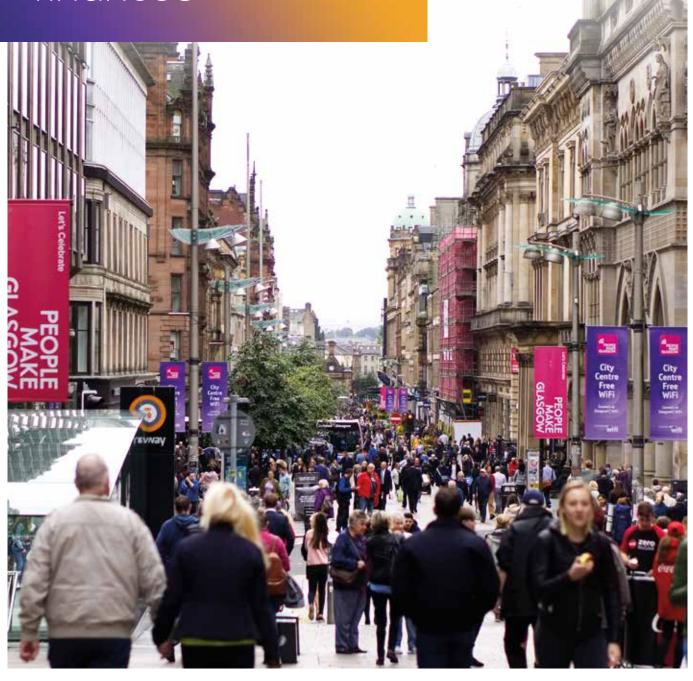
August 2019

# Public Finances -Understanding Scotland's public finances



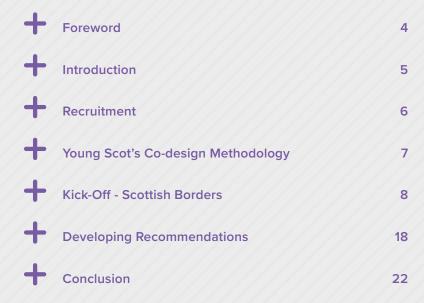


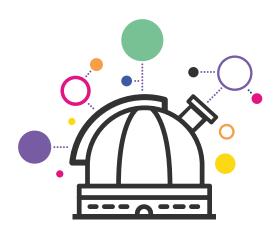






## **Contents**





## **Foreword**



We are working hard to improve understanding of Scotland's public finances among the general public, including taxpayers present and future – especially since the establishment of the Scottish Exchequer within the Scottish Government in 2017.

Our publications such as **Scotland's Finances** have helped by providing a useful summary snap-shot of a complex picture. But we recognise that there is a great deal more that can be done to make the detail of tax and spend in Scotland more accessible and meaningful to people, especially young people.

The Year of Young People 2018 provided opportunities for us to learn from children and young people's experiences and perspectives on living in Scotland. It inspired us to think differently about how we speak - and listen - to young people about our public finances.

We were delighted to be able to engage with Young Scot to co-design a project where we worked together with young people to get a clearer picture of their understanding of Scotland's public finances. We talked with young people directly about the challenges and opportunities of living in today's Scotland. We talked to them about the public services they use and this led to some very thoughtful and insightful discussions about how these services are currently funded, or might be funded differently.

This report is the outcome of a series of workshops with young people in the first half of 2019. It will inform our approach as we continue to engage with young people, and people of all ages, about Scotland's public finances.

**DG: Scottish Exchequer** Scottish Government



## Introduction

#### **#YSObservatory**

Young Scot delivered a series of workshops in partnership with the Scottish Government's Budget and Sustainability Directorate to engage young people to gather insight into their understanding of Scotland's public finances, as well as the key priorities for spend and the key messages they need to have a greater knowledge of this. Young Scot initially worked with a group of young people from Galashiels in the Scottish Borders and a second group of pupils from Balfron High School in Stirling Council area.

Using Young Scot's innovative, tried and tested Co-design process, the young people involved explored the topic of Scotland's public finances and from this pulled out the key priority messages based on their needs. The young people then used these

messages to develop recommendations on what information they required and what format this information should be in to make this easy to understand and more engaging to young people in Scotland.



## Recruitment



Young Scot recruited participants to take part in this opportunity by promoting the project to young people in Scotland aged 14 – 25 using their networks, platforms and social media. The opportunity was also shared through Young Scot's Localities team to Local Authority partners who have links to pre-established groups.

A group was initially recruited from Galashiels in the Scottish Borders. Eight young people from across the Borders took part in the session, six of whom identified as male and two as female. The young people who attended had a varying age range; the youngest was 13 years old and the oldest was 19 years old. The young people also had diverse backgrounds from school, full-time employment and unemployed. Due to the young people's availability, we decided to hold the next two sessions during school hours.

To continue on from the work of the initial group of young people, Young Scot and the Scottish

Government took the decision to approach high schools based in central Scotland to work with S5 and S6 pupils. Young Scot approached Balfron High School, a state school based in Stirling, to host the remaining sessions; from this Young Scot worked with 22 S5 and S6 pupils, ten of whom identified as male and 12 as female. The young people were aged between 16 and 17 years old and, although still at school, some of the young people had part-time jobs, with a few in their last year at school and moving into further education at university or college. In total, Young Scot engaged with 30 young people over three sessions.



# Young Scot's Co-design Methodology



Young Scot has extensive experience in engaging with Scotland's young people to seek their views and input in the development of the services they use. Young people have a significant role to play in encouraging organisations and communities to adopt a more collaborative culture, focusing resources to effectively meet the needs of individuals and communities.

Young Scot's co-design service involves young people systematically creating, designing and delivering solutions in collaboration with organisations. Young people are involved much earlier in decision making processes through a highly participative approach developing informed insights, ideas, recommendations and solutions for policy and practice.

Supporting people to co-design ideas has been shown to have a radical impact on service innovation. We know using a co-design approach enables a more distributed, decentralised approach to innovation that supports Scotland's ambitions to cede power and responsibility directly to young people.

This approach was used throughout the process of engaging young people in exploring their understanding of public finances in Scotland. Through this process, young people systematically worked through the five stages in the Young Scot co-design process and were supported in the creation of ideas and solutions that can be considered by the Scottish Government when developing resources and information for young people in the future

#### Explore

Define by uncovering the issues through gathering insights and genuine experiences from/by young people

#### Create

Generate ideas and co-produce solutions with/by young people

#### Reflect

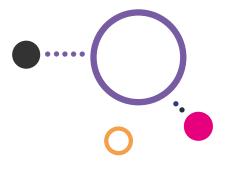
Consider the future impact and sustainability of the ideas produced

#### Recommended

Produce influential ideas/solutions with young people

#### **Implement**

Implementation of ideas/solutions with young people



## Kick-Off - Scottish Borders



Young Scot and the Scottish Government's Budget and Sustainability Directorate held a kick-off session with the young people from the Scottish Borders to gather their understanding of Scotland's public finances.

#### Braindump The young people were asked to write down their thoughts, ideas, words and reactions in any format that they liked on what public finances mean to them. Below are the responses from the group. Accountability Money Responsibility Clean Do you understand it? Schools Committee – mainly adults Boring Goes over head Charities Community Key to life Taxes No concern of young people Participatory Budgeting TD1 – youth Hub Food Long meetings The young people in need Not taught enough in school Pointless Scottish Government Get money that's just taken Supposed to support those away again in need Complicated Bank Road works Not enough Don't know enough about it Street litter Spread thinly Job centre Non-profit organisations Hidden Accountants **Emergency services Decisions**

Using the list of responses, the young people were asked to develop a priority list based on what they felt was most important to them and their peers. By doing this the young people identified the key priority areas for young people to better understand Scotland's public finances.

The young people felt the topic of public finance could be boring and uninteresting; they said that by making this more engaging young people would be more likely to take more of an interest. The group also felt that public finance was pointless for their age group but if they were to better understand how this affected them on a daily basis it would become more of a priority for them. The young people said that how public finance affects

their community was a high priority and that they would like to know how the money is distributed to make a positive impact in their local communities. The group also said that, living in a rural community, road works were an issue for them because this can affect how they socialise and engage with friends and family, so they were keen to find out how public finance can assist with this. All the young people said that taxes were a priority as they will all be impacted by them, so understanding how taxes are associated with public finance would be beneficial. Another priority for the young people was that public finance was not taught or discussed in school and they felt that this should be included so that young people have a better understanding in general.

#### Barriers to understanding Scotland's public finances

The young people were split into two groups and were asked to think about the barriers they face to understanding the topic. Below were the responses from each group:

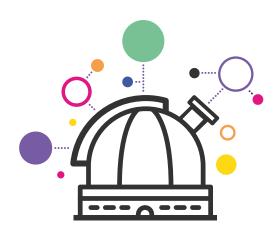
- O Not taught it in school x3
- Brexit don't know what's going to happen x3
- O Not listening while being taught about public finances x3
- Discombobulated people are confused when talking about it x2
- Youth's future is decided for them x2
- People not talking about it enough **x2**
- Lack of knowledge x2

- Systems feel like you're outside of the system. Too many processes, if you're not involved with them you won't understand x1
- Learning difficulties x1
- O Not often spoken about x1
- O Dyslexia x1
- Wouldn't click on info about it because not interesting
- Get bullied for talking about it
- Not information that you'd be interested in engaging with

- Not interesting
- Alienated feel like it doesn't have anything to do with them.
- Wouldn't click on it unless it's right in your face
- Derogatory negative opinions & comments from others make your opinions negative
- Not modernised, still written down needs to be more 21st century
- O Don't get anything out of talking about it



The young people said that how public finance affects their community was a high priority and that they would like to know how the money is distributed to make a positive impact in their local communities.



The young people were then asked to identify the three barriers they feel are most important to tackle to enable young people to better understand public finance. From this each group had three barriers each, these were:

- Discombobulated people are confused when talking about it
- O Brexit don't know what's going to happen
- Not listening while being taught about public finances
- O Youth's future is decided for them
- Not taught it in school
- People not talking about it enough

Staying in their groups the young people were asked to think about the opportunities for change and write down ways they feel these barriers could specifically be alleviated.

**Brexit** – the young people felt that once Brexit had been finalised and a deal had been agreed any information related to public finance should be more simplified for young people as they feel the way info is distributed and explained at the moment is too tailored to adults.

Discombobulated – the groups felt that in order for young people to better understand public finance, the wording that is used within leaflets and online should be more accommodating to younger audiences and that having explanations of abbreviations would help make things clearer and more understandable.

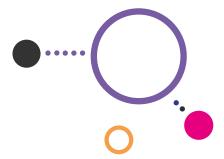
Not listening while being taught about public finance — the young people felt that the topic itself can be hard to follow but said that info sessions within schools should be kept short and simple so that young people stay involved in the discussions. They also suggested that info sessions should be more interactive so that young people can follow the topic more. The young people felt that by making sessions more interesting you would have larger numbers of young people more informed about Scotland's public finances.

Youth's future is decided for them – the groups said they have no say in how public finances are distributed on a local or national level but felt that the Scottish Government could make use of already established groups such as pupil councils, MSYPs, area partnerships that discuss where more funding is needed; by having young people involved they would be able to show and explain the areas where funding is needed and why this is the case.

Not taught in schools – the young people felt that having public finance taught in school would give young people the knowledge they need to better understand it. They said it would be good to introduce the topic with certain subjects like maths because this would make the topic more relevant and more understandable. They also felt that this could be introduced in Personal and Social Education (PSE) classes, whether this comes from the teacher or experts from the Government who come in to deliver an information session. The groups also mentioned that consideration needs to be given to those who are home-schooled and that having sessions in youth clubs to introduce the topic at an early stage may be a benefit.

People not talking about it enough – the young people felt that this isn't a topic that a lot of people talk about and suggested that there could be a public awareness campaign that would utilise schools, TV, radio and potentially recognised figures speaking about it.

They also suggested using social media to distribute information - most young people are using one or more forms of social media on a daily basis. The groups did say, however, that thought should be given to the content that is used on social media because this may just be passed over by young people on their timelines.



#### Want to know vs should know

The young people were then asked to think about what they want to know about public finance as well as what they feel they should know about Scotland's public finances. Once they had done this the group was asked to prioritise one thing that had been written under each heading.

#### Want to know

- Why taxpayers pay for those who don't work x5
- How much money is spent on Scotland's public finances compared to other things x3
- O Don't want to know more
- Processes
- Nothing
- What taxes are spent on
- Where money is spent

The voting above shows that young people were curious to find out why taxpayers pay for people who don't contribute due to not being in employment. The young people would like to know how finances are spent by the Scottish Government.

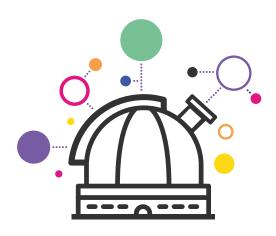
#### **Should Know**

- A lot more x3
- O How it is spent x2
- O How it effects young people x1
- Systems and processes x1
- lt's hard to know what you should know or want to know if you don't know the subject
- What public finance is
- Finances
- How does it all work
- Where will money for us go

The results above show that the young people felt that they should probably know more about public finance than they currently do because it is important to understand how money is raised and distributed, and how this affects young people nationally as well as locally. The young people also felt it was important that they understand the systems and processes around Scotland's public finances.



The young felt that having public finances taught in school would give them the knowledge they need to better understand it.



#### **Braindump**

To gain an insight into the group's understanding of public finances the young people were asked to think about their first thoughts, ideas, words and reactions to the following questions:

- What does public finance mean to you?
- What do you think when people talk about public finance?
- What do you already know about public finance?
- How do you think decisions on public finance affect you?
- Do you feel like you have a say in Scotland's public finances and how they are raised/spent?

#### What does public finance mean to you?

The young people said that public finance to them was about saving money and spending money effectively and in the right places. They also said that it's about how their education and future is affected due to the raising and spending of money. The young people felt that public finance was how the Scottish Government spends money and how taxes are raised. The group also said that if they pay for it they should get a good service.

## What do you think when people talk about public finance?

The group said that they think about health, transport and education and how these can all be impacted both positively and negatively depending on the money that can be allocated. The young people also think that this money can be allocated incorrectly and spent on things that are not in great need of funding. The young people also said they think about tax and debts and how certain areas in Scotland are living in poverty. The group said that often their first thought on Scotland's public finances is that there are a lot of problems and that it's not the most popular topic.

#### What do you already know about public finance?

The young people said that they know some things about public finance and that it is money the Scottish Government raises through taxes and spending on local communities, services such as the NHS and education. The group also said that it involves budgeting and cuts within local authorities.

## How do you think decisions on public finance affect you?

The young people felt that the decisions made around Scotland's public finance affect their health, education and transport. The group said that depending on how money and funding is distributed this can either have a positive or negative effect. The young people also said that it affects their local communities for things such as road and street maintenance, housing and tourism. The group said that they are also affected through the taxes they pay on items and the cost of big value items such as cars and technology.

## Do you feel like you have a say in Scotland's public finances and how they are raised/spent?

The majority of young people said that they didn't feel they have a say on how public finances are raised and spent. The young people also said that they didn't know they could have a say, with one young person saying they were unsure where or how they can have an influence.





#### **Prioritising Previous Ideas**

The young people were then asked to look at the priority areas that were raised by young people in the Scottish Borders that had taken part in a previous session on Scotland's public finances. These priority areas were split in to 'what you want to know?' and 'what you feel you should know?'. The group were then asked to identify one from each that they felt would be their priority area. Below show the priority areas and how the group voted.

#### What you want to know about public finance?

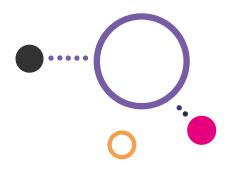
- Where money is spent x9
- Why taxpayers pay for those who don't work x7
- What taxes are spent on x6
- How much money is spent on public finances compared to other things? x5
- Processes x1
- Nothing

The young people were keen to find out where the money is spent and how it is distributed across different services. The young people also said that they would like to know what taxes are spent on and why taxpayers also pay for those who don't work. The group were keen to find out how much money is spent through public finances by the Scottish Government. The group mentioned that they would like to know how the process of raising and disseminating money works.

## What you feel you should know about Scotland's Public Finances?

- O How it is spent x7
- O How does it all work x5
- Where money for us go x5
- O How it effects young people x5
- A lot more x4
- What public finance is x2
- Systems and processes x1

The group said they felt they should know how money is spent and distributed and how raising the pot of money works. The young people also felt that they should know where money that is assigned to young people in Scotland goes and how this affects them. The young people felt that they should know more about Scotland's public finances more generally and what the systems and processes are for this.





#### **Prioritising Spending**

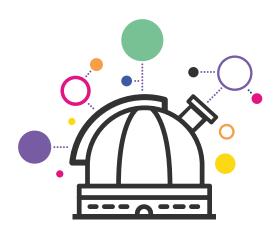
Following discussions with the team from the Scottish Government on what Scotland's public finances are and how they are relevant to young people, the group were asked to identify where they think budget should be allocated. The young people were split into small groups and asked to prioritise the various spending areas from the highest priority to the lowest. Through this activity it was clear that all groups reported similar priority areas that Scotland's public finances could benefit. The most common priority areas in order of most important to least important are shown below.

#### Health - Mental health

The young people felt that health and mental health should be prioritised when it comes to public finances. They feel that mental health is a very big issue nationally at the moment so an increased budget for this is important to support those who are experiencing mental health issues. The young people felt that the support available to young people was not what it should be and that waiting times are too long, which doesn't help with someone experiencing mental health issues. Mental health is an ever-growing issue that needs to be given full support and backing to ensure those who are experiencing mental health issues feel comfortable to speak out and seek the guidance they require.

#### Education

The young people felt that education was also a top priority. The group said that in order to have young people achieving the best they possibly can money needs to be spent on areas that have an impact on their future. The group also felt that education should benefit from public finances so that young people can be given the best possible chance to succeed through school. The young people felt more support should be given around resources and school meals to those that are not in a financial position to provide this to help support their learning and development through the education system.



#### **Sport**

The young people felt that sport could benefit from increased funding through public finances. The group felt that in order for Scotland to compete with nations from across the world more had to be done at a grass roots level to ensure that athlete development was on a par with successful nations from across the world. Backing entry level in sport will ensure that young people are given the very best opportunity to develop and compete at the highest level.

#### Transport - Rural transport

The young people felt that transport was a priority and, in particular, rural transport. The group is from a rural area and find that there are very few buses they can get, which means they miss out on socialising due to issues with getting to and from certain areas. Increasing funding and money for travel would better support rural areas; this would have a massive impact on not only young people but the wider community. This would also benefit young people who are looking to get into employment as they won't be so limited in where they can and can't accept jobs.

#### **Justice**

The group felt that justice should benefit from increased funding through public finances. The young people felt that reducing reoffending numbers and ensuring that young offenders are given the support they need to turn their lives around when liberated would see them integrate better into society. The young people felt more backing should be given to support young offenders to gain relevant skills and qualifications that would hopefully result in them gaining employment.



The group said that in order to have young people achieving the best they possibly can money needs to be spent on areas that have an impact on their future.



#### **Material Feedback**

The Scottish Government provided the young people with printouts of current materials they use both online and offline that enable people to follow and understand Scotland's public finances. From this, the young people were asked to write down on post-it notes their feedback on the materials. The young people used different coloured post-it notes that related to different things.

#### What you liked?

The young people felt that the diagrams that were produced were very helpful in showing clearly how money is raised and disseminated, which makes it easier for young people to understand. The group also felt that the materials were clear and concise and didn't use too much jargon, which made these easy for young people to follow. The groups liked that the Scottish Government website was a good tool and was simple to use and search for relevant topics. The young people also liked the use of social media, using Twitter to link to documents, web pages, videos etc., meant that other young people could dip in and out of materials that are produced.

#### What could be improved?

The young people felt that the Scottish
Government should engage more with young
people face-to-face so they could ask questions
and get answers there and then rather than
wait. The group also felt that having more
materials shared and highlighted in school
would be beneficial to helping young people's
understanding of public finances. The young
people said that making sure materials were more
young person friendly and not filled with jargon
and language that they don't understand. This
also includes video work and making sure this is
relevant and not just people talking at them.





#### New ideas you would like to see?

The group recommended making use of social media that young people are actively using, such as Instagram, would ensure that more of Scotland's young people were engaging in content that is relevant to them. When asked the young people identified Instagram, Snapchat and Twitter as the most popular forms of social media to use to engage them. The group also said that many young people won't sit and read a 30-40 page document so these should be made into short easy to read digital copies that have the key priorities and messages the Scottish Government wants to get across. The young people said that making sure video work is interesting was important; this doesn't have to always be interview style but could be series of infographics. The young people said that they enjoyed taking part in the session and felt that having interactive sessions with relevant teams within the Scottish Government would be of huge benefit.

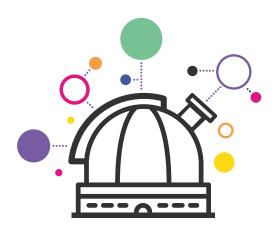
#### **Priority Messages**

The young people were then split into smaller groups and were asked to revisit the initial activity on what they feel they should know and what they wanted to know about Scotland's public finances. From this the groups were asked to develop three statements or topic areas that they felt young people should have communicated to them. The responses from the groups are:

- What it is spent on x3
- How much leaving the EU will affect the Scottish annual budget x2
- O How it affects us x2
- O How our money is helping society
- O How much money is allocated in each section
- What the Government can do to improve it
- What they plan to do about it
- O How it works
- How we understand it (especially after Brexit)
- O How public finances affects us as young people
- Where the money is being spent



The young people said that making sure materials were more young person friendly and not filled with jargon and language that they don't understand.



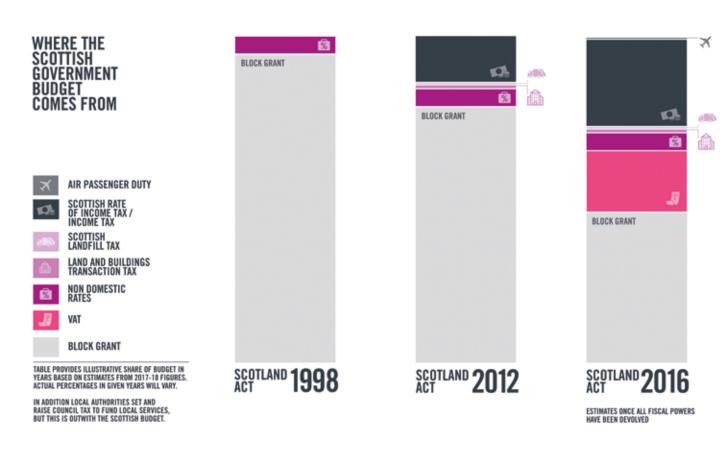




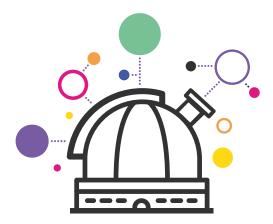
Young Scot held a final session with pupils from Balfron High School to develop their key priority messages for young people in Scotland to better understand public finances. The young people also developed a list of guidelines that the Scottish Government can use to ensure future content they produce will have greater reach and engagement with young people in Scotland.

#### Context of paying tax set by Scottish Government

The Scottish Government provided a variety of resources and information in order to set the context for the young people as they were developing their ideas and solutions.



Graph taken from latest version of Scotland's Finances, 2019



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The young people said the key information they needed was understanding income tax and VAT-for example how much income tax they will pay in employment.

#### **Developing Priority Messages**

The young people were given the priority messages that they identified at the previous session and were asked to explore each message further. The groups were asked to map out the key information needed, what this would look like and where this would be sourced, in order for them to better understand public finances. There were four priority messages in total that each group worked through:

- Scotland's public finances and Brexit.
- How public finances affect young people.
- What money is spent on.
- O How money is allocated across sectors.

Each group was allocated a priority message and was given time to expand on the information they needed, how this would look and where they would like this to be sourced.

#### Scotland's Public Finances and Brexit

The young people felt that the key information they needed to understand Brexit and public finances was to know who decides where money is spent if we leave the EU. The young people were also keen to find out what Brexit would mean for the country's financial status and whether this would have a negative effect on them. The groups also said they would like to know the pros and cons of Brexit so that any fears they may have could be alleviated. The young people said that they would like this information to be bold and eye catching with limited writing as they said that too much writing is off-putting. The groups also felt that the correct use of colours and making information fun and engaging was a definite requirement. The groups said they would like to see this information in schools either as physical materials or being taught in Personal, Social and Health Education classes. The group advised that having a presence on public transport and within bus and train terminals would catch the eye of young people. The young people recommended making use of social media and adverts as a good way of spreading this information.



#### How Public Finances affect young people

The young people said the key information they needed was understanding income tax and VAT – for example, how much income tax they will pay in employment. The also wanted to know how much the Government spend on sections of the budget that directly affect them, whether that is education, employment, health etc. The group felt this should be on designed leaflets with young person friendly wording and no jargon. They also said that the information should be bold and catch the eye so that they don't read or move past it. The young people felt that making use of bright, modern colourful posters with simple designs and using infographics and snappy videos on social media would also pique interest. The group recommended that these should be situated in schools and in local libraries- places that young people would go to or visit frequently. The young people also said that having this information on display on transport links and hubs would mean that young people in Scotland were seeing the messages on a daily basis. The group advised that the Government should make more use of interactive billboards in major towns and cities to disseminate this information.

#### What money is spent on

The key information the young people were looking for was finding out how the money is raised, the areas the money is spent and why it is specifically spent on those areas. The group also wanted to know how the money that is spent relates to them and how this affects them. The young people said that the key information should be shown in bold lettering to draw attention to it; they also felt that using bright and welcoming colours would catch people's eye. The young people said that the use of diagrams makes understanding the breakdown of figures and spend a lot easier. The group felt this should

be created into infographics and videos to show how money is spent and split across each area. They felt that this information should be available and easily found on social media as most young people use this often. The group said that making videos available on YouTube, both as adverts as well as content, means that it would have a wider reach. The young people also felt that using public transport to spread this information would be a benefit as most young people use public transport on a daily basis. The group would also like to see public finance information produced in a short leaflet that can be found in school and public libraries.

#### How money is allocated across sectors

The young people said that the key information they need is knowing how much money is allocated to each area and why that certain amount is given. The group would also like to know how much is given to higher and further education and if this will change because of Brexit and whether free tuition will be affected. The group said the information should be bold and stand out but not be overloaded with writing. They also felt that use of diagrams and charts would help explain the breakdown of money and where this is allocated. The group advised that having this information on social media would engage a wider audience, as would having this as content on YouTube. The group also recommended that having this content as adverts on TV as well as promoted adverts on social media and YouTube would achieve a greater impact. The young people were keen to have the subject of public finance promoted in school, potentially in Personal, Social and Health Education classes and having readily available information leaflets in libraries would be beneficial too.





The key information the young people were looking for was finding out how the money is raised, the areas where the money is spent and why it's specifically spent there.



#### **Developing Guidelines**

The Scottish Government then showed the young people the ways they currently promote information on public finances and displayed the materials they have at the moment. From this the groups were asked to develop a list of guidelines on what makes good content that they engage with and what to avoid. Developing these guidelines, the Scottish Government can ensure that any future content they produce could have greater reach and engagement with young people in Scotland.

The guidelines the groups came up with were very similar to each other, showing consistency in their recommendations. The most common responses from each group were used to develop a final list of guidelines.

Do's	Don'ts
Make use of bold lettering	Don't use too much writing
Make sure it's colourful	No use of jargon
Make sure it's easy to read	Don't be cheesy
Ensure you use concise facts	Don't try to relate to young people
Appropriate use of visuals	Don't spam social media – too much is a turn off
Must be easy to understand	

## Conclusion



Young Scot, in partnership with the Scottish Government, initially approached the sessions by exploring the young people's understanding of public finances and their priorities for how they felt money should be spent in Scotland.

The lively discussions demonstrated interest and understanding about how and why public money is spent on specific services and how it benefits young people as citizens.

Throughout the sessions held with young people from the Scottish Borders and Balfron High School, it was highlighted that there is confusion and a lack of understanding about what Scotland's public finances are and how these directly affect young people. Alongside this, the emerging themes – young people facing the uncertainty of Brexit and their role as taxpayers – clearly reflected the reality of the young people's situation.

What was also clear is that young people do feel that they should know about Scotland's public finances as it affects them on a daily basis, whether that is contributing through taxes or benefiting from a service that relies on public money, such as the NHS. For young people to better understand Scotland's public finances, it seems it would help them if there was an emphasis on the key areas that impact young people based on where they are at that point in their lives. There also needs to be thought given to how the information is disseminated, making sure that all young people's needs are met. Information is key but how it is produced is just as important if young people are to engage with and understand it.

The young people's views and priorities explored throughout this process are just the start of the conversation and provide the opportunity for the Scottish Government to continue to engage young people about Scotland's public finances.



## Get in touch

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We are happy to consider requests for this document in other languages

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