

18th December 2023

Dear Humza Yousaf MSP, Douglas Ross MSP, Anas Sarwar MSP, Alex Cole-Hamilton MSP, Patrick Harvie MSP and Lorna Slater MSP,

Social investment through the tax system binds each and every one of us together.

We are writing to you – the leaders of Scotland’s main political parties – because we believe you must now work together to use this upcoming Scottish Budget process to mark a line in the sand. We need you to build a new political consensus in Scotland about what needs to happen to ensure social investment matches our collective aspirations for our country.

People in Scotland believe in looking out for each other and taking responsibility for themselves and their communities, as well as our shared planet. But those vital social bonds are becoming increasingly stretched. We therefore urge you to do more to build on and reflect those values.

Ambitions for Scotland’s public services, which we built and use together, are not being matched with sufficient investment, weakening our ability to protect and empower ourselves, while supporting those around us.

The damaging effects to individual and collective wellbeing are increasingly clear. From the scandal that one in four children endure the injustice of poverty, to deep gender and racial inequalities. From persistent low pay that too often fails to cover the cost of essentials, to the chronic undervaluation of all forms of care. From long waits for hospital treatment and housing repairs, to holes in our roads. And from a lack of sufficient support for people in recovery from addiction, to the damaging pattern of broken climate promises.

Despite best intentions and considerable effort to date, insufficient social investment is costing us all dearly. It is eroding the foundations of Scottish society and limiting our ability to realise our basic human rights. This lack of social investment is being fuelled by a failure to use our tax system as a transformative tool to raise sufficient money, reduce inequality, and to help deliver the fairer and sustainable Scotland we want and need.

There is no doubt that the people most affected by a lack of social investment are the poorest and most vulnerable, particularly women. But under-investment makes us *all* poorer. It limits our collective sense of hope and solidarity for what we can achieve together. It undermines our view of Scotland as a wealthy nation.

But it also weakens our economy, because no business can prosper without the public goods and infrastructure that underpin a healthy society. And, above all, it weakens the social contract between each of us as citizens, and collectively, with the state.

We hear much about significant pressures on this year's Scottish Budget as well as significant holes in those that follow. We're told that 'exceptionally difficult choices' are and will be needed.

But we believe that critical national priorities – including those locked into law with cross-party support – cannot be put at risk or sacrificed due to a lack of sufficient investment.

Yet there is a lack of consensus and collaboration amongst you, our political leaders, about how to fairly and sustainably raise the additional resources needed. This is short-sighted.

The lack of consensus on local tax reform is perhaps the clearest example.

While the recent consultation on Council Tax did not represent the fundamental reform that's needed to put justice and compassion at the heart of the local tax system, the abrupt announcement of a freeze in rates next year risks cementing the long and damaging impasse. It risks leading to less social investment in our critical public services, while providing potentially hundreds of millions of pounds in an effective tax cut which will disproportionately benefit wealthier households, and doing little to seriously address the cost-of-living crisis for those with the least.

Instead, we need this upcoming Scottish Budget process to be a pivotal moment for fundamental change. It must be used to kick-start a series of fair tax reforms that together will serve as the linchpin for a more equitable, resilient, and prosperous Scotland.

Because while Scotland is, by any measure, a wealthy country, it is also deeply unequal. Why do we see increased prosperity for some, while more and more people across Scotland are forced to rely on charitable food aid? For too long, we've crossed our fingers and hoped that a growing economy will lift everyone and solve the challenges we face. But reality has proved time and time again that without fundamental changes to our economy, this just won't happen.

We, the undersigned – campaign groups, think tanks, charities, trade unions and others – therefore urge you to find consensus to chart a new path for social investment.

It's time to be honest with each other, and with the people of Scotland, about the crisis in social investment and take fundamental action to fill the holes in our infrastructure, in our public services, in our incomes, and in our hope for the future.

You and your colleagues within the Scottish Parliament must act responsibly and find common-cause in repairing the foundations of our society, including by using devolved tax powers to fairly boost social investment. While ensuring that public revenues are spent well is essential, you must make the case that the more we pay into the system, the more we will collectively get out of it.

We realise that progressive tax isn't a panacea. Difficult budget choices will still be needed. But we must all see our taxes as an investment towards a better future for everyone.

The people of Scotland understand this: more than two-thirds of people agree that governments should redistribute income from the better-off to those who are less well off, and 64% of people favour increased tax to fund more public spending on health, education, and social benefits.

Various options¹ exist that will, if implemented, rightly, ask those with the greatest financial capacity to pay more. Some could be implemented in 2024-25, others will take time to deliver, but the process must start now. So, together, we are calling on you all to deliver increased social investment by:

- Supporting **fundamental reform of the devolved tax system within this parliament**, including to target under-taxed wealth and to incentivise pro-social and environmental behaviour change, including by actively backing a consultation on tax reform by the end of this financial year.
- Proactively support a **cross-party process to replace the Council Tax** before the end of this parliament in 2026, and at a minimum, give your public backing to a key interim step: a revaluation of properties across Scotland for the first time in more than 30 years.
- **Maximising the use of Scotland's existing devolved tax levers** in 2024-25, ensuring these are used as progressively as possible, to raise additional revenue for the public purse, while making it clear that social investment is key to our collective wellbeing, now and in the future.

Together, we *can* invest for a stronger Scotland.

Will you show the political courage to work together to achieve this for the people of Scotland?

Your sincerely,

Carmen Martinez, Coordinator, Scottish Women's Budget Group
Peter Kelly Director, Poverty Alliance
Satwat Rehman, Chief Executive, OPFS
Philip Whyte, Director, IPPR Scotland
Jamie Livingstone, Head of Oxfam Scotland
John Dickie, Director, CPAG in Scotland
Aileen McLeod, Interim Director, WEAll Scotland
Professor John H. McKendrick, SPIRU, Glasgow Caledonian University
Carole Erskine, Head of Policy & Campaigns, Scotland, Pregnant Then Screwed
Sabine Goodwin, Director, Independent Food Aid Network
John Halliday, CEO, Community Renewal Trust
Joy M Gillespie, Chief Executive Officer, SOHTIS (Survivors of Human Trafficking in Scotland)
Dave Watson, Director, Jimmy Reid Foundation
Richard Meade, Director, Carers Scotland
Amy Woodhouse, Chief Executive, Parenting Across Scotland
Liz Murray, Head of Scottish Campaigns, Global Justice Now
Roz Foyer, General Secretary, STUC
Gus Sproul, Scottish Regional Chair, Fire Brigades Union (FBU)
Alyson Vale, Business and Operations Director, Abbotsford Care
Zoe Holliday, CEO, Community Energy Scotland

¹ For example, in September 2023, 50 organisations backed [The Case for Fair Tax Reform in Scotland](#), and separately, in December 2023, the STUC published [Raising taxes to deliver for Scotland](#).

Robert Palmer, Executive Director, Tax Justice UK
Andrew Dixon, Chair, Fairer Share
Jenni Snell, CEO, The Young Women's Movement
Manuela Coletti, Community Programmes Manager, Craigsfarm Community Development Project Ltd
Lilian Macer, Scottish Secretary, UNISON Scotland
Frazer Scott, Chief Executive Officer, Energy Action Scotland
Irene Audain MBE, Chief Executive, Scottish Out of School Care Network
Becky Duff, Director for Scotland, Carers Trust Scotland
Rebecca Gowland, Executive Director, Patriotic Millionaires UK
Claire Telfer Head of Scotland, Save the Children
Angela Moohan, CEO, The Larder
Sara Redmond, Chief Officer of Development, Health and Social Care Alliance Scotland (the ALLIANCE)
Claire Larkin, Co-Founder, Parents For Future Scotland
Suzanne Slavin, Chief Executive Officer, Ayr Housing Aid Centre SCIO
Simon Anderson, Snr Fellow, IIED
Susan Paxton, Director, Scottish Community Development Centre
Angus Hardie, Director, Scottish Community Alliance
Michael Hutchinson, Clerk, General Meeting for Scotland, Quakers in Scotland
Peter Arnott, Co-chair, Scottish Society of Playwrights
Frances Guy, Chief Executive, Scotland's International Development Alliance
Lyn Pornaro, Chief Executive Officer, Disability Equality Scotland
Heather Parry, Senior Policy & Liaison Manager (Scotland), Society of Authors
Toni Groundwater, Head of External Engagement, Families Outside
Andrea Bradley, General Secretary, EIS
Colin Howden, Director, Transform Scotland
Jim Elder-Woodward, Chair, Inclusion Scotland
Margaret-Ann Brünjes, Chief Executive, Homeless Network Scotland
Bethany Biggar, Director, Edinburgh Food Project
SallyAnn Kelly OBE, CEO, Aberlour Children's Charity
Mary Glasgow, Chief Executive, Children 1st
Gina Hanrahan, Head of Policy and Advocacy, WWF Scotland
Jane Brumpton, CEO, Early Years Scotland
Mandy Morgan, CEO, The Scottish Pantry Network
Ian Bruce, Chief Executive Officer, Glasgow Council for the Voluntary Sector
Martin Dorchester, Chief Executive, includem
Mike Robinson, Chair, Stop Climate Chaos Scotland
Tressa Burke, Chief Executive Officer, Glasgow Disability Alliance
Donald Macaskill, CEO, Scottish Care
Bridie Ashrowan, Chief Executive, EVOC (Edinburgh Voluntary Organisations' Council)
Chris MacLulich, Chief Executive, Tagsa Uibhist
Emma Jackson, Convener, Public Life and Social Justice, The Church of Scotland