

From: [REDACTED]  
Sent: 04 December 2017 12:57  
To: Scottish Ministers; Cabinet Secretary for Finance and the Constitution  
Cc: [REDACTED]  
Subject: The Role of Income Tax in Scotland's Budget

Dear Cabinet Secretary for Finance and Constitution

Please find attached a letter in response to the Role of Income Tax in Scotland's Budget.

Kind regards, [REDACTED]

[REDACTED]  
Social Enterprise Scotland - The Voice of Social Enterprise  
[REDACTED]  
[REDACTED]  
[REDACTED]

[www.socialenterprisescotland.org.uk](http://www.socialenterprisescotland.org.uk)<<http://www.socialenterprisescotland.org.uk/>>

[<https://docs.google.com/a/socialenterprisescotland.org.uk/uc?id=0BxeRgKVtEC5DT1IRQmpDTUIzalU&export=download>]

[<https://docs.google.com/a/socialenterprisescotland.org.uk/uc?id=0BxeRgKVtEC5DX2pXcnA2VzE3dU0&export=download>]

[<https://docs.google.com/a/socialenterprisescotland.org.uk/uc?id=0BxeRgKVtEC5DeFRpbGEyYjFraG8&export=download>]

[<https://docs.google.com/a/socialenterprisescotland.org.uk/uc?id=0BxeRgKVtEC5Dbjl1TWFEYU1UMkE&export=download>]

Before you consider printing emails, think about the environmental impact

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please let me know.

— This email has been scanned by the Symantec Email Security.cloud service.  
For more information please visit <http://www.symanteccloud.com>

—

Derek Mackay MSP  
Cabinet Secretary for Finance and the Constitution  
St Andrews House  
Regent Road  
Edinburgh  
EH1 3DG

4 December 2017

Dear Cabinet Secretary

### The Role of Income Tax in Scotland's Budget

Thank you for inviting Social Enterprise Scotland to the Income Tax Round Table. I very much appreciated the chance to contribute to the dialogue. [REDACTED]

These are the initial observations on behalf of Social Enterprise Scotland members on the Role of Income Tax in Scotland's Budget. Social Enterprise Scotland is supportive of progressive taxation policies that will achieve a fairer and more socially just society in Scotland;

. To achieve this all taxpayers, in Scotland, should pay all of the tax that they owe;

. Any changes to the tax system need to be easily understood by the individual. Therefore a more progressive system which encourages more people to pay tax, at lower levels initially, whilst increasing tax rates at the upper end of earnings would generate more revenue and allow for a shift in emphasis from cost cutting in public services to investment in same;

. Accordingly, the future success of Scotland's Social Security System will be predicated upon a progressive tax system which raises sufficient revenue to pay for it;

. Where hypothecation of additional tax revenue is advocated in favour of public services, this should be used to incentivise change rather than to supplement existing service infrastructure e.g. making the citizen the point of integration in health and social care;

. More importantly, the opportunity to examine the Role of Income Tax in Scotland's Budget offers a unique opportunity to invest in individual citizens through a genuine person centred approach that looks at Income Tax, Pensions, Social Security and post-Christie as a whole system with the citizen at the centre.

In addition to these points, the discussion on the day highlighted a number of additional opportunities for Scotland including

The role of the Scottish Government in ensuring a fairer future social contract, tackling austerity and taking a person centred approach to design and delivery of Income Tax, Social Security, Pensions, integration of Health & Care and other public services.

An approach to public services administration that is person centred, and reduces costs and friction, simplifies processes and improves outcomes for citizens in Scotland including taking people out of the poverty premium. Our project in Renfrewshire is one such example.

The importance of a privacy protecting, person centred, portable, Identity for citizens in Scotland. You outlined this in your Letter of March 2017 to Bruce Crawford MSP about Identity and verification online. With GDPR coming in May 2018, this will be an important component to be introduced in 2018 by the Digital Directorate for public services in Scotland. We have delivered a live, fully certified solution to this key matter, and it is operational in Scotland today and available via G-Cloud.

Reducing public expenditure -digital services can protect and improve public services with tools that place the citizen at the centre, and genuinely co-design services with the Third Sector and increase efficiencies.

Empower the citizen as the point of integration in the whole System -this includes Health and Social Care. A person centred approach helps the poorest and most vulnerable in society. Social enterprises are well placed to deliver local, person centred services across Scotland.

Finally, the new Income Tax powers enable a more active engagement with the population through two way, trusted data exchange to improve the evidence base with Scottish data, charts and tables

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/theeffectsoftaxesandbenefitsonincomeinequality/1977tofinancialyearending2015>

Thank you again for offering Social Enterprise Scotland and Mydex CIC the opportunity to make these points, and we look forward to continuing the dialogue to create a fairer, person centred approach to public services in Scotland.

Regards

[Redacted signature]

[www.socialenterprisescotland.org.uk](http://www.socialenterprisescotland.org.uk)

[Redacted contact information]

The Voice of Social Enterprise

