

## FINANCE COMMITTEE

### DRAFT BUDGET 2014-15

#### SUBMISSION FROM EQUALITIES AND HUMAN RIGHTS COMMISSION

##### Introduction

1. The Equality & Human Rights Commission (EHRC) welcomes the opportunity to comment on the links between the draft budget 2014-15 and Scotland Performs. Rather than comment on each element of the Committee's interest as set out in the call for evidence we will focus on the Education and Lifelong Learning Portfolio, which we feel is indicative of the strengths and areas for improvement in the Governments approach generally, and specifically in relation to equality outcomes for Scotland's population.

##### The Equality Act 2010

2. As well as requiring employers and service providers not to discriminate on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, or sexual orientation, the Equality Act 2010 requires public bodies in Scotland to pay due regard to the need to eliminate unlawful discrimination, advance equality of opportunity, and foster good relations between different groups<sup>1</sup> (the general duty). To assist these bodies to fulfill the general duty further specific duties have been placed on "listed bodies" which include the requirement to assess the impact on equality of policies and procedures, to publish data about their employees, to pay due regard to equality in procurement, and to set equality outcomes<sup>2</sup>. Listed bodies include the Scottish Government and its agencies such as the Enterprise companies and Skills Development Scotland.

##### Equality and Public Service Reform

3. As well as the regulatory framework set out above, equality has also been identified as a key policy driver in the public service reform agenda. The Christie Commission<sup>3</sup> report sets out clearly (pp.53-60) the links between inequality and "failure demand", that is, resource-intensive responses to symptoms rather than causes; and the need to shift to a preventative approach which prioritises early intervention, builds public services which are responsive to users' needs and is grounded in the principles such as dignity and fairness. The report explicitly recommends that public services should be encouraged to tackle inequality and promote equality. As part of this process, we would expect to see a clear read-across from public bodies' equality outcomes to the outcomes they are setting in relation to the Scotland Performs framework.

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<sup>1</sup> Nb the marriage and civil partnership elements only apply to the elimination of discrimination.

<sup>2</sup> See <http://www.legislation.gov.uk/ssi/2012/162/contents/made>

<sup>3</sup> Report of the Commission on the Future of Scotland's Public Services, <http://www.scotland.gov.uk/About/Review/publicservicescommission> , June 2011

Purpose Targets and national Indicators.

4. The Scottish Government has set out stretching indicators for attainment during 2014-15 including improving the skills profile of the whole population and increasing the proportion of young people in learning or training or work.

Sitting alongside this commitment is the Governments purpose target of “*reducing inequalities across all individuals*” which is reflected in national indicator 7 – “*tackling the significant inequalities in Scottish society*”.

Access to Modern Apprenticeships – a case study.

5. The EHRC published a [report](#) on access to Modern Apprenticeships by equality groups <sup>4</sup>– on 1<sup>st</sup> August 2013. The field research for this report was conducted by Heriot Watt University and included an analysis of participation in the Modern Apprenticeships programme in Scotland by equality group, over the past 4 years.

6. The primary findings of this report were that;

**Disability** - 0.3% of all Modern Apprenticeship placements are taken by someone with a declared disability, that is 74 out of over 26, 000 placements. Around 8% of the target population (16-24) is disabled.

**Gender** – Occupational segregation is a significant and persistent constant in Modern Apprenticeships with, for example, 98% of construction placements taken by men. Although men are increasingly moving into “traditionally female” Apprenticeship programmes, there is no evidence of an increase of women entering “traditionally male” Apprenticeships.

**Ethnicity**- Less than 2% of all Apprenticeships in Scotland are taken by ethnic minorities. Around 4% of the target population (16-24) is from an ethnic minority.

**Religion and Sexual orientation** - No data is available on these strands in Scotland.

7. The research report also looked at the content of Industry Demand Statements in Scotland and found that very few of them made any mention of equality when discussing labour pipeline issues and when they did they primarily related to issues of age and gender imbalances. Only a handful made any linkage between the diversity of their employees and their customer base as a means of boosting income. None of those written by Scottish Government agencies discussed equality.

8. Lastly, the research looked at the extent to which equality conditions are placed on economic development or training providers across Europe. The researched showed that whilst this is permissible there is little evidence of such conditions being put in place to drive up performance on equality.

9. The EHRC has concluded from this research that

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<sup>4</sup> See para 2 above.

- Scotland's diverse communities are not accessing Modern Apprenticeship opportunities equally
- There is a danger that current practice reinforces rather than dismantles occupational segregation and the widespread exclusion of disabled people
- Scottish Government agencies are not paying sufficient attention to their leadership role or to their responsibilities under the Equality Act 2010 to eliminate discrimination or advance equality of opportunity
- There is no evidence that targets or conditions are being built into public sector contracting for skills or economic development programmes to address these inequalities
- As a result, the opportunities for social gains that could be realised through economic investment are being overlooked.

10. It is clear that in terms of performance under its primary objective of delivering 25, 00 Modern Apprenticeships which "improve the skill profile of the population" and to "increase the proportion of young people in learning, training, or work" these objectives could be achieved without the participation of any disabled people or ethnic minorities or without addressing issues of occupational segregation. This would fulfil the Governments purpose target and economic objective.

11. However if this approach continues to be adopted the Government is in danger of failing to meet National Outcome 7 as inequalities are likely to increase, not decrease. Such an approach would also not meet the General Duty by failing to advance equality of opportunity. The social costs are however greater, and in failing to demand social returns from those involved in delivering the Modern Apprenticeship programme the Government could be reinforcing the exclusion of ethnic minorities, women, and disabled people from major programmes aimed at enhancing their skills and potential income. The EHRC has therefore recommended that

- The Scottish Government needs to make better operational connections between its social and economic policies in the field of skills and economic development to maximise their investment
- Where they haven't already, strategic documents on skills and economic development developed by the Scottish Government and its agencies (for example the Scottish and H&I Enterprise) need to undergo an equality impact assessment process as required by the Equality Act 2010 (Specific Duties)(S) Regulations 2012
- Information on the diversity of applicants for Modern Apprenticeships should be captured, collated, analysed and reported as a matter of course to identify if any bias in representation in apprenticeship programmes is linked to gender preferences
- Targets for greater access to Modern Apprenticeships for disabled people, ethnic minorities and women should be made explicit in Scottish Government (and their agencies) commissioning documents and economic development aids
- These targets should be monitored closely and their attainment made a condition of financial aid

- Full data on the performance on equality in Modern Apprenticeships and economic development should be reported as mainstream management information open to public scrutiny

#### Conclusions.

12. In scrutinising the Draft Scottish Budget the EHRC would encourage the Committee to adopt a critical approach to the budget and seek to ascertain to what extent social returns are being given the same priority as economic returns for investment. The example outlined above demonstrates what can happen when the wrong balance is struck – that the Government may meet its purpose targets without clear impact on the systemic discrimination that many groups face in the employment market or without seeing the linkages to National Outcomes 2 & 7. We would encourage the Committee to take each commitment in turn – for example in access to finance for SME's <sup>5</sup>; in increasing the proportion of graduates attaining positive destinations; in closing the gap with the top 5 OECD countries, and; in reducing the proportion of the population living in poverty – and seek evidence of thought through plans which engage and involve people from equality groups and stretching targets for attainment by Government Departments, agencies and in their supply chains.

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<sup>5</sup> See recent statements from the DPM on ethnic minorities access to finance