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Kenneth Gibson MSP  
Convener  
Finance and Public Administration Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

21 November 2023

Dear Kenny,

## UPDATE ON 2023-24 IN-YEAR BUDGET CHANGES

The Medium-Term Financial Strategy (MTFS) highlighted that the current financial situation is among the most challenging since devolution. Our public finances continue to face significant challenges with rising inflationary pressures driving increased costs, including public sector pay. Additional costs have arisen since the 2023-24 Budget was published in December 2022. I have had to take difficult decisions in-year to balance the Scottish Government budget, and am writing to you now to set those out. Setting out savings in this way demonstrates our continued commitment to fiscal transparency, and I welcome on-going engagement with Committee and the Minister for Community Wealth and Public Finance on the wider actions we are taking to aid transparency.

The Scottish Government prioritises fair public sector pay settlements and seeks to avoid costly strike actions wherever possible. Pay deals added an estimated £1.26 billion to the Scottish Government's recurring pay costs in 2023-24, and £1.75 billion across the public sector. There will be an ongoing challenge to manage the costs of our vital workforce in future years, with this set out as part of the Medium Term Financial Strategy and more recently by Audit Scotland in its report on the Scottish Government's workforce challenges. I will provide further details on this as part of the upcoming budget process.

In addition, inflationary pressures continue to impact on households and businesses across the country - which is why the Government has continued to invest in key programmes such as the Scottish Child Payment and tripling the Fuel Insecurity Fund this financial year. Across the public sector, and particularly on infrastructure programmes, the Government – like businesses and organisations across Scotland – has seen high inflation erode our buying power. As a result, the cost of the largest elements of our budget – employees and social security benefits – have increased. Within the Health and Social Care budget, significant contractual and demand cost increases in areas such as temporary staffing, medicines, energy and other consumables, contribute toward the unprecedented budgetary pressures. Quite simply, any additional expenditure arising as a result of sustained inflation

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and service pressures must be managed within the limits of the Scottish Government's existing fiscal powers. Within capital, as well as ensuring inflationary pressures are managed, action must also be taken to reduce spend in order to account for the potential for any negative capital consequential which may arise at UK Government supplementary estimates.

Given our limited fiscal powers, the main lever I have to balance the budget in-year is the reprioritisation of spending plans. We cannot practically alter Income Tax rates midway through a financial year and whilst the Fiscal Framework was revised in August 2023, we are still unable to borrow to meet day to day costs such as increased pay. Reprioritising plans is very challenging in-year when the majority of our spend is already contractually committed or supporting vital programmes. I am committed to balancing the budget while protecting the Government's priorities and ensuring that we sustain effective public service delivery.

Though a full Emergency Budget Review was undertaken in the last financial year, the scale of changes made to budgets this year is lower, with a number having already been communicated to stakeholders. In addition, a number of these savings have already been set out in the Autumn Budget Revision, which was published in September, with the remaining budgetary changes to be formalised as part of the upcoming Spring Budget Revision. However, while changes to budgets are formally set out to Parliament in detail as part of the normal Budget Revision process, in the interests of transparency in advance of the UK Government's Autumn Statement, I have included as Annex A to this letter a list of savings which will be made to enable us to meet our increased costs and fund enhanced pay settlements. Circa £0.1 billion of the savings are from reductions in budgets due to lower than assumed uptake for certain demand-led budgeted activities.

In addition, consequential funding received by the Scottish Government from the UK Government's Spring Statement and Main Estimates processes has been utilised to support these pressures, so is also included in Annex A. I must note that, pending Supplementary Estimate information from the UK Government, further actions may be required in the coming months, with any changes to be reflected in the Spring Budget Revision. I also attach, at Annex B the Equality and Fairness summary for the changes made now.

Taken together these lead to budgetary revisions totalling £680.3 million, £391.4 million resource and £288.9 million capital (£284.4 million of which were set out as part of the Autumn Budget Revision).

In the absence of additional funding from the UK Government, I have no option but to make these tough choices. This is critical, to balance the Scottish Government budget, whilst working to ensure that our resources are focused on our three critical missions outlined in the Policy Prospectus.

As noted, I would be happy to discuss the content of this letter further with Committee as part of our ongoing discussions on the Scottish Government's budgets.

Yours sincerely,

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## Annex A – Agreed Budget Savings and Additional Income

Portfolio by Budget Line	Resource £m	Capital £m	Total already included within ABR £m	Description
<b>Education &amp; Skills</b>	<b>152.4</b>	<b>13.0</b>	<b>54.5</b>	
Lifelong Learning and Skills: various	17.3	0.0	0.0	Savings against various programme lines across the lifelong learning and skills budgets.
Scottish Funding Council	102.0	0.0	46.0	These savings of up to £102 million come from various budget lines, including withdrawing the strategic change transformation fund (£46 million) and accumulated savings from a wide range of demand-led and other budgets in addition to potential additional European Social Fund income.
Education Maintenance Allowance (EMA)	4.3	0.0	2.3	EMA is a demand-led programme and fluctuates from year to year - saving is based on lower forecast demand.
Higher Education International Activity	6.2	0.0	6.2	Reduction in grant spend for international Higher Education
Technologies for Learning	1.0	13.0	0.0	No spend required this year as we continue to review delivery models for this commitment to ensure maximum return on investment.
Student Award Agency Scotland	21.6	0.0	0.0	Reduced Tuition Fee payments due to lower student numbers.
<b>Rural Affairs Land Reform and Islands</b>	<b>45.4</b>	<b>0.0</b>	<b>27.3</b>	
Forestry and Land Scotland	6.0	0.0	6.0	Utilisation of reserves aligned with multi-year financial planning, to be returned in future years.
Scottish Forestry	3.0	0.0	3.0	Reduced forecasts associated with demand led schemes.
Agricultural Support and Related Service – Various Schemes (AECs, Pillar 1, Business Development)	21.1	0.0	10.0	Deferral of funding, to be returned to the portfolio in future years in conjunction with timing of capital budget investment.
Agricultural Support and Related Services – EU Income	2.0	0.0	0.0	Greater income than originally anticipated on rural schemes with funding from the European Union.
Agricultural Support and Related Services – Agricultural Reform Programme	8.0	0.0	4.0	Further development of business case and assessment of multi-year plans has identified scope for reduced spend on this programme of activity in this financial year.

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Portfolio by Budget Line	Resource £m	Capital £m	Total already included within ABR £m	Description
Marine Scotland	3.0	0.0	2.0	Savings from enhanced recruitment controls, maximising income and continuing to deliver operational efficiencies.
Natural Resources	2.3	0.0	2.3	Finalisation of annual plans has identified further expenditure treated as capital rather than resource and scope for reduced spend in this financial year as a result.
<b>Transport, Net Zero and Just Transition</b>	<b>0.0</b>	<b>146.3</b>	<b>0.0</b>	
Vessels and Piers – small vessels replacement programme	0.0	41.0	0.0	Small Vessels Replacement Programme Phase 1 estimated contract spend has been reprofiled, allowing time to fully consider the business case work, vessels design criteria, and help ensure alignment of the related shore power and port improvement works.
Vessels and Piers – port works	0.0	34.0	0.0	Estimated spend on major port works at Uig have been updated to match committed project profile, with no impact on delivery timeframe. And estimated spend on port works at Ardrossan and Gourock have been reprofiled as a result of ongoing business case, programme, and cost reviews to help deliver value for money.
Future Transport Fund	0.0	10.5	0.0	Release of budget that is no longer required, based on a review of demand and deliverability in this financial year.
Motorway & Trunk Roads Capital Land and Works	0.0	13.8	0.0	Reduction of forecast expenditure, based on a review of the deliverability of major projects in this financial year. This funding was for the development of infrastructure projects which are subject to wider review of budgets and affordability given ongoing capital constraints and inflationary pressures.
Heat in Buildings (expenditure)	0.0	18.0	0.0	Release of budget that is in excess of forecast demand. This does not impact overall delivery of the programme this financial year.
Heat in Buildings (income)	0.0	29.0	0.0	Return of capital income from prior year loan repayments.
<b>Justice</b>	<b>7.5</b>	<b>20.0</b>	<b>0.0</b>	
Other National Funding – justice reform	4.0	0.0	0.0	Requirement for Blue Light Reform funding was reduced as work is now expected to take place in future years following the completion of a detailed business case.
Justice Other	1.5	0.0	0.0	Reduced requirement for Access to Justice funding than initially anticipated.
Other National Funding	2.0	0.0	0.0	Lower requirement for funding in Home Office led Emergency Services Mobile Communications Programme.
Scottish Prison Service	0.0	20.0	0.0	Scottish Prison Service estate project re-profiling due to continuing challenges in the construction market.

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Portfolio by Budget Line	Resource £m	Capital £m	Total already included within ABR £m	Description
<b>Wellbeing Economy Fair Work and Energy</b>	<b>19.0</b>	<b>45.0</b>	<b>10.0</b>	
Employability	10.0	0.0	10.0	This represents £10 million reduction to budget coming from a range of secondary activity. This allows savings to be taken from lines that will have the least impact on service users as core, front line service delivery spend has been protected. Instead of investing in activity such as a challenge fund or every contact counts pledge under employability, we will instead explore how the intent underpinning these commitments can be mainstreamed into wider transformation of the employability system being taken forward through No One Left Behind.
Highlands and Islands settlement income	9.0	0.0	0.0	Out of court settlement received in respect of the original design and build of Cairngorm Funicular Railway
City & Region Deals	0.0	15.0	0.0	Reprofiling of budgets no longer required within the City and Regional Deals portfolio in 2023/24 to future years of the portfolio programme.
Energy Industries	0.0	30.0	0.0	Release of budget due to delayed delivery of programmes, budget reprofiled to future years.
<b>Social Justice</b>	<b>0.0</b>	<b>2.5</b>	<b>0.0</b>	
Fairer Scotland	0.0	2.5	0.0	Capital grants to support Social Innovation Partnership partners develop community spaces that enhance wellbeing. Reduction in capital grants for partners based on revised delivery plans this financial year.
<b>NHS Recovery, Health and Social Care</b>	<b>72.3</b>	<b>0.0</b>	<b>72.3</b>	
Chief Scientist Office - Research	1.0	0.0	1.0	Reflects the spending profile required whilst commissioning new research centres and programmes.
Various	4.2	0.0	4.2	Reprofiling of various programmes under £1 million each.
Digital health and care	11.6	0.0	11.6	Reprofiling and scale back across a number of major programmes, including Digital Prescribing and Digital Front Door.
Health workforce - Expansion Posts	3.0	0.0	3.0	Reprofiling of demand led budget. The saving is largely driven by trainees occupying training posts on a less than full-time basis.

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Portfolio by Budget Line	Resource £m	Capital £m	Total already included within ABR £m	Description
Mental Health Recovery and Renewal Fund	22.4	0.0	22.4	Savings are anticipated through reprofiling of spend on various mental health programmes including the Mental Health Outcomes Framework, Forensic Mental Health Reform and Primary Care. Within the revised budget we will seek to focus on progressing existing commitments including clearing Child and Adolescent Mental Health Services and psychological therapies waiting times backlogs, providing community-based mental health and wellbeing supports for children, young people and adults and continue to support dementia, learning disability and neurodiversity programmes.
Mental Health Transformation Fund	7.5	0.0	7.5	Postponement of some spend on the Mental Health Transformation Programme.
Public Health capabilities - Immunisations	7.0	0.0	7.0	Reprofiling of demand led budgets. Saving primarily relates to lower than anticipated costs of introducing new Shingles vaccination programme.
Primary Care Reform and Delivery	11.6	0.0	11.6	Savings are anticipated through reductions, slippage and reprofiling within the Primary Care Reform and Delivery budget including a number of enabling programmes.
Revenue consequences of Non Profit Distribution Schemes	2.0	0.0	2.0	Reprofiling of budget to reflect contractual costs.
Board Recovery/Corporate Governance	2.0	0.0	2.0	Reprofiling of budget to reflect actual costs.
<b>Funding Adjustments</b>	<b>94.8</b>	<b>62.1</b>	<b>120.3</b>	
Consequential	94.8	62.1	120.3	Consequential funding received at UK Spring Statement and Main Estimates utilised to support overall SG pressures.
<b>Total Budget Savings</b>	<b>391.4</b>	<b>288.9</b>	<b>284.4</b>	

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## Annex B – Equality and Fairness

### Background

As set out in the Medium-Term Financial Strategy, the financial situation is, by far, the most challenging since devolution. Over the past few years, Scotland has faced a succession of fiscal and economic shocks, with the Covid pandemic, the war in Ukraine, and the recent period of high inflation all driving significant pressures on the economy, society and public finances.

The Scottish Government's budget must balance in each and every financial year, with limited fiscal powers available to support emerging pressures. Due to continued inflationary pressures, including on public sector pay, it is necessary to undertake a number of in-year savings measures to support a balanced budget.

In undertaking these measures and therefore protecting key programmes such as the Fuel Insecurity Fund, Scottish Welfare Fund and Scottish Child Payment, the Scottish Government remains wholeheartedly committed to supporting the most vulnerable members of our society, and even against the backdrop of a difficult fiscal outlook, we remain resolute in this approach to achieve the vital missions of this Government whilst remaining fiscally sustainable.

### Introduction

This report looks at the impact that in-year changes to the 2023-24 Scottish Budget, undertaken as part of a required savings round might have on people in Scotland, from an equality and fairness perspective. It summarises information on the impact of those changes, whether this is likely to benefit or detrimentally affect some people more than others, including people with one or more protected characteristics, and how it might help reduce inequality.

It should be noted, this does not represent a review of the annual budget, which was provided as part of the Scottish Budget 2023-24: Equality and Fairer Scotland statement, with this full analysis to continue to be provided annually as part of the Scottish Budget processes.

Inequality means that for some groups of people, parts of their lives are harder or worse than for other groups of people, such as finding a job or feeling safe. They may not see themselves represented in positions of power or they may feel discriminated against.

The Equality Act requires that public bodies, when fulfilling their functions, have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. The groups of people are characterised by:

- Age (e.g. children, older people)
- Disability (disabled people)
- Gender reassignment (trans people)
- Pregnancy and maternity
- Marriage and Civil Partnership
- Race (e.g. Black Scottish, White Gypsy/Traveller)

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- Religion or belief (e.g. Christians, Muslims, Sikhs)
- Sex (men, women)
- Sexual orientation (e.g. lesbian, gay and bisexual people)

Further information can be found in the Equality & Fairer Scotland Budget Statement 2023-24.

When looking at the impact of changes in the 2023-24 budget, the Scottish Government has given due regard to the three needs of the Public Sector Equality Duty (PSED):

1. eliminate unlawful discrimination, harassment and victimisation,
2. advance equality of opportunity between people who share a protected characteristic and those who do not, and
3. foster good relations between people who share a protected characteristic and those who do not.

As well as the requirement under the Fairer Scotland Duty (FSD):

- to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions.

As in all policy decisions, where any negative impacts are identified, we will seek to mitigate or eliminate these. We also understand that the Duties are not just about negating or mitigating negative impacts, as we also have a positive duty to promote equality.

## Summary of equality and fairness evidence

The list and tables below summarise the in-year savings measures. They provide a high level summary of the current evidence in relation to the equality and fairness impacts. It should be noted, this is not a review of the entire budget, with the scale of changes significantly smaller than those in an annual budget, and as the Deputy First Minister set out in her letter to the Finance and Public Audit Committee, there is only limited scope of what is possible to change, and what can be achieved with in-year budget adjustments. This report therefore represents a snapshot of revisions to planned spending, within the overall 2023-24 budget, rather than a forward look across a whole annual budget. Formal changes to budgets to be set out as part of Annual Budget Revisions.

Many of the savings have arisen due to lower than expected demand for services, and reprofiling of expenditure, these are not expected to have a direct equality or fairness impact. As is standard practice in large organisations, annual budget forecasts across the many areas of Government are made on the basis of a number of assumptions, based on the best available evidence. For example this may include:

- forecasts on the demands for, and uptake of, services or financial support
- forecasts of expected income, including from charges or other revenue streams.

In some cases, the demand for services over the year may not be as great as envisaged, or income streams may be higher than expected. For these and other financial management reasons, budget lines may be re-profiled, and savings or additional income be made available for funding elsewhere.

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Portfolio by Budget Line	£'m	Description	Summary of Equality and Fairness Evidence
<b>Education &amp; Skills</b>			
Lifelong Learning and Skills: various	17.3	Savings against various programme lines across the lifelong learning and skills budgets.	These savings are anticipated to materialise from reduced demand in programmes or from reprofiling. At this stage, there is no quantifiable impact from the savings.
Scottish Funding Council	102	These savings of up to £102 million come from various budget lines, including withdrawing the strategic change transformation fund (£46 million) and accumulated savings from a wide range of demand-led and other budgets in addition to potential additional European Social Fund income.	<p>SFC operates on an academic year basis and the different phasing of financial years and academic years gives SFC some flexibility in balancing pressures between financial years and responding to new pressures emerging in-year. This flexibility has helped SFC to minimise the operational impact of these savings in financial year 2023-24.</p> <p>Savings include the strategic change transformation fund (£46 million) which was not part of core allocations to institutions and, as it had not been allocated to particular activities, it is not possible to quantify any impact.</p> <p>Projected lower spending than forecast across a wide range demand-led programmes has enabled the accumulation of potential savings up to a value of a further £56m with no direct equality or fairness impacts on any individual programme identified</p>
Education Maintenance Allowance (EMA)	4.3	EMA is a demand-led programme and fluctuates from year to year - saving is based on lower forecast demand.	These savings arise primarily as a result of reduced demand. There has been no change to eligibility criteria. We will ensure that no young person who is eligible for EMA will miss out. As a result, there are no direct impacts on equality or fairness identified.
Higher Education International Activity	6.2	Reduction in grant spend for international Higher Education	Equality and fairness impacts might be that specific groups, in particular people from low socioeconomic backgrounds, may not have equal opportunities to benefit from international learning and exchange as part of their tertiary education.

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			However, there are some ways these impacts will be mitigated. For example, the overarching aims of promoting and supporting tertiary education and research internationally can still be achieved. In particular, up to £1 million has been allocated for a Scottish Education Exchange Test and Learn project. The learning from this project will be used to inform the scope of the programme in 2024-25, including how we can ensure disadvantaged groups benefit from the funding.
Technologies for Learning	14	No spend required this year as we continue to review delivery models for this commitment to ensure maximum return on investment.	Whilst this is saving will not result in a reduction of existing spend, it will delay our efforts to tackle inequality through the provision of digital devices.
Student Support and Tuition Fee Payments	21.6	Reduced Tuition Fee payments due to lower student numbers.	Tuition Fees are demand-led with uptake lower than previously forecast: no direct equality or fairness impacts identified.

Portfolio by Budget Line	£'m	Description	Summary of Equality and Fairness Evidence
<b>Rural Affairs Land Reform and Islands</b>			
Forestry and Land Scotland	6	Utilisation of reserves aligned with multi-year financial planning, to be returned in future years.	This saving arises as a result of funding being drawn down from reserve. No direct impact on Equality and Fairness identified.
Scottish Forestry	3	Reduced forecasts associated with demand led schemes	Revised forecast due to lower planting levels in prior years. This means a reduction in maintenance payments for new planting and has no impact on Equality and Fairness
Agricultural Support and Related Service – Various Schemes (AECs, Pillar 1, Business Development)	21.1	Deferral of funding, to be returned to the portfolio in future years in conjunction with capital budget investment.	These savings arise primarily as a result of revised forecasts in various schemes. No direct equality or fairness impacts identified.
Agricultural Support and Related Services - EU Income	2	Greater income than originally anticipated on rural schemes with funding from the European Union	Legacy EU Scottish Rural Development Programme one-off modification forecast change: no direct equality or fairness impacts identified.
Agricultural Support and Related Services	8	Further development of business case and assessment of multi-year plans has identified scope	Business case development resulted in revised forecasts; no direct equality or fairness impacts identified

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- Agricultural Reform Programme		for reduced spend on this programme of activity in this financial year	
Marine Scotland	3	Savings from enhanced recruitment controls, maximising income and continuing to deliver operational efficiencies	Savings arising from operational measures combined with efficiency savings. No direct equality or fairness impacts identified.
Natural Resources	2.3	Finalisation of annual plans has identified further expenditure treated as capital rather than resource and scope for reduced spend in this financial year as a result	These savings arise primarily as a result of technical change in funding provision with no direct equality or fairness impacts identified.

Portfolio by Budget Line	£'m	Description	Summary of Equality and Fairness Evidence
<b>Transport, Net Zero and Just Transition</b>			
Vessels and Piers	41	Small Vessels Replacement Programme Phase 1 estimated contract spend has been reprofiled, allowing time to fully consider the business case work, vessels design criteria, and help ensure alignment of the related shore power and port improvement works.	This saving arises from reprofiling of planned expenditure. Whilst this will push out timescales of future improvements on the small vessels routes, no direct equality or fairness impacts have been identified at this time. We will continue to progress small vessels related projects through the business case and delivery process subject to availability of funding at the time of presentation for decision.
Vessels and Piers	34	Estimated spend on major port works at Uig have been updated to match committed project profile. Estimated spend on port works at Ardrossan and Gourock have been reprofiled as a result of ongoing business case, programme, and cost reviews to help deliver value for money.	This saving arises from reprofiling of planned expenditure. Whilst this will push out timescales of future improvements to the ports noted, no direct equality or fairness impacts have been identified at this time. We will continue to progress these and other port and vessel projects through the business case and delivery process subject to availability of funding at the time of presentation for decision.
Future Transport Fund - Low Carbon (Zero Emission and Buses)	10.5	Release of budget that is no longer required, based on a review of demand and deliverability in this financial year.	Based on expected demands, this funding is assessed as no longer being required this financial year. No direct equality or fairness impacts identified.

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Motorway & Trunk Roads Capital Land (STPR2)	13.8	Reduction of forecast expenditure, based on a review of the deliverability of major projects in this financial year.	This saving arises from reprofiling of planned expenditure. Whilst this will delay some of the work, no direct equality or fairness impacts have been identified at this time.
Heat in Buildings (expenditure)	18	Release of budget that is in excess of forecast demand in this financial year.	These savings arise primarily as a result of reduced demand and deliverability in the Heat in Buildings programme in this financial year, which has in turn allowed reprofiling of budget lines, and release of budget.  At this stage there is no quantifiable impact of the reprofiling.
Heat in Buildings (income)	29	Return of capital income from prior year loan repayments.	This involves income being returned by Energy Savings Trust, who administer a number of Energy Efficiency grant and loan schemes on behalf of the Scottish Government. This means that no direct equality or fairness impacts have been identified.

Portfolio by Budget Line	£'m	Description	Summary of Equality and Fairness Evidence
<b>Justice</b>			
Other National Funding	4.0	Requirement for Blue Light Reform funding was reduced as work is now expected to take place in future years following the completion of a detailed business case.	The Justice reform budget (£5 million) is ring-fenced for transformation projects such as blue light collaboration. In 2023-24 £1 million of the reform budget was allocated to blue light reform and a business case has been commissioned to explore options for collaboration between Police Scotland, Scottish Fire Rescue Service and Scottish Ambulance Service. The remaining £4 million was uncommitted and therefore re-allocated to manage wider pressures. It is not believed that this creates inequalities of outcomes or disadvantages a particular socio-economic group. No expected direct equality or fairness impact.
Justice Other	1.5	Reduced requirement for Access to Justice funding than initially anticipated.	Unallocated funding within the Access to Justice budget was reprioritised to help support wider pressures. As this funding was uncommitted and did not result in a cut to services it is not believed to have

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			created inequalities or disadvantage a particular socio-economic group.  No expected direct equality or fairness impact.
Other National Funding	2	Lower requirement for funding in Home Office led Emergency Services Mobile Communications Programme	Changes in forecast: no direct equality or fairness impacts identified.
Scottish Prison Service	20	Scottish Prison Service estate project re-profiling due to continuing challenges in the construction market	Results from revised capital project work plans, and no direct equality or fairness impacts identified.

Portfolio by Budget Line	£'m	Description	Summary of Equality and Fairness Evidence
<b>Well being Economy Fair Work and Energy</b>			
Employability	10	This represents £10 million reduction to budget coming from a range of secondary activity. This allows savings to be taken from lines that will have the least impact on service users as core, front line service delivery spend has been protected.	<p>Funding for devolved employability support is targeted at those from lower socio-economic backgrounds, suggesting that reductions in funding may lead to negative impacts. However, we have focussed on mitigating this by ensuring our decisions protect existing front line service provision.</p> <p>As part of SG wide efforts to ensure 2023/24 budgets were appropriately focused on achieving ministerial priorities as set out in the policy prospectus, Employability budget reductions of £10 million were met from areas considered as secondary activity with the least impact on service users. For instance, instead of investing in activity such as a challenge fund or every contact counts pledge under employability, we will instead explore how the intent underpinning these commitments can be mainstreamed into</p>

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			wider transformation of the employability system being taken forward through No One Left Behind.
Highlands and Islands settlement income	9	Out of court settlement received in respect of the original design and build of Cairngorm Funicular Railway	No direct equality or fairness impacts identified
City & Region Deals	15	Reprofiling of budgets no longer required within the City and Regional Deals portfolio in 2023/24 to future years of the portfolio programme.	Results from routine re-profiling, and no direct equality or fairness impacts identified.
Energy Industries	30	Release of budget due to delayed delivery of programmes, reprofiled to future years, subject to budget availability.	No direct equality or fairness impacts identified.

Portfolio by Budget Line	£'m	Description	Summary of Equality and Fairness Evidence
<b>Social Justice</b>			
Fairer Scotland	2.5	Capital grants to support Social Innovation Partnership partners develop community spaces that enhance wellbeing. Reduction in capital grants for partners based on revised delivery plans this financial year.	<p>There may be some impact, particularly for individuals and families experiencing poverty and disadvantage, given this will remove some capacity for delivery partners to create new or improved community spaces that support people's wellbeing.</p> <p>However, no existing or planned activity is being paused as a result of this saving, and we continue to work with delivery partners by supporting their core activities to provide a range of services and support to individuals and families in poverty.</p>

Portfolio by Budget Line	£'m	Description	Summary of Equality and Fairness Evidence
<b>NHS Recovery, Health &amp; Social Care</b>			
HSC	29.9	Savings are anticipated through reprofiling of spend on various mental health programmes including	We know that some groups of people have poorer mental health than others. These health inequalities are a symptom rather than the cause of the problem. The causes

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Mental Health and Primary Care; regional CAMHS developments; full implementation of Coming Home; Full implementation of new Mental Welfare Commission Patient Records System; improving prisoner mental health. Within the revised budget we will seek to focus on progressing existing commitments including clearing CAMHS and psychological therapies waiting times backlogs, providing community-based mental health and wellbeing supports for children, young people and adults and continue to support dementia, learning disability and neurodiversity programmes.

of health inequalities arise from the unequal distribution of income, wealth and power, which can impact on wider life chances and experiences. These conditions are commonly known as ‘social determinants’ and include traumatic and adverse experiences such as poverty, discrimination, loneliness, unemployment, lack of adequate housing, and lack of social and cultural opportunities. Some of these groups will be affected by these savings. In addition, these same groups of people can also experience barriers to accessing support and services and, when they do access them, existing approaches can often be less effective and relevant for their mental health. This means their experiences and outcomes can be poorer. These inequalities in mental healthcare can exacerbate mental health inequalities.

However we are taking action to mitigate impacts. We worked closely with stakeholders to gather evidence and develop our Mental Health and Wellbeing Strategy and Delivery Plan to ensure it has equalities and human rights at its core, and had a focus on reducing on mental health inequalities. Our Delivery Plan highlights and has actions towards tackling mental health inequalities for key marginalised groups which will be prioritised over the next 18 months of delivery. We will work closely with the Equality and Human Rights Forum and people with lived experience to develop, test and learn from a good practice approach to implementation. We have published a full EQIA alongside the Delivery Plan which we will continue to monitor. Some areas we will focus on include existing commitments including clearing CAMHS and psychological therapies waiting times backlogs, providing community-based mental health and wellbeing supports for children, young people and adults and continue to support dementia, learning disability and neurodiversity programmes.

The EQIA for the Mental Health and Wellbeing Delivery Plan has been

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HSC	11.6	Savings are anticipated through reductions, slippage and reprofiling within the Primary Care Reform and Delivery budget including a number of enabling programmes.	The anticipated savings include a non-recurring utilisation of existing reserve funding held locally by integration authorities to protect and deliver essential and agreed national investment. As a result no direct equality or fairness impacts identified.
HSC	11.6	Reprofiling and scale back across a number of major programmes, including Digital Prescribing and Digital Front Door.	<p>The delay in delivering the Digital Front Door Programme and reduction in initial scope means that we're delaying some of the benefits we believe that DFD can bring. This includes reducing stigma, improving choice (e.g. letters vs online), addressing poverty related issues (e.g. cost of travel) and improving communication and engagement preferences for people e.g. people with a disability. The delay does however provide more time for further service development, user-testing and accessibility considerations.</p> <p>Reducing Near Me scale up activity means patient choice could be impacted with reduced benefits and use of a core national system. This particularly impacts patients who are digitally excluded or who require support to use technology.</p> <p>The delay in digital prescribing impacts clinical workload as well as public accessibility. These implications will be discussed further with our equalities and inclusion advisory group.</p>
HSC	4.21	Reprofiling of budget to reflect contractual costs for revenue consequences of NPD schemes.	No direct equality or fairness impacts identified.
HSC	7.0	Reprofiling of demand led budget. Saving primarily relates to lower than anticipated costs of introducing new Shingles vaccination programme.	Savings forecasts are lower than planned due to the timing of the roll-out of the expanded programme in line with Board delivery capacity and further changes to eligibility. The vaccination will be rolled out by clinical prioritisation to ensure those who are at highest risk are protected first. Inequalities in uptake will be monitored

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			through improved data availability and reporting and continue to be a focus in maximising vaccine uptake across marginalised groups.
HSC	3.5	Reprofiling of budget to reflect lower than anticipated student nurse and midwifery intake levels for 2022-23 academic year on bursary costs and pre-registration training costs.	Forecasts are lower than planned due to a decline in applications for nursing and midwifery undergraduate programmes: no direct equality or fairness impacts identified.
HSC	1.8	Includes rephasing or reprofiling costs for Young Persons Family Fund, Family Nurse Partnership and Scottish Milk and Healthy Snack scheme.	These savings will not impact on the delivery of existing services. No direct equality or fairness impacts identified.
HSC	0.91	Includes reprofiling of costs for Transformational Change Fund. Some rephasing of cancer funding.	The savings under the transformational change are not expected to have a direct equality or fairness impacts on existing services. Cancer rephasing related to ability to spend, so no impacts.
HSC	1.80	Includes reprofiling of costs on research, essential medicines and Rape and Sexual Assault Taskforce.	Reduction in expenditure on rape and sexual assault is not expected to impact on protected characteristics: funding from 2017-22 designed to offer a fully inclusive service, which has been available since April 2022.  With regards to reprofiling of medicines costs, there is no impact on equality and fairness. Work will continue to deliver medicines registries.

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