Equal Opportunities Committee

Report, 2012 (Session 4)


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Equal Opportunities Committee


APPROACH

1. As in previous years, this year’s approach is to promote consideration of the impact of spending allocations across all relevant portfolios with reference to an equality mainstreaming objective, through—

   • an overarching perspective on the equality impact of the resource allocation process, with an emphasis on gender

   • a survey-based analysis of mainstreaming in budget processes we undertook, taking into account responses received by public sector organisations on the role of equalities in their budget processes.

   • A cross-cutting view of equalities impacts in portfolio areas, via the equalities dimension of other committees’ draft budget scrutiny.

Summary of recommendations

2. This report summarises the recommendations of our full report[^1], submitted to the Finance Committee as part of its scrutiny of the Draft Budget 2013-14.

The overarching perspective

Process

3. We sought evidence from witnesses, including the Cabinet Secretary, of the actual process involved in drawing up the Equality Statement. Evidence demonstrated that the Equality Statement is very much viewed as positive progress in adopting a more equality-focused approach to the budget process in Scotland. With respect to budget scrutiny, we would welcome reassurance that the Equality Budget Statement is now considered an integral feature of the budget process.

Measures to tackle underlying issues of gender inequality

4. We note that impacts felt by women as public-sector workers or women who rely on key public-sector services that are being reduced or withdrawn as a result

of spending cuts. With regard to the emerging evidence of significant impacts on women of sustained and prolonged spending cuts. **With regard to the emerging evidence of significant impacts on women of sustained and prolonged spending cuts**, however, we would like to see further evidence of spending plans and associated policies aimed at mitigating these impacts. We find this to be of particular concern when there appears to be a firm commitment to incorporate equality considerations throughout the process.

**Public spending cuts: the impact on women workers**

5. Exploration of the impact of public spending cuts on women workers in the public sector revealed concerns relating to equal pay in local authorities, which remain unresolved with significant mounting costs not least from associated legal action. **We note that all local authorities have the same obligations on equal pay.** We would therefore like to see more evidence, either in the Draft Budget or through other initiatives, of the Scottish Government taking action to ensure those obligations are met and can be met by all local authorities. This is of particular concern in an environment of prolonged and significant public spending cuts.

6. Furthermore, we welcome the announcement at the Women’s Employment Summit of significant investment in Careerwise but **we are concerned about the impact of certain spending decisions, in particular, access and retention issues for women in employment and persistent patterns of occupational segregation in the labour market.**

7. We heard of a number of areas of concern about the longer-term costs to the economy. Although not all issues discussed result directly from spending cuts, **we would like to see evidence that those issues are being addressed, by the Scottish Government, local authorities and other public bodies, via relevant policy initiatives and any associated spending allocations.**

**Issues regarding the availability of reliable, accurate and Scotland-relevant data**

8. In light of evidence received from witnesses on the lack of relevant data, we sought assurances from the Cabinet Secretary as to the nature of compliance with specific regard to the activities of Scottish Enterprise, the main economic development agency, and how that is consistent with the Scottish Government’s overall approach to promoting an equalities agenda throughout the budget process. **We note the Cabinet Secretary’s comments but we remain concerned that the lack of any robust gender-disaggregated data from ONS will hinder the effective targeting of business development and support funding.**

**Modern Apprenticeships**

9. With specific respect to current spending allocations, we heard of the problems associated with the lack of relevant data relating to the funding allocated to the Modern Apprenticeship programme. **We seek clarity as to what reporting mechanisms funding agencies are required to adhere to with respect to the promotion of, the recruitment and the performance of Modern Apprenticeships.**
10. Discussions focused on the funding allocations to the Modern Apprenticeship programme and the impact of patterns of occupational segregation on the wider economy. We noted that the approach to address occupational segregation by gender is unbalanced and to effectively aid in addressing the low rates of pay in traditionally women-dominated occupations, we thus seek assurance that future spending plans will support actions to promote occupational de-segregation and will include men and boys as a target group. This would effectively aid in addressing the low rates of pay in traditionally women-dominated occupations.

How do the spending plans contribute to a ‘growth’ purpose as defined by the National Performance Framework?

11. We heard from witnesses of a lack of evidence relating to the actual impact that the shift in spend from resource to capital since the 2011 Spending Review has had on jobs and growth. From the range of evidence heard relating to relevant data, it would appear that various agencies involved in promoting economic development across Scotland, including the main enterprise bodies, are not collecting the robust and rigorous data that would allow for evaluation over the long term. We ask the Scottish Government and other public bodies to improve this situation and report an action plan to us.

12. In considering current spending allocations targeted at creating jobs and supporting growth, we refer back to the points made regarding occupational segregation in the wider labour market and the design and delivery of the Modern Apprenticeship programme, discussed in paragraph 38.

13. We note the Cabinet Secretary’s admission that his prediction of a private sector recovery in the sector by 2010-11 proved to be wrong. We welcome the Cabinet Secretary’s openness and frankness. We invite him to comment on what basis the Scottish Government made the assumption that the private sector would recover by 2010-11 and what changes have been made to the basis of its economic decision-making for the future.

14. We further ask the Cabinet Secretary to provide the specific labour market data referred to in his response to us, broken down by gender impact. We believe that such data should be readily and routinely available, to assist in scrutiny and increase the visibility of the particular issues concerning employment patterns of women.

15. We would also like to see specific, practical examples of where and how prioritizing and accelerating capital spend has resulted in an increase in jobs. We recognize that this can be through both direct and wider impact, but believe that there should be clear evaluation of the sustainability of these jobs and their differentiation by gender. We believe this is particularly important, given the priority of supporting the construction sector, which employs relatively few women directly and provides economic benefits to women mainly through any overall multiplier effect.
Support for business
16. Although a crucial factor in supporting an overall growth strategy has been identified as support for business, evidence was heard from Jackie Brierton that the current mechanisms in place appear to be gender biased. However, given this evidence, it is unclear how the spending plans will support business growth in such a way that promotes opportunities for all. The Draft Budget contains no evidence of the application of gender impact analysis to the outcomes associated with spending to support business growth. Consequently this spending remains focused on a homogenous population, thus taking no account of the very gendered nature of activity centred around business enterprise. This is of particular importance, given the priority that the Scottish Government has placed on tackling women’s employment issues. We therefore ask for such evidence to be integrated into future years’ budget documents.

How do spending plans promote the position of women in the labour market?
17. Despite the recognition that the child care sector is part of Scotland’s infrastructure, the spending plans do not contain the evidence of the investment in this area that supports this recognition. We wish to highlight a lack of clarity in the Cabinet Secretary’s evidence in respect of the distinction between “early years” and “child care” with regard to spending allocations. We ask for investment in child care services to be prioritised within a framework of promoting economic growth and for the relevant budget and associated documents to reflect this.

MAINSTREAMING IN BUDGET PROCESSES

18. We undertook to conduct a survey seeking to gain a better understanding of the role of equalities in the budgeting process across public sector organisations. In June 2012, a short survey was issued to 59 public sector organisations – all 32 local authorities, all 22 NHS boards (14 territorial and 8 special boards), Scottish Enterprise, HIE, Skills Development Scotland, Transport Scotland and VisitScotland.

Emerging issues

Approach to budgeting
19. The widely used incremental budgeting approach could result in equalities issues being considered only where changes to budgets are proposed. More fundamental questions about equalities issues relating to the budget as a whole or particular services within the budget could therefore be overlooked. We invite the Cabinet Secretary to consider the scope for zero-based budgeting frameworks in the public sector and we look forward to his response.

Cumulative impact

20. EIAs tend to involve assessment of an individual service, an approach that carries the risk of missing the interactions between services and the effects that changes to one service could have on other budget lines. We seek the
Cabinet Secretary’s view on the scale of this problem and how it might be addressed.

**Timing of EIA**
21. Some organisations undertook EIAs at the very outset of a budget or service proposal, allowing for equalities issues to be taken into account throughout the development of the proposal. For others, the EIA took place later in the process, which could mean that it is too late to redesign services (which could, in turn, mean that changes are accepted which have a negative impact on equalities groups or that changes are rejected when they could have been redesigned so as to mitigate any adverse consequences). **We look to the Cabinet Secretary to take a position on when EIAs should take place and we ask what steps he plans to take to improve the situation.**

**Equalities and the capital budget**
22. Most respondents focused on the equalities impact of their resource budgets and it is therefore unclear to what extent equalities issues are taken into account when making decisions regarding capital investment. **We ask the Cabinet Secretary what assessment he has made of the extent to which public bodies take equalities issues into account when making capital investment decisions.**

**CROSS-CUTTING ISSUES**
23. Given the Scottish Government’s emphasis on the importance of equalities to the budget process, including the production of the Equality Statement which addresses each portfolio, we are slightly disappointed not to see more material coming back from the various committees. We discern some misunderstanding of our request for responses and remind other committees of our duty, under the Standing Orders, to scrutinise the observance of equalities in the Parliament. **We draw to the Finance Committee’s attention issues raised by other committees, as summarised in paragraphs 96 to 108.**

24. In a similar exercise, the Finance Committee’s guidance incorporated a request from the Rural Affairs, Climate Change and Environment Committee that committees consider how spending has taken account of climate change issues and how it will help the Scottish Government meet the targets set out in the Climate Change (Scotland) Act 2009. **We include our comments on climate change issues in paragraphs 109 to 112 and draw them to the Rural Affairs, Climate Change and Environment Committee’s attention.**

**Impacts associated with climate change**
25. The Cabinet Secretary explained that an iterative process is used to apply equalities considerations while formulating the budget and that the choices made in that respect are cognisant of obligations connected with climate change. He also highlighted a range of different steps being taken to support the development of a low-carbon economy across a range of different policy areas in the budget, namely energy efficiency in the private domestic sector through insulation schemes, public sector energy efficiency programmes, the emphasis on renewables research and development and the work undertaken on changing the
balance of travel patterns in society. We draw this aspect of our consideration of the draft budget to the Rural Affairs, Climate Change and Environment Committee's attention.
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