Dear Minister,

**BUDGET 2020-21: PRE-BUDGET SCRUTINY**

I am pleased to set out the views of the Equalities and Human Rights Committee as part of the pre-budget scrutiny for the forthcoming draft 2020-21 budget of the Scottish Government.

The purpose of pre-budget scrutiny is for committees to reflect on a range of financial matters that they have considered throughout the parliamentary year. They can then provide views and recommendations to the Scottish Ministers, so they can take them into account in advance of the publication of the draft budget. The revised Agreement on budget scrutiny envisaged a more outcome-based approach, with the focus not just on the figures but on how effectively resources are targeted, and on what they deliver.

You will be familiar with the eight key themes the Committee has identified to progress its budget work this Parliamentary session. These were first set out in our 2018-19 report on the draft budget *Looking ahead to the Scottish Government’s Draft Budget 2018/19 Making the Most of equalities and human rights levers*.

These are:

- Progress on developing equality and human rights budgeting

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Almost all these areas arose as part of the budget inquiry into the third sector the Committee conducted recently. The inquiry report, *Looking ahead to the Scottish Government’s Draft Budget 2020-21: Valuing the Third Sector*, was published on 7 November. The Committee would welcome your views on the matters raised and recommendations made in this report within the recognised timescales for responding to committees’ reports.

This letter also draws on evidence gathered and key themes identified where the Scottish Government has given a financial commitment to fund new policies or where there has been uncertainty around the level of funding required to achieve its stated outcomes. These include:

- Age of Criminal Responsibility (Scotland) Act
- Children (Equal Protection from Assault) (Scotland) Bill
- UN Convention on the Elimination of All Forms of Discrimination Against Women, and
- the Gypsy/Traveller Action Plan

Comments on these policy areas are set out in the Annexe to this letter.

The Committee also draws your attention to some other budget-related activities it has undertaken this year.

On 12 March 2019 some members of the Committee attended a presentation from Landman Economics to discuss the research they had undertaken for the Equality and Human Rights Commission on ‘The cumulative impact of tax, social security and public spending decisions in Scotland’.

Section 4 of that report sets out the impact of tax, social security and public spending changes by protected characteristic. For example, Black households and adults with differing ethnicities experience the largest losses from tax and social security reforms and public spending changes. Women experience a greater loss than men from tax and social security reforms, and women from ethnic minorities experience greater losses than White women or men of any ethnic group. While women are also disproportionately impacted with those from ethnic minorities experiencing greater losses from tax and social security reforms than white women, or men from any ethnic group. Households with a disabled adult and a child lose on average £5,000 per year from tax and social security reforms (equivalent to one-tenth of their net income). Lone parent households (especially female lone parent households) are the largest average losers from combined tax, welfare and public spending reforms.
The Committee continues to be interested in utilising distributional analysis as a tool to model the impacts of policies and in understanding the cumulative impact of the budget across the protected characteristics.

The Committee would therefore find it helpful to know if the Scottish Government has come to a view about the use of distributional analysis as part of the budget process and about its use to inform future areas of policy development.

One of the Committee’s recommendations in its first budget report\(^2\) of the session, was for a tripartite meeting to be held to discuss human rights budgeting, a developing area of interest for the Committee, the Scottish Human Rights Commission and the Scottish Government.

On 24 April this year, some Members of the Committee met informally with representatives from the Equality Budget Advisory Group, the Scottish Human Rights Committee, the Scottish Government, the Equality and Human Rights Commission and COSLA to discuss human rights budgeting and progress in mainstreaming equalities in the budget.

The Committee very much welcomed this opportunity to focus discussion on the aspirations and the challenges around equalities and human rights budgeting. Some of the key points the Committee noted are set out below:

- Changes to the National Performance Framework (NPF), looking at national trends, would be useful for committees in highlighting outcomes analysis throughout the year
- COSLA interested in developing links between the NPF, budgets, and in improving impact assessments
- Human rights indicators were being developed to measure how transparent, participative and well scrutinised the budget is
- Human rights were the least protected in law and the least understood by public bodies, despite being shown to deliver the greatest impacts
- Human rights has clear standards that guide policymaking and analysis (e.g. maximisation of resources)
- There are overlaps between human rights and equalities budget analysis and these could be integrated
- Leadership required, budget analysis needs to be seen as ‘completing’ budget processes, rather than as an add-on
- EQIAs tend to focus on concluding that no harm or discrimination would take place, rather than focusing on how the proposed policy could drive equality improvements
- Understanding lived realities in the round, particularly intersectionality, is challenging but must be done.

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The Committee recognises the changes to the National Performance Framework (NPF) and welcomes Scotland’s progress towards being more transparent through the use of the NPF indicators. The Scottish Human Rights Commission’s submission to our third sector inquiry, does raise a number of questions, however, around transparent, comparable and accessible data, particularly the lack of read across between the NPF and the budget.

The Committee asks the Scottish Government what further work it is undertaking to provide a stronger link between the budget and the National Performance Framework.

Regarding the human rights basket of indicators, the Committee asks the Scottish Government when the indicator: Public services treat people with dignity and respect will be available. Also, the Committee notes there has been a worsening of performance under the indicator: Influence over local decisions and asks the Scottish Government what the reasons for this are, particularly given the Scottish Government’s focus on the community empowerment.

Finally, the Scottish Government committed to providing a budget equality assessment prior to summer recess 2019.

The Committee asks when this will be available and why it has not been possible to provide this in time to directly support Committees’ pre-budget scrutiny and stakeholder organisations involvement in budget development.

If you have any further questions, please contact the Clerk to the Committee at equalities.humanrights@parliament.scot or phone 0131 348 5217.

Yours sincerely,

Ruth Maguire MSP
Convener
Equalities and Human Rights Committee
KEY ISSUES

Age of Criminal Responsibility (Scotland) Bill

1. The Committee wrote to the Scottish Police Federation (SPF) on 3 June 2019 after it raised concerns around the implementation and funding of the Age of Criminal Responsibility (Scotland) Bill at the time of the Stage 3 consideration of the Bill.

2. In its response to the Committee on the budgetary implications of the Bill, the SPF estimated the actual cost of implementation of the Act would be closer to £6 million, rather than the figure of £256,000 indicated in paragraphs 37-43 of the Financial Memorandum, which accompanied the Bill and informed Parliament’s scrutiny. This the SPF said was because the Scottish Government had intended to utilise the existing iVPD system (Interim Vulnerable Person’s Database) within the Police Service of Scotland. It was, however, SPF’s understanding that it could not be used.

3. In its letter of 30 October the Scottish Government said “As part of the implementation programme, my officials will of course undertake further discussions with Police Scotland colleagues to firm up implementation costs and clarify budgetary capacity.”

4. The Committee is concerned about the significant disparity between the costs set out in the Financial Memorandum and those estimated by the Scottish Police Federation. As such, the Committee would like to know the timescale for completing this work and asks to be updated when a figure is available.

Children (Equal Protection from Assault) (Scotland) Bill

5. On 16 May 2019, the Committee reported at Stage 1 on the Children (Equal Protection from Assault) (Scotland) Bill. The Bill’s purpose is to abolish the defence of reasonable chastisement and drive cultural change to discourage the use of physical punishment.

6. The Committee asked the Scottish Government to investigate the potential cost implications of the Bill for the police, social work, health boards and third sector organisations that provide parenting support through its implementation group.

7. Also, the Committee asked the Scottish Government to bring to the attention of the implementation group that there were calls from organisations like Saheliya, Scottish ADHD Coalition and Scottish Autism for tailored support, to be available in multiple formats.
8. In its response to the Committee’s report, the Scottish Government agreed about the need to raise public awareness, although it had yet to consider further with the Implementation Group how best to raise awareness.

9. The Committee asks the Scottish Government whether it has identified an approach to awareness raising about the Bill and what the associated costs of that approach are likely to be.

10. According to the Scottish Government’s response, Police Scotland indicated that they needed more time to consider the full impact of the Bill on them and suggested this could take around 8 weeks. While COSLA and Social Work Scotland were also looking to assess the financial implications of the Bill.

11. The Committee asks if Police Scotland, COSLA and Social Work Scotland have now provided the Scottish Government with an estimate of the costs they are likely to incur as a result of the Act, and what these cost would be.

12. It is noted from the Scottish Government’s response that at present around 20% of calls to Parentline involve discussions with parents and carers about challenging behaviour by children. Voluntary sector members of the implementation group said that, should there be an increase in calls of between 12% to 18% after the Bill is enacted, which the voluntary sector say would be consistent with changes after similar policy changes, then Parentline’s costs would increase, potentially in the region of £11,000 to £17,000.

13. The Committee asks whether the Scottish Government intends to meet such costs, should they occur, or would Parentline need to seek funding from another source.

UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)

14. It is noted that last year Engender received funding from the Equality and Human Rights Commission to coordinate a Scottish shadow report and increase public awareness of the CEDAW process. The UN Committee on the Elimination of Discrimination against Women published its concluding observations on 18 March 2019, which Engender has annotated to highlight observations relevant to Scotland. The Committee took evidence on 13 June 2019 from Engender on CEDAW and subsequently wrote to the Scottish Government on 28 June drawing the Minister for Older People and Equalities to the issues raised in the evidence session and asking about data collection.

15. The Scottish Government’s response on 11 October 2019 said a large majority of Scotland’s official data collections already allows data to be broken down in relation to men and to women. It highlighted, however, that it was currently working with stakeholders to develop a Gender Equality Index expected to be published in Summer 2020 and that there would be an opportunity thereafter for

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3 Letter from the Minister for Children and Young People, 12 July 2019
stakeholders, such as Engender, to help identify specific areas where data isn’t available for women.

16. The letter also noted the announcement on 20 June by the Cabinet Secretary for Social Security and Older People to establish a working group on sex and gender in data, led by Scotland’s Chief Statistician, and comprised of data professionals from Scottish Government and key public sector bodies. This would look at the collection and reporting of data on sex and gender, and develop and produce guidance for public bodies to use. This would assist when deciding on data collection and disaggregation in different circumstances, and to ensure that the methods used are appropriate. It will also contain guidance on how to report and publish statistics about a person’s sex and gender.

17. The Committee welcomes the Cabinet Secretary for Social Security and Older People’s announcement on 20 June to establish a working group on sex and gender in data and asks the Scottish Government to provide information on the timescales it is working towards.

18. Further to the publication of the UN Committee’s concluding observations, the Committee asks what action the Scottish Government will take to respond to these observations and whether any budget has been allocated to support their implementation.

19. Also, in relation to the evidence provided by Engender, the Committee asks the Scottish Government what work it has undertaken to recognise women’s unpaid and underpaid care work as a key sector in Scotland’s economic strategy.

The Gypsy/Traveller Action Plan

20. On the 9 October, the Scottish Government launched jointly with local government a new action plan aimed at Improving the lives of Gypsy/Travellers: 2019-2021. The Action Plan has 5 objectives, to:
   - Provide more and better accommodation
   - Improve access to public services
   - Better incomes in and out of work
   - Tackle racism and discrimination
   - Improve Gypsy/Traveller representation

21. The Committee notes the Scottish Government has allocated £3 million over three years to deliver the Action Plan of which an additional capital investment of up to £2m between 2019-2020 and 2020-2021 will be public sector Gypsy/Traveller sites, designed to improve quality of life.

22. The Committee asks the Scottish Government how the figure of £2 million has been calculated and what measures it has put in place to ensure this will be spent by local authorities on improving Gypsy/Traveller sites. Also, the Committee asks for clarification on whether the provision of these funds impacts on the funding level of equalities budget.
23. It is not entirely clear to the Committee from the Action Plan what the remaining £1 million will be directed towards. According to the Action Plan, the only new money committed to is a further £500,000 (2020-2022) to support flexible family learning in Gypsy/Traveller communities, through the Tackling Child Poverty Delivery Plan. The Committee would welcome clarity on this point.