



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Equalities and Human Rights Committee

**Thursday 28 June 2018**

**Session 5**



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**CONTENTS**

	<b>Col.</b>
<b>TEMPORARY CONVENER .....</b>	<b>1</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>2</b>
<b>BUDGET STRATEGY PHASE 2019-20 .....</b>	<b>3</b>

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**EQUALITIES AND HUMAN RIGHTS COMMITTEE**  
**20<sup>th</sup> Meeting 2018, Session 5**

**CONVENER**

Christina McKelvie (Hamilton, Larkhall and Stonehouse) (SNP)

**DEPUTY CONVENER**

Alex Cole-Hamilton (Edinburgh Western) (LD)

**COMMITTEE MEMBERS**

\*Mary Fee (West Scotland) (Lab) (Temporary Convener)  
\*Fulton MacGregor (Coatbridge and Chryston) (SNP)  
\*Oliver Mundell (Dumfriesshire) (Con)  
\*Gail Ross (Caithness, Sutherland and Ross) (SNP)  
\*Annie Wells (Glasgow) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Caroline Gardner (Auditor General for Scotland)  
Mark Taylor (Audit Scotland)

**CLERK TO THE COMMITTEE**

Claire Menzies

**LOCATION**

The David Livingstone Room (CR6)



**Scottish Parliament**  
**Equalities and Human Rights**  
**Committee**

*Thursday 28 June 2018*

*[Mary Fee opened the meeting at 09:00]*

**Temporary Convener**

**Mary Fee (West Scotland) (Lab):** Good morning and welcome to the 20th meeting in 2018 of the Equalities and Human Rights Committee. I ask everyone to please ensure that all electronic devices are on silent mode. I have received apologies from Christina McKelvie and Alex Cole-Hamilton.

As neither the convener nor the deputy convener is present today, I am chairing this part of the meeting as the oldest member present. Under rule 12.1, the standing orders require that the committee must choose a temporary convener for the meeting. Therefore, I seek a nomination for someone to chair the meeting.

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** I nominate Mary Fee.

**Mary Fee:** Thank you very much. Does the committee agree that I, Mary Fee, should be appointed as temporary convener for today's meeting?

**Members** *indicated agreement.*

**Decision on Taking Business in**  
**Private**

09:00

**The Temporary Convener (Mary Fee):** The next agenda item is a decision on taking business in private. Do members agree to take item 4 in private today?

**Members** *indicated agreement.*

## Budget Strategy Phase 2019-20

09:00

**The Temporary Convener:** Agenda item 2 is an evidence session on the budget strategy phase 2019-20. We have with us today Caroline Gardner, who is Auditor General for Scotland, and Mark Taylor, who is assistant director at Audit Scotland. I understand that the Auditor General wishes to make a brief opening statement.

**Caroline Gardner (Auditor General for Scotland):** Thank you, convener. We are pleased to be with the committee today to discuss the changes that are being made to the budget process and what they might mean for the scrutiny of equalities and human rights outcomes. I would like to briefly set out some of the context for you.

As you know, Scotland's public finances are fundamentally changing, with new powers over borrowing and reserves, control over most income tax, and responsibility for 11 social security benefits, worth more than £3 billion a year. We are seeing a shift from a spending Parliament to one that needs to balance spending and revenue, while managing increasing complexity, uncertainty and volatility. There is now a much greater link with the economic performance of Scotland relative to the rest of the United Kingdom.

Those changes to the public finances mean that there is a need to transform the budget process. Parliament needs to be able to scrutinise whether the new tax and spending powers are being used in a way that is sustainable, inclusive and makes the best use of resources in achieving the Government's policy goals.

As Auditor General, I support parliamentary scrutiny by providing evidence-based and objective information on public spending and performance. I was also a member of the budget process review group and I fully support its recommendations. I am pleased that they have been welcomed by the Parliament and Government, and work to implement the new approach in the budget cycle for 2019-20 is already well under way.

The recommendations of the budget process review group build on what a number of committees are already doing. The committee's own budget report last year was a good example of how a year-round continuous cycle of scrutiny might work.

Fundamentally, this means shifting from a narrow focus on changes from year to year to a much broader look at how public money is being raised and used over time, and the impact that it is having on the people of Scotland. The revised

budget process looks to extend such approaches and put them at the heart of budget scrutiny.

The budget process review group recognised the contribution that the audit process makes in providing objective, independent information about the public finances, performance and value for money, as part of the basket of evidence that is available to committees. As the new budget process develops, we will make sure that our work programme continues to support parliamentary scrutiny against a backdrop of increasingly shared responsibilities between the Scottish Government and the UK Government in areas such as tax and social security.

Changing the budget process also means changes to the culture and to ways of working. We have always known that it will take time to be delivered in full, with some big challenges and opportunities to work through.

We are looking forward to exploring with the committee what this might mean for the work that we all do, and Mark Taylor and I will do our best to answer your questions.

**The Temporary Convener:** Thank you very much for that opening statement. I will start by asking you about scrutiny. One of the things that we have questioned witnesses about when they have come to committee is how we follow a budget line through to spend. It can be very difficult to follow the line through to see the outcome. It is something that you pick up on in paragraphs 14 and 16 of your submission, under the heading of "Scrutiny and evaluation".

Given that equalities and human rights cover all the portfolio areas and that every committee has an element of human rights and equalities in it, how can we ensure that the committee's long-term, broader approach to scrutiny is matched by the other subject committees?

**Caroline Gardner:** You are right that there is no way in which it will work if equalities and human rights are seen just as the business of the Equalities and Human Rights Committee—it must play through the whole budget and be part of the scrutiny work of all the subject committees in the Parliament.

There are a couple of areas where the Equalities and Human Rights Committee can play a particular role. First, it can encourage the Government to provide its budget documentation and financial reporting of the outcomes that it has achieved in ways that provide more information in the breakdown of how it will affect particular equalities characteristic groups and how it will improve outcomes around human rights. The national performance framework and the new national outcomes are the starting point, but there is a lot of work to be done on what that means in

practice with the decisions that are being proposed for how money is used and what the policy goals are.

Secondly, the Equalities and Human Rights Committee can help the other committees to think through what good practice looks like in relation to their areas of responsibility, such as health and social care, the economy and so on, by looking through an equalities and human rights lens. The committee can give guidance on the questions that it is interested in having answered and will have the ability to join the dots across different portfolios where that will make a difference to equalities and human rights.

**The Temporary Convener:** Is the breakdown the most important aspect? Quite often, the top line shows a one-word description of the budget spend, but the underlying figures beneath that will pick out the human rights elements.

**Caroline Gardner:** That is one important aspect. I will ask Mark Taylor to talk about that in a moment.

The broader equalities dimension is also important, particularly when we are talking about tax and social security powers. The Government has made a good start on its proposals around income tax by setting out the impact that it expects its proposals to have on people who are less well off and people who are better off. However, there is more to do, such as distribution analysis, to consider the impact of national tax changes, council tax changes and all those sorts of areas of policy on equalities in relation to income and poverty, rather than the protected characteristics.

**Mark Taylor (Audit Scotland):** As the committee will be aware, a small number of budget lines are directly linked to activity in equalities and human rights areas and there is clearly room for inquiry about that. However, the vast bulk of the impact and way in which the budget has an effect on those areas runs through all the budget lines. As the shift to the new approach to scrutiny widens out perspectives, rather than looking narrowly at the information in individual lines, a broader look could be taken at particular policy areas to consider the overall impact on outcomes and the main initiatives within the Government's spending programme.

The budget process review group made a recommendation that we hope to see some early progress on, which is that when the Government introduces a new initiative or programme, it will indicate more clearly the implications for a range of outcomes in relation to that programme. We would expect part of that to be about articulating the impact on equalities and human rights. That would provide a locus for the subject committees and the Equalities and Human Rights Committee

to get a better sense of where the money is going, what it is buying us and what the impact and implications are of that.

**Gail Ross:** I have quite a wide-ranging question. What are we currently getting right in equalities and human rights budgeting?

**Caroline Gardner:** One of the biggest things going for us is the national performance framework and the outcomes approach. It is a really good framework taking that longer-term view, which is absolutely central in the recommendations of the budget process review group. It provides a good starting point for asking the question: if our aims are about making Scotland a great place for children and young people to grow up in and a key policy is to increase the amount of early learning and child care that we provide, which of the groups within that matter most? Is our priority helping more parents back to work, particularly more mothers, or is it about giving an extra helping hand to children from the most deprived families? We can then think through how we are going to allocate the money to reflect that and how we will know that it is happening. My sense is that taking an outcomes approach is a really good starting point.

Beyond that, the challenge is to get in place the information that shows what progress we are making, rather than having to wait 10 years or a generation to see the outcome. The outcome is what matters, but we cannot wait 20 years to know whether we are moving in the right direction. Having a bit more information and making it more possible for all parliamentary committees to look at next year's budget proposals in the context of what we are trying to achieve and whether we are heading in the right direction would be a good next step.

**Mark Taylor:** On the process side, a strength of our arrangements is the role that the equality and budget advisory group plays in advising the Government. The group provides a centre of expertise; it cannot do all the work itself, but it can work with the Government and the committee to help with exploring the issues. That group's role is important in moving forward on how to address the information requirements.

The equalities analysis that comes with the budget is a good early step, but there is much more to do. The work that the group does with the Government and the work that the Government does to widen the analysis of equalities and the effects on different groups are an important part of where we need to go next.

**Gail Ross:** The Auditor General has a remit to look at public bodies and the public spend. A lot of the money goes to local authorities, which have free rein—sort of—to spend it as they think best. If

we are to follow the public pound, as Mary Fee suggested, how do we ensure that local authorities fulfil their equalities and human rights obligations in budgeting?

**Caroline Gardner:** That is a good question, which relates to the question that the convener kicked off with about the difficulty of understanding what is happening below the high-level lines in the budget. Local authorities are directly elected bodies in their own right; they have statutory powers and a general wellbeing power, and their ability to act in ways that they believe will further their communities' needs is important.

Local authorities operate in the overall framework of the national performance framework and the national outcomes. They all produce local outcome improvement plans, which set out their area's needs and how they intend to improve issues over time. There is scope for them to get sharper at engaging with people about that and communicating their progress.

The role of audit is to provide a bit of the evidence that is available to the Parliament and the committee about how local authorities pick up equalities. As well as an annual audit, which all public bodies have, local authorities undergo a review, under the auspices of the Accounts Commission, of the progress that they are making to meet the best value duty. In the statutory guidance, one characteristic of best value concerns equalities.

Auditors look first at what a council says it is doing and secondly at the progress that it is making. Auditors judge whether the approach is based on a proper understanding of local people's needs and whether a council is doing the right things on that basis.

I am thinking of a couple of best value audits. Glasgow City Council focused on transport as a priority, because it is important for people who are from outlying areas of Glasgow, which could be more deprived areas, to get to work, education and other things that the city has to offer. That council dealt with transport in a way that focused on equalities and human rights. Renfrewshire Council focused on addressing poverty to meet the needs of people in its area.

Equalities are picked up in that way, rather than through questions about what councils are doing about equalities. Councils are asked whether they understand what promoting equalities looks like in their area and are asked to show us that they are making progress towards that.

**The Temporary Convener:** We have information from local authorities on how they assess the work that they do on equalities and human rights. Some have mentioned human rights and equalities in their budget work. Some have

said that they are community based, so they automatically do human rights and equalities work. Should the Convention of Scottish Local Authorities have more influence on or a supporting role in how local authorities carry out scrutiny work and ensure that the spend goes in the right direction?

09:15

**Caroline Gardner:** I start with the caveat that local authorities are not within my area of responsibilities, but my personal view is that COSLA could probably do more to help all local authorities in Scotland to think about how to apply the broad duty that applies to them, as it does to all public bodies, in their particular circumstances. We need to move on, in the sense that, although local authorities may pick up on equalities and human rights issues to some extent if they are focusing on their communities, it is easy to take that for granted and not to think about the people who are less visible or less vocal, and whose interests are therefore easier to miss when councils are thinking about the most important things in their area.

Something could be done with guidance, to encourage the application of the same principles that are now being built into the Scottish Government's budget about understanding the impact of budget decisions on different local groups, and looking at all policy decisions through an equality and human rights lens. We need to ask what our housing policies, or our support for the local economy, might mean for human rights and equalities. I would expect those sorts of questions to be part of the way in which people are explicitly considering equalities and human rights duties.

**Oliver Mundell (Dumfriesshire) (Con):** I want to start by asking about money that is received by third sector organisations, which obviously play a vital role in delivering a number of services, particularly when it comes to promoting equalities and human rights. Do you put any focus on analysing whether that money delivers best value, and what sort of analysis do you do?

**Caroline Gardner:** Again, a lot of that question relates to local authorities rather than to the bodies that are directly in my remit, given the scale of third sector funding that local authorities provide.

**Oliver Mundell:** I am interested in money that is received directly by organisations from the Scottish Government.

**Caroline Gardner:** That tends to come into the audit remit as part of our look at a particular policy. For example, we have recently looked at self-directed support and at the way in which the Government, as well as the other public bodies involved in that policy, are engaging with third



sector organisations, first to understand some of the views of people who are affected by or depend on that service and then to look at how that is shaping the Government's policy decisions about how money is spent.

The second thing goes back to the point that Mark Taylor made about planning for outcomes within the budget. If a particular policy area is focused on and will require to be delivered in partnership with third sector organisations, or indeed private sector providers, we need to be clear about that, about the sort of relationship that is needed and about the flow of funds. That comes back to the point about knowing what progress is being made, what is working and what is not. It tends to involve looking at an individual policy rather than looking directly at the relationship with third sector bodies overall, but where it is relevant, yes, we look at it.

**Oliver Mundell:** That is helpful. I am also interested in the comments that you made about looking at outcomes. I know that all Governments naturally look for the positive outcomes of policies. Do you feel that enough focus is given to setting out the relevant data in relation to possible alternatives or the unintended consequences of policies?

**Caroline Gardner:** That is a really important question. In a sense, the answer is the same one as I gave to Ms Ross's question earlier. Unless we have very clear measures and milestones that we expect to see on the way to improving an outcome over time, it is hard to know what is working and what is not. If you do not know what is not working, you cannot decide to stop doing that and instead invest the money in doing something else. At the moment, it is difficult politically to stop doing things, but beyond that it is difficult to see which are the things that are not working as well and that you should therefore consider doing less of, so that you can do more of the things that are working. There are things that you need to be doing well before you get to the point where you would expect to see an improvement in the overall outcome that you are looking to achieve.

**Oliver Mundell:** Do you think that the Government has set out enough information on the alternatives that it has considered as part of the policymaking process to allow proper scrutiny?

**Caroline Gardner:** I would say that that is patchy. I refer back, for example, to the work that we published earlier this year on early learning and childcare. We found that, back in 2014, when the original decision to expand the entitlement was made, the Government was not clear about what options it had considered and why it chose the one that it had done.

That meant that it was not possible to demonstrate which outcome the Government thought that it would achieve, whether it was helping more parents into employment or helping to reduce inequality between children from the poorest families and those from the rest. In that case, we felt that the Government had not done enough to set out the things that it considered and decided not to do. There is more evidence of that in other instances, so the picture is patchy but there is room for improvement.

**Mark Taylor:** In terms of how to get at that question, we are quite clear that, when measuring outcomes, the reference point should not be a single figure for the whole of the population. We need the ability to understand the outcomes for different people and different groups within the population. I am really pleased to see the Government's commitment in its new national performance framework to break down that outcomes data as far as possible, to enable a geographic analysis and an analysis among different interest groups. A lot of work is needed to allow that analysis to happen. In assessing outcomes, it is not just the aggregate number that matters. The granularity and the impact on different people across the country are really important.

**Oliver Mundell:** That leads me nicely to my final question on distributional analysis and how policies affect individuals. Should the analysis be done at the start of the process? My perception is that it is sometimes done as an add-on at the end that is used to justify a policy position that has already been arrived at. Does the Government start with the analysis or does it start with a policy intention and work backwards?

**Mark Taylor:** There is a variety of practice, which is part of the issue. It is clear that the approach to distributional analysis needs to be much more rigorous, systematic and built in across the piece. That will not be straightforward. A lot of work is required to enable the Government, and other public bodies and councils, to be able to begin to do that. The approach is to pick some areas in which there is a greater understanding and to build on that.

More generally, as information needs are addressed and information requirements are improved through access to better data, there is an issue with that being an incremental process. There is no magic bullet that will suddenly create a whole basket of information, but we need to quicken the pace of change more routinely as part of the policymaking process. Critically, that will support the budget scrutiny process in assessing the impact of public spending and raising public revenues.

**Oliver Mundell:** You said that the approach is to “pick some areas”. What areas can you identify that currently have strengths?

**Mark Taylor:** I hesitate to identify specific areas in which I feel that there is strength, but there are areas in which the thinking is more advanced around gender, for example, and they provide a good starting point. I would struggle to identify areas in which comprehensive information is available currently.

**The Temporary Convener:** On the national performance framework, you spoke about measuring the outcomes and having a broader look at how we are doing. We measure the NPF through indicators. Is the crucial work that needs to be done the development and expansion of the indicators? They need to be quite specific in what they are looking for, so that we can prove that we are fulfilling obligations and meeting targets.

**Mark Taylor:** As I understand it, the Government has committed to take the new indicator set, which has recently been agreed, and to try to break down the individual headline indicators in a geographic manner and across particular aspects of the community. The Government has identified some priorities for doing that. That is the commitment, but a lot of work needs to be done to meet it.

**The Temporary Convener:** Will the Government break down the indicators into all the different equality bits of the budget, or will it be more of a broad range?

**Mark Taylor:** The commitment has been made, but we wait to see the detail of it.

**Caroline Gardner:** I expect that the indicator set will be different for different outcomes. Some indicators will be relevant to the protected characteristics and some will be relevant by age or by geography. I would guess that the same set will not be used for every outcome.

**Annie Wells (Glasgow) (Con):** I have a couple of questions on public engagement, which you mentioned in your submission. Obviously, public engagement is a huge thing and, as a committee, we try to go out and talk to the general public and people who are hard to reach. How can other committees and the Parliament as a whole make sure that we engage the public in the budget process, especially with regard to equality impact assessments? Assessments should and do happen, but we have been told by local authorities that, sometimes, they are not as effective as they could be, and that they are basically tick-box exercises. How do we encourage the public to believe that we are doing scrutiny properly, when local authorities are saying that that is not always the case?

**Caroline Gardner:** Although Parliament has a really important role in that, the primary responsibility should sit with Government and local authorities to engage with people about what matters to them, what does and does not work, and what their preferences are. The Community Empowerment (Scotland) Act 2015 gives specific responsibilities to local authorities to do that and the Accounts Commission’s best-value work has shown a range of approaches for how to go about it. However, so far, it is hard to say that that is having a fundamental effect on the way in which local authorities decide how to spend their budgets each year.

If the consultation about what the budget proposals should look like is done well, it is much easier for committees of the Parliament to hear from people about whether that is effective, whether they feel that their voices are being heard and whether they see any changes to the services that are being provided or to the way in which that is done. You might want to think about doing a bit of dual focusing by listening to people about what matters to them and asking the Government and COSLA or councils how they are responding to that and what they are doing about it.

**Annie Wells:** You said that Glasgow had done a really good piece of work when it looked at transport but, from what we have seen recently with the early years information and the rise in costs, it does not look as if we are putting the equality impact assessment right on everything. As a committee, we are taking a human rights-based approach to everything, so how can we disseminate to councils that that is what we are trying to do—to be guarantors? How can we, without telling the councils what to do, show them what best practice is?

**Caroline Gardner:** Two things spring to mind for me, and Mark Taylor might have more to add. First, the temporary convener’s question about COSLA is important. The more that the committee and COSLA say together, “This is what good looks like”, the easier councils will find it to get to grips with something that can be quite complex. People can be unsure about where to start, so that is important.

The second thing is that all the parliamentary committees have a really important role in acting as an amplifier for the concerns that all MSPs hear from their constituents and people in their regions. If members hear that a particular policy is not working well for people in their patch, they have the ability to play that through the parliamentary scrutiny process and, increasingly, the budget process, and that has a lot of influence on what the Government and local councils will do about it. In the case of councils, it might not be about directly saying, “We expect you to do this

particular thing” and it might be about saying, “We expect you to take your equalities and human rights duties seriously and this is what we think that should look like.”

**Fulton MacGregor (Coatbridge and Chryston) (SNP):** I have quite a general question. How would you consider budget scrutiny in terms of human rights levers when there are major policy differences between Governments? There is the example of welfare—I think that you gave that example at the start, which prompted my question—on which the UK Government is taking one approach and the Scottish Government is taking another, generally speaking, but the same folk are being affected. How would that play in?

**Caroline Gardner:** That is one of the areas on which we are focusing most in our work. Until quite recently, it was pretty straightforward under the devolution settlement that, if a matter was not reserved to the UK Government, it was a matter for the Scottish Parliament and the Scottish Government, and we audited what was devolved. With the devolution of income tax powers, social security and—coming along soon—VAT, there is now a much more wavy line between the responsibilities of the UK and Scottish Parliaments. We are working hard with our colleagues at the National Audit Office to think about how we can do our work in a way that is proportionate and does not lead to loads of duplication, but which satisfies both Parliaments that their interests are being protected and that they are getting the assurance they need about the way in which public money is being spent.

09:30

To stick with social security as an example, there is no question but that the National Audit Office will continue to audit the Department for Work and Pensions as a UK public body and there is no question but that the Scottish Parliament has a real interest in some aspects of what the DWP does, because it will be providing elements of the devolved social security benefits to people in Scotland, at least for the foreseeable future. We are working through what that means.

We are also looking at the way in which the Scottish Government is handling the transfer of those powers to Scotland to make sure that it is doing so in a way that manages the risks to some of the most vulnerable people in Scotland; that is letting it use its powers in the way that it intends to; and that is ensuring a smooth landing that will provide a basis for the next level of powers and the freedom to introduce new benefits, which will come on stream at the same time. We are still working our way through that, but I expect it to be a matter of continuing interest to Parliament. We

take the equalities and human rights dimension of that seriously, as I know that you do.

**Fulton MacGregor:** So it is fair to say that this is an on-going issue for you.

**Caroline Gardner:** Sure—and it is a complicated one.

**Gail Ross:** At the very end of your evidence, you raised concerns about the draft audit and accountability framework. Does that relate specifically to the social security and tax powers or is it an overall measure?

**Caroline Gardner:** It is being framed in a way that would cover anything else that ends up being devolved or shared in that way, but it is being driven specifically by the tax and social security powers, which we are implementing at the moment.

**Gail Ross:** What are your specific concerns and how can we address them?

**Caroline Gardner:** I will give you an example. At the moment, under the legislation, income tax is almost fully devolved to the Scottish Parliament—in respect of the rates and bands—but it has to be collected by Her Majesty’s Revenue and Customs. The Scottish Government does not have a choice about that in the way that it has a choice in relation to social security; it is baked into the legislation. HMRC is audited by my colleagues in the National Audit Office—they have done that for a very long time. It is a big, complex audit and there are particular safeguards around it to protect taxpayer confidentiality—I have no access to HMRC at all. However, we know that income tax revenues will be about £12 billion this year. They will be a big chunk of Scotland’s revenues and the amount of money that it has to spend in future.

It is entirely appropriate for the Scottish Parliament to have an interest in ensuring not just that the amounts of money being recorded and therefore transferred to Scotland are right, but that Scottish taxpayers are being treated according to the same standards of customer care as UK taxpayers as a whole and that tax evasion and fraud in Scotland are being tackled seriously so that losses are minimised.

At the moment, I cannot provide any direct assurance to Parliament about that. The draft framework is about working through how the existing audit arrangements are maintained and protected while still giving me enough access to provide an assurance to the Scottish Parliament that its interests are being looked after and that, if there are any problems, it knows about them and can follow them up. That is the tricky thing.

**Oliver Mundell:** We are talking about an expanding remit and lots of on-going hard work to change the current budgetary process. Do you

think that enough resource is being given to enable that work to be done? Is it being given enough priority?

**Caroline Gardner:** So far, the early signs are positive. We in Audit Scotland were very pleased to see the medium-term financial strategy published last month, which is the first time that that has happened in Scotland. It contained a lot of information about the revenue side. There is room for more development on the expenditure side, but it is a great first step.

We have the written agreement between Parliament and Government and we have the expectation that that will come into play for the 2019-20 budget. We have always known that the process would have to evolve over time. You cannot just have a big bang and make it work. For me, the challenge is keeping up the momentum so that we see some of the developments that we have been talking about this morning, such as having more information in the budget that links expenditure proposals to outcomes and breaks it down by different equalities groups or by the people who are expected to be particularly affected by a policy proposal.

All of that will take time when people are already very busy and resources are tight. I am committed to our keeping on playing our part in that, and also reporting to Parliament on what progress there has been in doing that and highlighting any particular concerns about our being at risk of losing some of the potential that exists.

**Mark Taylor:** Earlier in the year, we did a piece of work on progress on implementing the whole range of Scotland acts powers. One finding in that piece of work was about the Government's capacity challenges. There is a whole new set of responsibilities in addition to the Government's continuing responsibilities and other current issues, and it is a real stretch for the Government to be able to respond to that. We highlighted issues to do with that in our previous report. The sense is that the initial changes, particularly relating to social security, have been well resourced and that there has been some good initial progress, but there is a massive job ahead, and the capacity changes have the risk of beginning to bite as the work continues.

**The Temporary Convener:** I come back to your submission and the points that you make about the "basket of evidence" and the availability of quality data. That comes up time and again when we take evidence and in evidence in other committees. There is a lack of reliable data and a lack of use of the available data. What can be done to ensure that data is used across all the committees and across all the work that the Government does to help us to measure outcomes?

**Caroline Gardner:** I will start by talking about what we can do with the data that exist and Mark Taylor can then pick up the issue of the gaps that we know exist, which are becoming increasingly important.

In some ways, this goes back to the idea that, if we are taking an outcomes approach, everything that every public body does should aim towards achieving those outcomes and they should all know what contribution they expect to make. That is not to say that things will always work as planned—that is why we need to be measuring progress and shifting—but people should know why they are doing something and how they will know whether it is working.

It can be quite hard for us, for members or anyone else to join the dots. For example, if we think about sustainable economic growth, a year or so ago, we reported on the economy agencies and found that, although the economic strategy was clear about the things that it wanted to achieve, it was much harder to see what Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and the other bodies involved were doing that was making a difference. That is part of the reason why the new enterprise and skills strategic board was established. There is a real job of work to do—for the Government and its public bodies, to start with—to help you to see how they expect all those things to work together and how the money is following the plans, year by year, to get there.

All the public bodies and the Government produce a plan and an annual report, and there is room for them to do much more to tell us what outcomes they are trying to achieve and to close the loop by telling us what progress is being made. Audit reports can be part of that process. We report on each individual body each year. There is also the planned programme of performance audit works, which come to Parliament through the Public Audit and Post-legislative Scrutiny Committee and look at specific issues. Some of those are specifically about equalities or human rights issues, such as the work on self-directed support. We are planning work on housing, and on children and young people's mental health services. Those reports can help to pull the picture together and show how things are working.

The Parliament's clerks and the people in the Scottish Parliament information centre are becoming increasingly skilled in helping you to pull the picture together from what already exists. We know that there are still some gaps, but pulling information together is a good first step.

**Mark Taylor:** The shift to the new budget process presents an opportunity to find how to encourage people to make more use of the data that is already there. Giving Parliament time and

space and giving public bodies and the Government more of an opportunity to articulate what they are doing, and to find a home for that in an on-going budget process in which information is built up over time, is at the heart of the budget process recommendations. The shift to the new budget process helps.

As the Auditor General said, the Government and public bodies have a real responsibility to better articulate their plans, what difference those plans will make, how they expect them to make a difference, how they are delivering against those plans, and what difference the policies are making in practice. There is a real opportunity in annual reporting to be clearer about the difference that individual components of the public sector are making to outcomes.

In the acceptance of the budget process review's recommendations, there is a commitment to providing stronger guidance from the Government to public bodies about their ability to do that. It will build up the information base and the dialogue between people who deliver public services and the Parliament about the difference that they make. The shift to the new budget process is an important part of that.

Beyond that, there is specific equalities and human rights data. The data strategy that is in place provides an opportunity to build on what exists and continue to look for how to improve particular data sets. As I have mentioned before, there is also a commitment in the national performance framework to have that more granular information.

The will and ambition to have much better data exist. We cannot flick a switch and go from not having good data to having perfect data. A continued, prioritised and focused effort is needed to be able to do that.

**The Temporary Convener:** How do we join all that together? Given that all that exists, we need to find a way to join it together and keep it joined together so that we can interrogate the budget properly.

Also, when committees scrutinise the budget, there is a role for them to look at it through a different lens. I am not saying that we tend to ask the same questions all the time when we scrutinise the budget but there is an element of, "We will ask this, this and that." Perhaps committees need to be a bit more focused in the questions that they ask to get the answers that they require to do their scrutiny.

**Mark Taylor:** The essence of the shift in the new budget process is to enable all committees to take a broader look at how public money in their areas is being raised and used and what difference that makes. Within that, there is an

opportunity for committees to decide what the priorities are and select particular areas of focus that they can explore.

One of the challenges for all the committees is how to ensure that that focus includes an examination of equalities and human rights. Clearly, it is not possible for all committees to do everything. We need to consider how to ensure that that is one of the lenses—to use the Auditor General's language—that committees use when they think about particular policy areas.

Rather than focusing on budget lines or particular sets of data and individual questions, committees have an opportunity to focus on a particular thing from their policy area—city region deals, perhaps. If they focus on city region deals, they can ask what difference the deals make and ask about the implications of the city region deals investment, including for equalities and human rights. They could use that kind of general policy and budget inquiry about the spend and look at the different outcomes that there are to consider as a result of it.

That is the thinking behind the shift to the new budget process. It allows more opportunities for committees to do that and to hear from people and interest groups about what particular investment and policies mean for them.

**Caroline Gardner:** The shift to doing that on a year-round basis provides the chance to be more planned and thoughtful about determining the particular areas in which each committee is interested and for the conveners and clerks to consult other committees about what matters.

For example, the Economy, Jobs and Fair Work Committee will have time to plan consideration city region deals as a key theme in its budget scrutiny over the year, rather than just six weeks around Christmas when the budget process has formally been under way. That will also give it time to talk to this committee about the equalities aspects of that in which it might be interested and what questions this committee might like it to follow through.

You can think of other examples for all the other committees, but the new process allows that step back rather than the whistle being blown at the end of November with a hard stop date in February, which is where we have all been so far.

**The Temporary Convener:** You have pre-empted the question that I was about to ask. Is there a role for this committee to say specifically to other committees that we want them to consider a particular aspect?

**Caroline Gardner:** Absolutely. This committee is the one that builds up expertise and understanding of what equalities and human rights

mean in practical terms for the choices that are made about where the money is spent and how you will know what the effect is. You will have views from your roles on other committees and as MSPs about where that works well and where there are real questions to ask—you have talked about early learning and childcare, for example. To find a mechanism through the Convener's Group, the Finance and Constitution Committee's role and the clerks to play that in early to shape what other committees do has the potential to lift the parliamentary budget scrutiny to a new level.

09:45

**The Temporary Convener:** There is another point that I want to pick up on. The submission talks about

"reviewing the focus and coverage of the Equality Budget Statement".

Mark, you have said a lot about how we can expand the indicators that we use and join everything together. Is that what you want to see in the renewed focus of the equality budget statement?

**Mark Taylor:** Yes—broadly. With the shift to the whole-year approach, we want to move away from an approach that involves the equality budget statement being attached entirely to the draft budget, which has a narrowness of focus, and try to open up opportunities to have more reporting throughout the year and earlier reporting on some of the distributional effects and some of the analysis that is under development. Instead of everything being focused on a single document at a single point in time, we want there to be an on-going effort to provide data and information.

**Gail Ross:** Can you tell us a bit about the internal diversity and equality steering group that you have in Audit Scotland?

**Caroline Gardner:** Like all public bodies, we are covered by the diversity and equality duties. As you say, we have a diversity and equality steering group, which is chaired by one of our assistant directors—one of Mark Taylor's close colleagues. It brings together people from across Audit Scotland, including people who deliver financial audit, people who are involved in performance audit and people from corporate services, to look at our two equalities outcomes.

The first of our equalities outcomes is about how we address equalities and human rights through all of our audit work, and the second is about how, as an employer and an organisation, we meet our own responsibilities. The steering group has set out an action plan with a number of actions on how we should go about that. In the context of our audit work, those are to do with making sure that we consult widely with stakeholders with an

interest in equalities and human rights on the overall approach that we take to our work. As part of that, we have an equalities and human rights advisory group, which the chair of the Scottish Human Rights Commission is a member of.

When we develop the planned work programme, we consult very widely on that. Once we have selected a piece of work to look at, say, housing or children and young people's mental health, we consult directly, or as directly as we can, the people who are affected by those services. In an effort to inform our work programme, we have continuing strands of work, such as our work with Young Scot, to hear from young people about what matters to them. When we carry out audit work, we engage with people to get their views through things such as focus groups and surveys through social media. When we report on our audit work, we think quite hard about the audience that we want that piece of work to be of interest to and how we can reach it. As part of our work on early learning and childcare, we put together a short video that let parents know about their entitlements and pointed them towards a checklist of questions that they should ask when considering what the right solution for their child is. We try to do that for every piece of work, where it makes sense, and our diversity and equality group oversees that.

We also produce an annual report on diversity that fulfils our duties under the legislation and which covers the broad way in which we go about that.

**Gail Ross:** In your submission to our human rights inquiry, which you made in April, you said that you were exploring how you might extend the remit of the diversity and equality steering group

"to include consideration of human rights and socio-economic inequality".

How far along are you with that piece of work?

**Caroline Gardner:** It is still in progress. As the committee does, we find human rights a bit trickier to get to grips with than equalities. One of our newly qualified auditors has a legal background and a very strong interest in human rights, and she is working with the diversity and equality steering group on how we can progress that work. We think that the starting point will probably be to include such consideration in specific pieces of work, rather than to apply it to everything in the same fashion. A good example is the work that we are planning to do on housing over the next couple of years. There is obviously a big human rights dimension to that; it is a case of thinking about how we pick that up.

Mark Taylor might want to add to that.

**Mark Taylor:** The Auditor General talked about the consultation that we do. Our equalities and human rights advisory group involves around 20 organisations across a range of interests, and consideration of human rights is an important part of what it does. An early action was to build that aspect into its work.

**The Temporary Convener:** Is the steering group looking at gender in the context of unpaid care? There is a huge disparity between women and men when it comes to unpaid care—far more women are unpaid carers, and they lose out on all sorts of things because they are carers.

**Caroline Gardner:** That is the sort of thing that we would pick up through the advisory group that Mark Taylor mentioned. We would then consider how such an issue applied to the particular pieces of work that we were planning.

Of the work that we have done recently, our work on early learning and childcare probably comes closest, but it is easy to think of other pieces of work where that could be an important driver. When it comes to the work that we are planning on the way in which the Government is picking up its plans to stimulate the economy to make best use of the new tax powers, that will be a significant dimension, as it will be in the context of the broader work that we are doing on the care of older people.

**The Temporary Convener:** Will the steering group take account of the universal periodic review and take on board some of its recommendations? Will it also look at the concluding observations?

**Caroline Gardner:** I would say that, in principle, it will do, but I cannot put my hand on my heart and say that we are on that at the moment. That is one of the issues that play into our work planning and the way in which we run the organisation through the 20-odd organisations on the advisory group. Making sure that we have that covered is an action point for us to take away.

**The Temporary Convener:** Thank you.

As there are no further questions from members, I thank Caroline Gardner and Mark Taylor for giving evidence. It has been a useful and interesting session for us all.

09:51

*Meeting continued in private until 10:22.*





This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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