



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EQUAL OPPORTUNITIES COMMITTEE

Tuesday 30 November 2010

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EQUAL OPPORTUNITIES COMMITTEE
22nd Meeting 2010, Session 3

CONVENER

*Margaret Mitchell (Central Scotland) (Con)

DEPUTY CONVENER

Marlyn Glen (North East Scotland) (Lab)

COMMITTEE MEMBERS

*Malcolm Chisholm (Edinburgh North and Leith) (Lab)

Jamie Hepburn (Central Scotland) (SNP)

*Christina McKelvie (Central Scotland) (SNP)

Stuart McMillan (West of Scotland) (SNP)

*Hugh O'Donnell (Central Scotland) (LD)

Elaine Smith (Coatbridge and Chryston) (Lab)

COMMITTEE SUBSTITUTES

Rhoda Grant (Highlands and Islands) (Lab)

Tricia Marwick (Central Fife) (SNP)

Mary Scanlon (Highlands and Islands) (Con)

Margaret Smith (Edinburgh West) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

Pat Armstrong (Association of Chief Officers of Scottish Voluntary Organisations)

Fraser McKinlay (Audit Scotland)

Claire Monaghan (Society of Local Authority Chief Executives and Senior Managers)

Angela O'Hagan (Glasgow Caledonian University)

CLERK TO THE COMMITTEE

David McLaren

LOCATION

Committee Room 1

Scottish Parliament

Equal Opportunities Committee

Tuesday 30 November 2010

[The Convener *opened the meeting at 10:11*]

Draft Budget Scrutiny 2011-12

The Convener (Margaret Mitchell): Good morning and welcome to the 22nd meeting in 2010 of the Equal Opportunities Committee. I remind everyone present, including members, that mobile phones and BlackBerrys should be switched off completely, as they interfere with the sound system even if they are on silent mode.

We have received apologies from a number of members: Elaine Smith, Marlyn Glen, Jamie Hepburn and Stuart McMillan.

Agenda item 1 is an evidence session as part of our scrutiny of the Scottish Government's draft budget 2011-12. We will hear from two panels. The first will focus on process issues from a compliance, scrutiny and support perspective, and the second will focus on impact, with specific reference to jobs, services and local communities.

After a considerable amount of shifting around, I am delighted to welcome the two witnesses on the first panel. Fraser McKinlay is director of best value and scrutiny improvement at Audit Scotland. We have received apologies from Chris Oswald, head of policy and parliamentary affairs at the Equality and Human Rights Commission. It is disappointing that Chris lives in Edinburgh but, sadly, has not made it here. Colin Mair, the chief executive of the Improvement Service, has also sent his apologies. In his place, I am delighted to welcome Angela O'Hagan, who is a research fellow in the Caledonian business school at Glasgow Caledonian University.

I will start the questioning. In the equality statement that was published alongside the draft budget, the Scottish Government claims:

"Equality considerations have underpinned our Budget. They have also helped to shape our proposals."

Can you identify any specific spending proposal that supports that claim? What input have you or your organisation had in helping to shape the proposals that are contained in the draft budget from an equalities perspective?

Fraser McKinlay (Audit Scotland): Thank you, convener. I will answer the second question first, if that is okay, as it is easier to deal with. Audit Scotland has not had any input into the budget or the equality statement.

As far as specifics are concerned, it will be interesting to see what emerges over the next few months. The equality statement is evidence that a lot of work has been done over the past 12 months on how equalities figure in the budget, but there is still some detail to be worked through.

We are interested in the extent to which and how public bodies set budgets this year on the back of last week's announcements. That will be the primary focus for Audit Scotland's work over the next few months and beyond. An important part of that will be about how public bodies take equalities issues into account.

The Convener: Can you identify any specific examples that demonstrate that cognisance has been taken of the equality perspective?

Fraser McKinlay: I am afraid that I cannot, off the top of my head. Our work on best value tends to be with individual public bodies on the extent to which they are taking these issues into account when they set their budgets.

10:15

Angela O'Hagan (Glasgow Caledonian University): I should clarify my role. I am speaking as the convener of the Scottish women's budget group. I have no authority to speak on behalf of the Equality and Human Rights Commission, although I hope that anything that I have to say is not too far away from its views, given my other hat.

The Convener: That is appreciated. In the absence of Chris Oswald, anything that you can give by way of evidence is very much appreciated.

Angela O'Hagan: Thank you, convener. I will make no further comment.

At the outset, I have to say what different creatures the budget and the accompanying equality statement are this year. They show a heightened and more developed awareness of equality and a clear commitment from the Scottish Government to improving and progressing equality analysis and embedding equality considerations. The statement that equality considerations underpin the budget holds true to the extent that that heightened awareness is very evident.

In both the budget and the equality statement, there is an acknowledgement of the differential impact of potential decisions and policies across different groups, and those groups are identified. However, that is not followed through and there is no analysis of what that impact would be. The equalities issues are acknowledged, but have they informed decisions, or have decisions been made and the equality differential impact then acknowledged? Where is the measurement of the

impact? What mitigatory action and monitoring will follow?

For example, in my reading of the health portfolio, given the structure around addressing health inequalities, there is clear reference to where budgetary decisions and programming decisions are made, with specific reference to specific health inequalities issues. Similarly, in transport, reference is made to older people and people with disabilities as part of the rationale for retaining concessionary travel. Those are some of the most obvious examples of where equality decisions have informed the budget but, overall, that is the stage of development that we are at in the process. There is a very marked improvement in awareness and in the Scottish Government's overriding approach to the budget-setting process this year, overshadowed as it is by reductions in public spending.

There is a sense that, in some ways, it is not business as usual, because the financial landscape has changed dramatically, but, when it comes to equalities, the decision-making process has maybe not yet caught up. That is the work in progress that the equality statement points us to. That is a welcome development, but you may well want to talk more about the equality statement.

The Convener: Yes. Thank you. Your comments are very helpful.

Hugh O'Donnell (Central Scotland) (LD): Before I ask my main question, I will check that I am picking up what you said correctly. Were you suggesting that the cart is coming before the horse and that the Government is retrospectively applying equality analysis to budgetary decisions?

Angela O'Hagan: My reading is that there is a mixed picture. The equality statement attached to the budget sets out, in a kind of narrative, the journey that has been gone through in the Scottish Government. That is very positive, as it shows that a lot of work is going on behind the scenes that has increased awareness levels and been very positive for the application of equality considerations.

We can see from things such as the distribution of equality resource packs and the directors' workshops that equality considerations have been brought to bear in decisions. However, I do not think that the Government is quite there yet in demonstrating how decisions have been informed and changed by equality considerations.

There is a sense—it might just be the way it reads rather than what has happened, so it could be a learning point for the presentation of the equality statement—that decisions have been made and then there is an explanation of how the Scottish Government understands that they will impact differentially. I am not sure whether the

equality analysis happened to inform those decisions or whether there is just an expression of awareness of how the decisions will impact differentially.

Hugh O'Donnell: Thank you. That is helpful.

From an equalities perspective, the framework for equality duties requires public bodies to assess, eliminate, mitigate and monitor unequal impacts across their activities. Can you provide any examples of how that framework of assessment has informed the spending reductions that are set out in the draft budget? Fraser, do you want to have a go at that question first?

Fraser McKinlay: I am afraid that I do not have any examples. Obviously, I have read the budget proposals, and we are interested in their impact on public bodies' budgets and how the bodies cope with that. We focus on the decision-making process that the Scottish Government and, in turn, individual public bodies have gone through. We do a lot of work in local authorities, which provide vital services and have a big impact on equalities groups, vulnerable groups and so on. One of the key things that we have been concerned about during best-value audits is that, although bodies have all the bits in place and they seem to be ticking a lot of the boxes, there is still not an awful lot of evidence of the impact on service delivery and service redesign, and of that being followed through.

It is not specific to equalities, but an issue that arises for us across the board is the information that public bodies have available to them in order to make decisions and understand their impact. For example, if they cut a certain budget, they need to understand which group or groups that will affect and in what ways. That is fundamental. In the absence of that basic information about which groups are being served and what their needs and expectations are, it is difficult to do the other bits in the duty; it is difficult to mitigate something if you do not know what it is in the first place.

That is our concern about equality issues and, for that matter, other, wider performance information that bodies are using in making what are undoubtedly unprecedented sets of decisions this time round. We have been able to survive on a 2 per cent a year efficiency target, but it feels like we are now in a very different place, which means that public bodies need to be much clearer about what their priorities are and the impact of shifting resource from one place to another. That is the part on which Audit Scotland has not seen a great deal of evidence in the past. Budgets tend to be set on an incremental basis based on what was spent last year. This time, people are having to take a much more radical look and to consider from first principles what they are spending their money on, and they are beginning to shift

resources in a more meaningful way from one place to another.

We are concerned that, because of the lack of good-quality information on their service users, it is difficult for bodies fully to comply with their equality duties. I suppose that, as a public body, Audit Scotland is probably in the same boat. It is not an easy thing to do.

Angela O'Hagan: On the requirement to assess, eliminate, mitigate and monitor unequal impact, the Scottish Government has shown a strong commitment to this issue and made positive attempts to address it. It is work in progress and I think it commendable that, in its equality statement, the Government has stated an aspiration to be

“an exemplar in the field of diversity and equality”.

We still have to go some distance for that to be the case but, nevertheless, we all share and are working collectively to support that welcome and bold aspiration.

However, as Fraser McKinlay has pointed out, the public authorities to which the resources in the budget will be disbursed are key to the delivery of equality objectives and to achieving that exemplar status. My overarching concern is how, given its emphasis on the role of delivery partners in the budget and the equality statement, the Scottish Government will get the evidence to prove that those authorities are implementing these measures and ensuring that its equality objectives, objectives with regard to national performance framework outcomes and various aspects of the strong narrative around equalities in the budget and budget documents are being achieved. Indeed, those concerns are, as Fraser McKinlay has highlighted, shared by Audit Scotland and have been evidenced in the EHRC's recent “Counting the Cost” report, which emphasised the absence of available effective data for use. If public authorities—in this case, local authorities—are making decisions that are not fully informed, they are not making the best possible decisions and are not targeting or disbursing resources in the best possible way.

As I have acknowledged, public authorities are responsible for assessing unequal impact, eliminating differentials and mitigating the effect of discriminatory impacts, but we want the Scottish Government to provide strong guidance or direction and set out various requirements in that respect. Obviously, the responsibility for scrutinising the public sector duties lies elsewhere, but the Government should ask the public authorities for evidence of what is being done.

As for evidence of the assessment used in the budget, the picture is mixed. For example, it refers to the impact of spending decisions and reductions

on various groups in the education and schools budget, which means that cognisance has been taken of the impact on younger people. However, the Scottish women's budget group is very concerned that there has been no such analysis of the impact of the pay freeze across the public sector. Although, as the equality statement points out, women make up 64 per cent of the public sector workforce, there is no reference to how the pay freeze will affect them. The commentary on the equalities impact in the statement says:

“Pay restraint across NHS staff will necessarily affect more women than men”.

However, that is based purely on the numbers. Despite the acknowledged fact that more women work in the national health service, why should restraint “necessarily” affect more of them, particularly given the suggestion that pay restraint will be applied to higher pay levels? Is that where women really are in the NHS? [*Laughter.*] I see that Mr O'Donnell has understood my point. The budget might recognise that women are more heavily represented in particular sectors, but it does not reveal their occupational level and, as a result, we do not know who is going to take the hit.

What will be the gender impact of the pay freeze in the civil service and across public authorities? What savings are expected to be made and will they be directed at the outstanding contingent liabilities on equal pay in local government? Again, there is no reference to how that elephant that has stalked local government will be addressed. That is worrying. Any such move might be politically very difficult—indeed, unacceptable in some respects—but it is a key question with regard to access to justice for tribunal complainants, whose number is increasing every month.

10:30

On the point about efficiency savings, I am not an economist or a public authority resources manager, but I have concerns, and I wonder where further savings will be found. We have seen the zeal with which efficiency savings—£839 million in 2008-09 and £1,470 million in 2009-10—have been made. What is left to trim?

Where are efficiency savings being made? Is it in staff numbers or staff terms and conditions, or in the quality of service to the citizens of Scotland? Many of the services that we are talking about are for vulnerable groups or individuals who require our care and attention. We are concerned about the impact on social care and a range of other services.

Hugh O'Donnell: Okay, that is helpful.

The Convener: At the very least, we would expect to know who is on the £21,000 threshold. It

is clear that that has quite an impact, but the information is not available.

Angela O'Hagan: Yes.

The Convener: Angela O'Hagan mentioned that the person who examines the equalities duties would not necessarily be from Audit Scotland, but can you comment on and give a steer towards how Audit Scotland collects the information?

Fraser McKinlay: We examine equalities in a number of ways. One of the main ways is through the duty of best value, which is a statutory duty on councils, although accountable officers in other parts of the public sector are required to deliver their services and run their organisations with best-value principles in mind. Equalities are among the statutory guidance characteristics and, when we carry out best-value audits of councils, we always examine equalities.

We can do more on that, and we have tried to take a more proportionate and risk-based approach in our audit work rather than using a one-size-fits-all model. We in Audit Scotland must be aware that, when we look at a council, there may appear to be bigger risks than equalities, so it might be difficult to get our hands on the issues and find something in tangible form, particularly if councils are struggling in that area. There is a risk that issues could slip under our radar when we do that work, so we are conscious of that and committed to doing more work in that regard.

This year, for the first time, we produced assurance and improvement plans for the 32 councils, as a joint exercise by the main scrutiny bodies in local government: Audit Scotland, Her Majesty's Inspectorate of Education, the Social Work Inspection Agency and others. We routinely look at equalities as part of those plans, and we now have a pretty high-level risk assessment of how all 32 councils are responding to the equalities duties.

In eight of the 32 councils, we had real and more significant concerns about the progress that they were making on equalities, embedding equalities approaches and seeing some impact from their work in that area. We are refreshing the assurance and improvement plans as we speak, which will give us a more up-to-date picture in the spring.

It is worth bringing it to the committee's attention that we worked with colleagues in the EHRC to develop a best-value audit toolkit for equalities, as part of a suite of 19 toolkits. It is designed mainly for auditors to use when we audit a public body's approach to equalities, but we have discovered that individual public bodies find it helpful to use as a self-assessment tool.

We can do more in selling it to people—not literally selling it, I hasten to add. *[Laughter.]*

Hugh O'Donnell: It may come to that.

Fraser McKinlay: It may come to that; I will bear it in mind for the future.

We do not sense that councils are picking the equalities toolkit from the suite of 19 as the first one that they look at. Anecdotal evidence suggests that they are more interested in the toolkits on governance, accountability, mismanagement and financial management. The issue for us is how we ensure that equalities has sufficient profile in its own right, rather than being hived off as a separate activity that someone else does. We have grappled with that issue through our best-value audit activity. There is a debate about when something is mainstreamed and when it is just not happening. We can do more work on that, as well as looking at equalities issues in our national performance audit programme. Although we are not the statutory body that looks for compliance with the duties, we certainly hope that, through a range of our work, we will touch on many of the issues as we go.

The Convener: That is encouraging and proactive.

Hugh O'Donnell: This question might be rather naive, but what constitutes best value? Is there an agreed definition? Is it defined purely in economic terms or in social terms, too? Does everyone use the same measure?

Fraser McKinlay: We could be here for some time answering that question. It is not just an economic term. The main best-value legislation is the Local Government in Scotland Act 2003. Continuous improvement lies at the heart of the notion of best value. Equalities and sustainable development are mentioned explicitly as things that need to be recognised. The statutory guidance lists 10 characteristics of best value that describe what a best-value authority looks like. There is a wide range of stuff in that, including on equalities and sustainable development, competitiveness, leadership and community engagement. Understanding what communities want and expect is a key part of best value. The definition is wide.

Part of the challenge that we are getting from councils and other bodies is that how we interpret best value needs to change in the current climate. That is the trick for us. Since best value was introduced to the public sector, councils have known only growth in their budget, so the notion of continuous improvement has genuinely been about services getting better. As part of our work, we have had a challenge from councils asking whether that is realistic and whether we can genuinely expect them to continually invest in

services and make them better and better. Councils would argue that, in some places, best value is about sustaining services. Some councils might even suggest that it is about managing a decline in services.

The best-value guidance was written at a particular point in time, so we are having to think again about it and consider whether it is relevant. I suppose that I would say this but, for me, best value is even more important than it has ever been, so I would go the other way. All the things that describe best value are critical to helping councils and other public bodies deal with what they currently face. It is not terribly helpful to say this but, had they done the work five years ago, they would be in a better place. I am talking about what we refer to as the building blocks of best value, which are the cross-cutting themes of equalities and sustainable development and some of the really important stuff on performance management and workforce and asset management. If a lot of that stuff had been in better shape coming into this year, it would have been easier for public bodies to make the decisions that they now need to make.

Hugh O'Donnell: With the convener's permission, I quickly ask Angela O'Hagan whether the concept of best value has worked to deliver on the equalities agenda.

Angela O'Hagan: That is probably beyond my competence to answer. I can give a view, but it is maybe less than scientific. I go back to a former life for me, when I was closely engaged in trying to push the equalities dimension into various pieces of legislation that we now have. What Fraser McKinlay has described was always our fear. It is disheartening that, some time later, equality is still not regarded as a core aspect of governance and accountability in the functions of public authorities. The public sector duties are framed so as to support the promotion of equality as part of the ethos and character of the organisation. Equality should be considered in terms of the quality and appropriateness of service delivery and the maximisation of resources, and it should be a key management responsibility that is embedded in the governance of the organisation and exposed to scrutiny under accountability. Therefore, what Fraser McKinlay described is disappointing.

I welcome Audit Scotland's renewed vigour on equalities issues, as that is positive. Alongside the single equality duty that will come in next year, there will be an opportunity to focus on the issues.

I concur with Fraser McKinlay that equality is not only for the good times; it is for all times, especially times when services and jobs are under threat and the quality of life of individuals who receive services or are in employment is crucial and a core responsibility of public authorities.

Malcolm Chisholm (Edinburgh North and Leith) (Lab): I would like to explore further Audit Scotland's role in relation to the public sector duties. We have been interested in the Fawcett challenge. In exploring the legal basis of that challenge, the Fawcett Society has told the committee:

"Case law confirms that having a written policy is not enough, proper compliance with the general duty involves taking *active* steps to eliminate discrimination and promote equality of opportunity."

In executing your inspection and scrutiny functions, what evidence will you be looking for that public bodies have been proactive in mitigating the impact of the public spending cuts?

Fraser McKinlay: It is clear that we will need to reflect on the new equality duties and how they will impact on our audit work. Audit Scotland is a public body, and the duties apply to us as much as they do to anyone. One thing that we are thinking about is how we help to promote equalities through our audit work, and not just as an employer. That is very much a live issue for us. As I said at the start, we are interested in the extent to which equality issues are at the heart of the budget-setting process; the kind of guidance that is available to service managers and directors in public bodies who are setting their budgets for next year; and, to pick up on something that Angela O'Hagan said, the extent to which there is retrofitting of equality impact assessment, or whether that is done as part of the decision-making process.

There is a capacity issue for us: there is only so much work that we can do on those things. Our competence is to do with the use of resources—that is what our expertise is in—which is why I said earlier that the really interesting and important issues for us are how resources are being shifted from one place to another to support priorities and the extent to which equality issues are taken into account when decisions are made about that. On best value, we have similar duties in relation to considering how sustainable development is incorporated into economic, social and environmental decision making. There has been quite a lot of discussion and debate recently about Audit Scotland's role in that regard, since the news on the Sustainable Development Commission. We will continue to consider those issues when we are doing best-value audit work in public bodies, but they are among many issues that we as an organisation look at. I am trying to manage expectations a wee bit about what Audit Scotland will be able to achieve in the area.

Malcolm Chisholm: To what extent do the public sector duties inform and influence the best-value framework?

Fraser McKinlay: The extent to which the best-value framework, which has been in place since 2003, is up to date and reflects changes to other bits of equalities legislation is a question for Scottish Government colleagues to some extent. There is a job for us to do in reflecting on what we are doing and how we are doing it with the new equality duties. On the extent to which the duties are reflected in the best-value framework, the issue of equalities is a cross-cutting theme in how we do our best-value audit work, but that is a slightly different question from the statutory best-value framework.

Malcolm Chisholm: Are you suggesting that there is a gap between the duties and the framework, and that the framework has not really caught up with the duties?

Fraser McKinlay: I am not sure that there is a gap, but we are working with a best-value framework that has been around for some time, and the new equality duties are fresh. That has moved the debate about the framework's scope and what is expected of public bodies on a bit. We are already in early discussions with colleagues in the Scottish Government about the need to refresh the best-value guidance right across the piece.

As they have been in place for some time now, it is worth looking back and asking whether the statutory guidance and the best-value framework still hold good in the current climate, given what the public sector is facing by way of financial constraints at least in the medium term. Equalities are an important part of that.

10:45

Malcolm Chisholm: Are you saying that your fundamental yardstick is the best-value framework? Referring back to the previous question, does that limit your ability to consider how the public sector duties are being implemented?

Fraser McKinlay: I am not sure that it limits us. We need to understand what is contained in the new equalities duties and to adapt our approach accordingly. It is important to point out that we are not doing equalities audits, however. They are not what we do—we do not have the expertise to do them. We try to get some assurance from public bodies that they are following the process themselves and that they are undertaking equality impact assessments. We do that up to a point, but whether we are the people who can say that an equality impact assessment is good, bad or indifferent is probably a different question.

In practical terms, we do not have any statutory basis for auditing people against the duties—that is not what we do. Our statutory basis comes through the best-value audit framework and the

supporting legislation. That is not to say, however, that we cannot adapt our approach to consider how public bodies are fulfilling their duties under the Equality Act 2010.

Malcolm Chisholm: Your primary focus is on resource allocation. Much of this might seem a bit jargony for many people, so what difference does it make in practice? If you are examining resource allocation from a best-value point of view, how is that different, bearing in mind what was emphasised in the Fawcett Society quotation that I read out?

Fraser McKinlay: Sorry—I do not follow the question.

Malcolm Chisholm: I am going back to the point about there being a gap. You consider resource allocation from a best-value point of view, and the Fawcett Society is saying that resource allocation must be considered from the point of view of

"taking *active* steps to eliminate discrimination and promote equality of opportunity."

I am trying to get a sense of how far apart those two criteria might be.

Fraser McKinlay: I am not sure that they are so very far apart. The best-value perspective includes equalities, as well as sustainable development, competitiveness, the delivery of value for money and so on. When we do best-value audits we examine a wide range of characteristics. We look to establish whether public bodies—councils in this case—are taking account of best value and building it into their decision-making process. Equalities come under that.

Some people will focus more on the equalities angle; others will focus more on sustainable development; and others will focus on the impact on the workforce. It is difficult to untangle all those things. We discuss the equalities and sustainable development aspects of best value in a cross-cutting sense, because those two things should inform everything that organisations do.

Hugh O'Donnell: I will perhaps expose my naivety with this question. If Audit Scotland is considering best value as part of its work, does it consider that duty only within the confines of the local authority that it is working with, or does the duty extend beyond councils to other public service providers?

If, to use an appropriate example, a decision is made to cut back on the gritting of our pavements, that saves the council economically and means that its resources are redirected. However, there could be a peak in the number of people who fall over and break a leg. Is your methodology capable of taking such potential connections into account,

or do you in effect operate in a silo and just look at the local authority?

Fraser McKinlay: It is more than just a silo—and that was a very good question. The statutory duty under the 2003 act applies only to councils. In effect, that is where our authority comes from to do the audit. We audit the council. In developing how we carry out our best-value audit—we now call it BV2—we have been trying, over the past 12 months, to shift towards a more partnership-based approach and to consider outcomes, as councils and their partners are now using single outcome agreements as their main delivery vehicle.

In that example, we would look to make sure that the council has understood the potential impact of its decision on its partners. We do not have the ability to go to the health board and do an audit at that stage, but we can say to the council, “In making that decision, have you understood the wider impact on your partners and on delivery of the single outcome agreement?”

I do not know whether I have answered your question, but the statutory power relates to councils. However, because of the way that public services are delivered, increasingly we are looking beyond the local authority.

Hugh O'Donnell: That clarifies things, thank you.

The Convener: We have concluded our lines of questioning, but perhaps Angela O'Hagan wants to add something on that specific point.

Angela O'Hagan: I want to comment on Fraser McKinlay's point about displacement and the cumulative or other effects of a decision in one area of spending and the consequences for others.

Fraser drew his point back to the single outcome agreements. The Scottish women's budget group is concerned about the references—or absence of references—in the budget and the equality statement to violence against women and domestic abuse. There are clear indications of what is to be preserved, but there are no other indications of what is to come or go. When I spoke to the committee in the spring about the budget strategy phase, a lot of the discussion then was about displacement and the implications of cost savings or decisions on spending in one area and the consequences of that on another. As part of the Scottish women's budget group, I recently co-authored a briefing for Scottish Women's Aid and Rape Crisis Scotland that looked at the economic consequences of the removal of early intervention services and the consequences elsewhere. The reduction in the housing and regeneration budget is quite significant, so what are the consequences for women and families who are moving on from refuges if there is reduced availability of housing?

Although the issues are outwith the scope of the Equal Opportunities Committee and the Parliament, we should be aware of the wider implications of welfare reform and changes in housing benefit—those issues have come up in the equality and budget advisory group. We should also consider how the divisions in the management of public resources between the two systems of government can be managed. The Scottish Government is aware of those implications, but we need to see where the budget takes account of the displacements and the other impacts. That comes back to Mr O'Donnell's earlier question about where the mitigating actions are. I certainly have concerns about ensuring that current provision for work on violence against women is retained—in the scheme of things, it is a small amount of resource—and that the wider cumulative effects are recognised by the delivery partners as well as by the Scottish Government.

The Convener: Thank you both very much for that excellent evidence-taking session, which has helped us to understand much more clearly how the process is working. There has been some encouraging information about awareness raising, although there is more to be done.

I suspend the meeting to allow for a changeover of witnesses.

10:53

Meeting suspended.

10:58

On resuming—

The Convener: I welcome the second panel of witnesses. Claire Monaghan is head of policy, performance and communication at the Society of Local Authority Chief Executives and Senior Managers; Angela O'Hagan is a research fellow at the Caledonian business school of Glasgow Caledonian University; and Pat Armstrong is the executive director of the Association of Chief Officers of Scottish Voluntary Organisations. You are all very welcome. I understand that some of you have had a horrendous journey to get here. We appreciate that you have managed to come to give evidence this morning.

In its draft budget, the Scottish Government highlighted how the equality and budget advisory group informed the Government's approach to accounting for equality considerations throughout the budget process. My question is for Angela O'Hagan. As a member of EBAG, can you comment on how effective it has been in informing the Government's approach? What lessons can be learned from the experience?

11:00

Angela O'Hagan: My overall commentary on EBAG over the past year is positive. I highlight in particular the extension of membership to include the Convention of Scottish Local Authorities, the communities analytical services division and the public service reform directorate.

We have had one meeting with the office of the chief economic adviser. I hope that such meetings become a permanent feature and that the office becomes a standing member of EBAG. The initial meeting was extremely productive and positive in relation to revising some of the approaches to data and opening a dialogue on the relevance and significance of equality analysis in wider economic forecasting.

Over the year, we have made significant progress. I will repeat comments that I made earlier about a couple of things. The directors workshops, which happened for the first time, brought senior decision makers and policy makers within the Scottish Government into the process.

A particularly important development is the engagement of the finance directorate. We have had strong support from the director of budgets—the deputy director of finance—who has appeared before the committee. The directorate has gone one stage further and required equality submissions from spending departments in the commissioning portfolios. The literature and the experience from overseas tell us that the role of the finance department in any Government is key, so it is really important to have that visible, demonstrated support from the finance directorate.

This year, for the first time in its 10-year existence, EBAG advised the minister, so that was welcome.

EBAG produced a report on progress towards the process that we are trying to support in embedding equality analysis. It is very much work in progress. You asked what the next steps are. A very much improved equality statement is attached to this year's draft budget. That represents a considerable amount of work by a small team of individuals within the Scottish Government as well as the effort that they have required of their colleagues, and is to be commended on the record.

As I highlighted, there are still a number of weaknesses. What the equality statement is needs to be clear. It is not an equality impact assessment of the budget—that remains an issue on which there will continue to be high expectations externally and within the Scottish Government. Is it intended to be an equality impact assessment or to signpost the way to where equality impact assessments are happening? At the moment it is a bit of a hybrid.

There are a number of repeated statements in the equality statement about the equality impact assessments having to happen at the next tier down, where the spending happens. That links back to my earlier point about how that action is going to be evidenced and what the Scottish Government will look for from its delivery partners to show that it is happening. The question is whether the equality statement demonstrates that the Scottish Government has due regard for equality considerations. As I said, there is quite a way to go on the depth of analysis that informs decisions and on ensuring that they are informed by equality analysis, rather than explained in terms of equality impact. That, perhaps, is the question that I tried to get to earlier.

The Convener: Very encouraging information is coming back about how far we have moved in the past couple of years.

Malcolm Chisholm will probe a little bit more about the status of the equality statement.

Malcolm Chisholm: That has been covered to some extent. Like Angela O'Hagan, we welcome the equality statement and the progress that it represents. I ask her to comment on its value in providing the required evidence base to support the claim that

"Equality considerations have underpinned our Budget."

Angela O'Hagan: There is real value in the equality statement, in that it is a vehicle that the Scottish Government has used to good effect to articulate a commitment to equality that we all want to be demonstrated and enacted in resource allocation decisions and in the scrutiny of those decisions.

I do not want to give a legalistic answer to the question about the extent to which the equality statement provides the required evidence base to support the statement that

"Equality considerations have underpinned our Budget."

However, in terms of providing direction to the delivery partners, it is an important step in the right direction.

There are some challenges for the Scottish Government with regard to how interventionist it is prepared to be in its direction on equalities. It is quite clearly prepared to be interventionist around, for example, the council tax freeze and levels of disbursement to local authorities. However, is it prepared to follow through on the commitments that are made with regard to equalities and the things that are required of the delivery partners?

There is evidence of commitment and progress. Within Scottish Government spending departments, there is evidence that a significant process is getting under way. We see the

beginnings of that very much improved analysis in the statement.

Claire Monaghan (Society of Local Authority Chief Executives and Senior Managers): I have not been part of the equalities officers group, but I think that the equality statement is a huge step forward. It is the first real evidence that equalities are being systematically thought about and taken into account by every directorate in Government. It creates a framework that will enable those who will be implementing the decisions at the next level to see what the potential impacts might be.

Bringing the analysts into the group was critical. Without that, there would have been a risk that its work might have been based on instinct and common sense rather than a developed evidence base. We are on a journey, rather than having arrived at an end destination. The more input that everyone has into ensuring that equalities are pushed into as many areas as possible, the better and more productive things will become.

Pat Armstrong (Association of Chief Officers of Scottish Voluntary Organisations): The third sector very much welcomed the equality statement. Also, for the first time, the third sector was asked to be involved in pre-budget meetings with the minister, so we have experienced a huge step forward. However, we wait to see what the next steps will be. The equality statement is a useful lens through which to examine the budget statement. However, our members on the ground are telling us that what is important is the impact on the clients that we want to help.

The Convener: It is encouraging that your views were sought at that stage.

Malcolm Chisholm: It has been widely publicised that the benefit changes in the United Kingdom budget have a disproportionate effect on women. However, there are also concerns that the Scottish budget, which has more of a focus on public services, will also have a disproportionate impact on women, as women have a larger role as public sector employees and are important users of services. Are you aware of any information that might bear out that fear?

Angela O'Hagan: I touched on some of the concerns that the Scottish women's budget group had in relation to the pay freeze proposals and the extent to which they impact on women earners and women as heads of households—the issue of single-income households has to be considered carefully in that regard.

The labour market will undergo significant structural change as a result of the job losses across the public sector, even though there is a strong commitment from the Government to protect front-line services. If the projected numbers of direct jobs in local authorities and

public authorities go or are transferred to the third or private sectors, there will be a significant structural change affecting women's employment and employment opportunities. That raises questions about the extent to which those jobs will come back in the future, if ever. Can the private sector really pick up those jobs in any meaningful way?

I do not see the budget addressing questions around training and retraining and the much more deep-rooted questions around occupational segregation. There is reference to the creation of 34,500 training places and the on-going funding of the modern apprenticeship scheme. However, as members are aware, the Scottish women's budget group and others have consistently raised concerns about the strong gender bias in the modern apprenticeship scheme. If that is left unchecked, as a recovery measure it will reinforce occupational segregation and its consequences.

In the Scottish Parliament information centre briefing on the budget, we see that the level 2 areas of spend that show an increase are schools, sport, ferries and motorways. Those are very biased in terms of who benefits from that spend being directed in the wider economy; the outcomes from that spending tend to be skewed. The spending on schools is on infrastructure rather than on the provision of education. The spending on sport is on the Commonwealth games, and who will benefit from the construction jobs and the wider active sport engagement? The former Scottish Executive undertook pilots on gender analysis of the budget, the first of which were on women's engagement in sport. Have lessons from those pilots been brought forward? That would be a question to ask.

The budget—particularly the equalities statement—talks about the impacts on the recipients of social care services. We encourage you to look at who is providing that care and under what employment terms and conditions. That links back to my earlier comments on how efficiency savings are to be made. Are we to see a further levelling down of the detrimental conditions under which women workers primarily are working as the efficiency drives trickle down? That is quite a worry.

The Convener: Would any of the other panellists like to comment on that aspect?

Claire Monaghan: It is inevitable that there will be a disproportionate impact on women, because of the employment profile in the public sector. Traditionally, the public sector is a much more flexible employer than the private sector, in that it allows more part-time working and more job sharing et cetera. For that reason, it has a higher proportion of women in it. If a significant amount of money is taken out of the budget—as is going to

happen—that will, inevitably, impact disproportionately on women. There is no immediate way around that.

The key point from a local authority perspective is that people should be aware of the impact of implementing their decisions—they should not make them blindly. We cannot erode the potential for disproportionate impacts on women, but there is debate about moving some of the hit from revenue into capital spending, which has the potential to exacerbate the situation. That is a trade-off between an economic stimulus argument that involves continuing investment in the future and the potential short-term impacts on women. Even if the number of jobs in the private sector grows, they may not exist in a form that is amenable to women who need to work part time to balance child care or other caring responsibilities.

No matter how much legislation, auditing and scrutiny we put in place around this, I do not think that it is feasible to shield people from the equalities impacts. We can only make sure that those impacts are raised to the surface and that conscious decisions are made around them.

The Convener: That is helpful. Do you want to add anything, Pat?

11:15

Pat Armstrong: On Angela O'Hagan's last point about the care provision sector, which has a large proportion of women, we have found that the increasing competition for care contracts is pushing down the terms and conditions of employment, including the minimum wage and the possibility of pensions, which is impacting on women. We will need to keep an eye on that in the future, as there is a push at local level for larger contracts.

On Hugh O'Donnell's point about how best value is measured and whether it has a social aspect or only an economic one, the economic aspect has a big impact on women. On looking to the future, and to pick up on the skills point, it may be worth looking at skills and training for women in the areas where funding is going in the future, for example the climate change and green jobs that are coming up. There could be a focus on training for women in the new, up-and-coming sectors.

The Convener: Thank you very much. That is very helpful.

Hugh O'Donnell: To some extent, you have addressed my principal question in relation to the voluntary sector's perspective on the equalities impact on services and service provision. However, in looking at how local authorities and voluntary sector partners manage and analyse equalities impacts and assess the single outcome

agreements that are being drawn up, I am particularly interested in the extent to which responsibility for the equalities duties is transferred to the voluntary sector under contracts and single outcome agreements. Have you any experience of how that is working, if it is working? I am particularly interested in Claire Monaghan's thoughts on that.

Pat Armstrong: The feedback from the sector is incredibly mixed. It is more advanced in terms of discussions through the community planning partnerships than with the single outcome agreements. The situation is very different across the country and I get very different messages. There is a range of challenges. Quite a responsibility is left to the sector almost to beat the equalities drum and to pull the partners back to the concordat and the single outcome agreement and ensure that what is said at strategic level is actually what is happening on the ground. Bringing the partnerships together as equals, to ensure that the voice of the diverse third sector—which is as it should be—is heard in one or two places in community planning partnerships, is quite a challenge. We have moved forward, but there is a long way to go. It is a continuing journey, and the message is mixed throughout the country.

Hugh O'Donnell: Do you think that the planned reduction in services and the efficiency savings will have an increased and disproportionate impact on that?

Pat Armstrong: To some extent. I asked my members for examples of things that are happening on the ground that are impacting on equalities groups, and I got some very interesting ones. For example, a community transport project that previously received £16,000 a year to keep it running helped the most disadvantaged, elderly, housebound disabled people to attend hospital appointments and lunch groups and to go shopping. Owing to a transport decision, that has been cut. However, if any of those people have to go into care, it will cost a minimum of £24,000 a year for their care. Such decisions are already impacting on the sector. The worry is that with the one-year budget, short-term decisions will be made to make savings, but there could be longer-term implications for costs.

Claire Monaghan: SOAs are still relatively new. The voluntary sector input to those, certainly in my own authority, is taking place at the point where our third sector has been restructuring around the coming third sector interface. That has impacted on the role of the third sector in the community planning partnership.

Our voluntary sector is represented on the community planning board, and we now have a voluntary sector compact with our third sector interface organisation, which does some

shadowing work with the thematic groups that deliver the main themes of our single outcome agreement. The right structures exist, but we need to look at what is happening on the ground and the potential impacts of those behaviours.

We will not know the answer until the next round of budget setting, because the removal of the ring fencing that applies in the current financial year to the fairer Scotland funding, which has been a key mechanism for money to flow out through the community planning partnership, will mean that that money will no longer be identifiable as a line in the budget. Next year, the allocation of that money will be down completely to council budget decisions. That is right and proper in the grand scheme of things, but that is where the potential impact on the voluntary sector and the key role that it plays on the equalities agenda may play out. In a year's time, we will have a lot more evidence on how authorities have responded to the challenge of keeping the voluntary sector on board and paying attention to equalities in the SOAs.

On the more general question about how equalities are taken into account, most authorities have pretty robust performance management frameworks around their SOAs, and there is an established reporting mechanism. In addition, the scrutiny function that Audit Scotland performs around best-value audits includes consideration of how developed authorities' partnership arrangements and their monitoring of SOAs are. I am pretty satisfied that the right carrots and sticks are available to get this right, but it will be a challenge.

Hugh O'Donnell: I would not have thought that too many challenges have been faced in getting the third sector to pay attention to the equalities agenda. My memory is that it has been pretty robust in that regard over the years.

The committee is still extremely concerned that the 3 per cent efficiency savings target may lead to incentives to reduce particular services because of the technical difficulties of measuring any productivity gains, especially in the care sector. That goes back to the distinction between the economic meaning of best value and its wider meaning. How do you envisage that the 3 per cent target will impact on services that benefit the most vulnerable people in our society? I invite Pat Armstrong to answer first. You have already highlighted the effect on a community transport project.

Pat Armstrong: It will certainly have an impact, given what you said about the difficulty with measurement. A lot of the impact that third sector organisations have can take months or years to be felt. For example, helping someone with a range of complex needs back into work can take a long time—results will not be achieved within a year. If,

as you say, decisions are to be made on the basis of short-term results, that will be a real challenge.

There is a lot of talk about how it is not possible to make savings just by salami slicing, cutting costs and being more efficient. People are talking about how we can do things differently, which will involve a greater level of partnership working. I can see that starting to happen, to an extent, but it is a huge challenge. There are a lot of challenges around co-production and asking the third sector, which is often nearest to the client group, to be involved in service provision if it might be bidding for the contract to provide the service.

To pick up on Claire Monaghan's point about the third sector interfaces and the SOAs, another challenge that we have found is one of additional complexity. The third sector interfaces involve those organisations on the ground in local authority areas that support third sector organisations, but the large national organisations, such as Barnardo's and Shelter, do not work through the interfaces and have to work with the 32 local authorities in lots of different ways. We have seen a lot more partnership working between large and small third sector organisations that have come together for the good of the client group. It is still early days, but there is certainly a recognition of the need to work differently and of the need to work together better in the sector.

Claire Monaghan: The efficiency targets are challenging. I do not think that we can pretend that they are not. The real challenge is the extent to which authorities can continue to do things better and better. We are at the stage where we need to be doing service redesign rather than squeezing more efficiencies out of the system. There is still a bit of scope for that, but it is more or less exhausted. Service redesign gives authorities an opportunity, because if they build equality impact assessments into the process properly, they can take a step forward and ensure that the services that they deliver properly reflect every aspect of equality. That takes us back to the point about really getting into the corners of the equalities agenda rather than doing more or less what we have always done, with a few tweaks at the edges and ensuring that we tick an equalities box.

The challenge is the timescale over which the work will be done and the scale of the decisions that authorities—I can speak only for them—will have to take in their budgets. At one level, having a one-year budget is helpful, because most authorities will have taken decisions and mapped out a plan during the year, so they know that they can deliver a legal budget for the next cycle. The real challenge is what will happen next. If we have the current scale of cuts year on year, the landscape will change fundamentally, as will the types of service that are offered, and there is a risk

that we will step back on the equality agenda rather than putting it to the fore.

Sitting where I do, I see so many things that are contributing positively to the agenda, from the Government's production of its equality statement, to the work that the Improvement Service and the Equality and Human Rights Commission are doing to develop a data and evidence pack that they will pilot with community planning partnerships, and the best-value work. All those things are pushing the work in the right direction, but when it is happening against the scale of budget cuts that have to be implemented, we need to ensure that the leaders take the agenda and ensure that equality is to the fore. A lot of this is about leadership.

We have to do work on equalities for legal reasons, but we know that it is absolutely the right thing to do. The hearts and minds have been won on that, but we need to ensure that the actions follow through. Part of that is about ensuring that the right tools are in place, and the best-value equality impact assessment is one of those tools, although I do not underestimate how challenging it will be.

Hugh O'Donnell: An observation was made about national organisations. Would it be better if they were working through the interfaces?

Pat Armstrong: My view is that it would probably not be better, because the national organisations are a different beast. It would be difficult for them to split themselves 32 ways to work with all the community planning partnerships, but there must be some way for them to link in. The very large organisations are managing to do that. The real challenge is for those that cover three or four regions, because they do not fit into either category.

Hugh O'Donnell: I am thinking about the danger of reinventing the wheel. If everybody goes talking to each other, might things spring up at a national level that have not gone through the interface and do not necessarily fit into the jigsaw of the community planning partnership process?

Pat Armstrong: Many of the organisations have local projects and they do link in, but I repeat that it is early days for the interfaces and they need to grow a bit first.

Claire Monaghan: The public sector landscape is pretty imperfect. As community planning partners, many of us have partners—such as the police and the fire and rescue service—who also serve 11 other community planning partnerships. That is certainly true in my case. That is a real challenge for us, because they do not want to performance manage or equality impact assess key things 12 times over in 12 slightly different formats. The argument is as applicable to the

national third sector bodies as it is to those other partners. We need to find a way to get through that, because we are now at a level in the development of SOAs in community planning where it is starting to impede progress.

11:30

The Convener: Before we leave the issue of the impact of the 3 per cent efficiency savings, I want to go back to a point that Pat Armstrong made about care services. What can be done to ensure that, in the attempt to make those savings, the third sector is not sidelined because it is cheaper just to do without them or the sector's terms and conditions are not driven down because it is seen as a cheap option for providing services?

Claire Monaghan: The solution to that has to rest on the equality impact assessment carried out for councils' budget decisions. After all, organisations are responsible for ensuring that they have properly assessed the equality impact of any decisions that they make, although I have to say that I am not so naive as to think that that will happen in every case. We have to raise awareness in that respect; indeed, there might need to be some collaborative work to ensure that everyone is aware of the potential impact.

The Convener: So there is no harm in highlighting the point this morning.

Claire Monaghan: No. It is actually helpful.

Pat Armstrong: Another positive way in which these issues have been highlighted across the public sector has been through the Scottish Government forum—or what is now called the Scottish leaders forum—which for the past year or two has been bringing together leaders in the public sector and the third sector. It has gone a huge way towards helping us to understand and work together on the various issues.

Malcolm Chisholm: I am interested in SOLACE's role in two separate but possibly related and certainly fundamentally important budget objectives: first, ensuring that local authorities meet their public sector equality duties within the specific context of resource allocation decisions; and secondly, advocating a longer-term perspective on early intervention. There is quite a long statement about the former in the Government's equality statement. I will not read out all of it, but it says:

"It is for local government to determine how best to take account of equality issues ... In the coming period, there will be significant gains to be made in developing shared approaches to equality analysis, data collection and impact assessment where appropriate."

How does SOLACE see its role in influencing or indeed directing authorities with regard to those two fundamental issues?

Claire Monaghan: I would say that we have an influencing rather than a directing role. The responsibilities and legal duties in that respect rest with individual authorities and SOLACE cannot fudge that in any way by assuming collective responsibility.

However, as I said earlier, much of the agenda is focused on leadership, and SOLACE plays a key role in leading and championing the equalities agenda. Public sector duties are not optional for local authorities and at a number of discussions we have certainly reminded chief executives of their importance and suggested some options—what you might call tricks of the trade—for delivering them. A presentation to a recent COSLA convention was critical in making it clear to politicians, including local government politicians, that in taking budget decisions everyone must check back and ensure that their officers have taken due account of these matters. There is plenty of momentum with regard to tackling leadership challenges. Indeed, an officer group in the Scottish equality network meets every two months, I think, to share good practice across the sector.

However, this is a hugely challenging time. The public sector duties are relatively new and we are still getting to grips with what they mean in practice at a time of budget decisions that will have an acute impact and will change things. There is a risk of things fragmenting between those who take the budget decisions and the operational equalities officers in councils, which is why we need to bring them together and ensure that there are constant reminders at SOLACE and operational officer level about the importance of these duties, why they have to be carried out and how that can happen.

In Ayrshire, we have a pan-Ayrshire group that includes the NHS. The authorities and the NHS come together to talk about how equalities might be implemented and to do some joint training and awareness raising, although the responsibility still rests with individual public bodies.

I do not think that there is doubt in anyone's mind about the importance of early intervention but, again, it is about making sure that budget decisions reflect that in practice and that we are making the long-term adjustment to push resources into early intervention as far as we feasibly can at any point in time so that we get the long-term benefits.

SOLACE is a chief officers network that makes sure, as far as possible, that it has a collective opinion on issues of national importance, but it does not have a directive role. It would be quite challenging to do that, given the spectrum of authorities that exist in Scotland.

Angela O'Hagan: I want to reiterate Claire Monaghan's point—the women's budget group has made the point to the committee and to EBAG—about equality analysis being the bridge between resource allocation and policy objectives. Policy objectives, particularly when informed by equality analysis and articulating an equality commitment, will be undermined if the resources do not follow.

I wanted to bring into the earlier discussion the dimension of the human rights obligations that public authorities have to ensure that the rights to dignity, respect and a private life are not forgotten and are upheld in the redesign and the deployment of services. This committee and others have heard an increasing amount of evidence about the conditions in which some of our citizens are living and it is imperative that their rights to dignity and respect are not lost in the debate.

Christina McKelvie (Central Scotland) (SNP): I turn to equal pay. We are all well aware of the challenges on equal pay that we have faced over the years, especially within local authorities, and of the attached risk of failure to deal with the issue. Within the draft spending plan, is there any risk of increased or additional liability on local authorities from equal pay issues?

Claire Monaghan: Local authorities will all show you their equal pay scars. It has been an extremely challenging and painful episode. Most authorities are now coming out of it or are in the process of settling claims. The last thing that any authority or public body will ever want to do is find itself in that position again. It was fundamentally wrong and a costly exercise.

I have not seen anything to make me think that there is major potential for equal pay issues to arise, although we need to be careful around the extra payments that come on the back of the public sector pay freeze, such as the £250 for the lowest paid. We need to watch how that plays out with the different groups of affected staff, many of whom might be women. I have not seen the analysis that sits behind the issue to know the extent to which that has been taken into account. In implementing the decisions, authorities will be conscious that they must avoid any equal pay traps that they can see.

Pat Armstrong: One of the equal pay issues that we have seen in the third sector is retendering. There is often a Transfer of Undertakings (Protection of Employment) Regulations provision, under which staff who have been providing services under the original contract are moved to work on the new contract. Their terms and conditions stay as they were, and so can be different from those of other people who are working under the new contract. Thus, two

people working on the same contract can often have different terms and conditions. That is one to watch out for.

Angela O'Hagan: I thank Christina McKelvie for her question on equal pay. I mentioned some concerns about the absence of any reference to on-going liability for equal pay and the ability of Scottish public finances to meet the current contingent liabilities.

We have been informed—as I believe the committee has—by Unison and others from the trade union movement of the number of on-going claims. Those include 35,000 claims in the employment tribunal and the new claims that are registered each month for liabilities that have been created not just through the cuts, but through some of the pay systems to which Claire Monaghan referred.

The challenges include the contingent liabilities for outstanding equal pay claims, the need for robust analysis of the implications of decisions and the need to mitigate the implications of the pay freeze. I am not a trade unionist, but it seems to me that fairly robust negotiations will be necessary on some of the specifics of the proposals for the civil service, if those are to be implemented. The budget states the intention to

“reduce Senior Civil Service costs by 10 per cent in 2011 ... and by 25 per cent by 2014-15”.

We should consider that in terms of gender representation in the senior civil service, with regard to the increasing number of women who might be coming through the system at that time—after the swathe that has been cut through women over 50 in the senior civil service, the civil service across the board and in public authorities. I am conjecturing, but I am concerned that women who come into the promoted posts in the civil service for the first time in 2014-15 will have their terms and conditions reduced by 25 per cent in comparison with those of their current male counterparts.

There are some challenges in meeting some of the commitments around equal pay. Whether those turn into litigious liabilities is for others to address, but there are some worrying proposals.

Christina McKelvie: That is a really interesting analysis of—or conjecture on—the difference for women if terms and conditions are reduced by 25 per cent. It will make the glass ceiling a bit thicker, so it is a challenge. Some local authorities are now facing reclaims on equal pay settlements that they thought had been settled, so we have that to worry about too.

You have set the issues up nicely with regard to the next five years. One of the things that we will consider is how the Scottish Government protects

vulnerable workers: women workers, young people and low-paid people. How can we have a budget that will make it difficult to retain or secure employment or training places? What advice do you have for the Government in taking its work forward in the next five years? Go on—knock yourself out.

Hugh O'Donnell: Answers on the back of an envelope.

Claire Monaghan: We need to articulate the issues in the way that Christina McKelvie mentions, and ask first whether we want to protect those groups of people. If we do, we need to look at our decisions through a lens to examine their impact. Can we take proactive measures to ensure that we protect those groups of workers? Are there reactive mechanisms in place to ensure that we do not do anything inadvertently? Joking apart, that aspect is significant. Is it a conscious decision that we would urge the Government to take? If we step back and consider the wider question of what the Government can do in the longer term, we can see that it is making huge progress in taking equalities seriously.

As I said earlier, the approach to the budget is a big step forward. More can be done, such as involving the EBAG analysts to a greater extent and ensuring that decisions are evidence-based. We need to watch what comes out of the Improvement Service and the Equality and Human Rights Commission's work on developing an equalities framework.

A comment was made about whether best value should be expanded to include conscious consideration of equalities and sustainability. We now have legal responsibilities for those things, but they are not directly reflected in the best-value framework. There are measures in the framework, but the key point relates to Christina McKelvie's first question. Is this what we want? If it is, we should push hard for it.

11:45

Pat Armstrong: I do not have all the answers, but the starting point is the equalities impact assessments and raising awareness. One example that I was given when I asked my members before the meeting was about the challenge of those who are furthest from the labour market getting further away. I heard about a group that works with people with learning disabilities to get them placements that help them move into work. That group has already found two challenges. One is that some projects that provided training have lost funding and have closed or can no longer offer the training; the other is that finding work placements for that client group has got harder, as organisations that

previously did that are having to make cuts and no longer have time to support such people into placements. That sort of project is being hit already. The Government needs to be aware of that and to consider how to stop those who are furthest from the labour market finding it even harder to get in.

Angela O'Hagan: I would start with the social contract that the Scottish Government has offered to the people of Scotland. The Government needs to consider what it actually means and how it fits into the economic strategy, in which the Government describes its overarching purpose as sustainable economic growth. If we take the two together, there is a social dimension to the economic growth strategy. Those are central tenets of Government policy. I feel uncomfortable about answering the question, as I do not pretend to be a Government adviser at all.

Specifically on the desire to protect vulnerable groups, vulnerabilities are being increased through the hit to the local authority, schools and higher and further education budgets. As I said, in the funding allocations for training places, the Scottish women's budget group wants considerably more analysis of and attention to occupational segregation. Consideration must be given to opportunities to address some of the structural inequalities in recovery plans, economic development and skills development. It is positive that the equality statement recognises that structural inequalities are a feature of our economic and social life and that dealing with that issue is a central tenet. There are policies that are apparently economic in nature but, as we know, are not equality neutral. The Government needs to consider how those policies will address structural inequalities. It needs to ensure so far as it can, either by disbursement of money or direction to public authorities, that it mitigates the effects of housing allocation and availability, housing benefit and welfare reform.

I echo Pat Armstrong's remarks that those who were already at risk of being pushed away from the labour market should not be pushed any further away from it or from the support that we want to be in place. There is positive emphasis in the budget and in the equality statement on early intervention, particularly the getting it right for every child platform. There is recognition of the impact of domestic abuse and other forms of isolation that children and young people can experience. It is essential, in supporting the education and employment experience, that we maintain resource levels or maintain the services that address those needs.

Christina McKelvie: There were two interesting points that I would like to pick up on. Pat Armstrong mentioned placements for vulnerable

people. In a past life, I ran an employment project for adults with learning disabilities. One perverse thing that I picked up at that time was that, when there were budget cuts, some employers were keener to take on people on placements because they did not have to pay them and they did not have to treat them very well. That is obviously a bit perverse. There might be enough placements, but when people get the placements they might not be the quality we want. It is a bit of a concern that the quality can suffer in the current climate.

Angela O'Hagan mentioned access to additional training and apprenticeships. I do not know whether you followed the refreshed skills strategy debate, but the minister felt that he got a harder time from his own back benchers than from anybody else. The big issues that we were coming up with were about building apprenticeships for boys and hairdressing apprenticeships for girls. We really need to get away from that, start being a bit more interesting and look at what is available without putting a gender angle on it. The green jobs are a perfect example of that. Those were the two things that I picked out of the evidence. Perhaps the witnesses would like to respond.

Pat Armstrong: I would like us to think about what we could learn from the future jobs fund, which we in the third sector found incredibly positive. It was a way for about 300 third sector organisations to come together, which was quite a big step for the sector. Equally, it worked incredibly well at moving people through into employment—many of those people have continued in employment or have been helped to move forward a step on to the next job. Although the funding is coming to an end, I hope that we can learn some lessons from it.

The Convener: Just before we end, I have a final question. Claire Monaghan touched on early intervention and how sometimes it needs long-term planning and investment. How does that fit in with the one-year budget?

Claire Monaghan: The two things are not entirely compatible. Early intervention is not like switching on a light and then you have done it. It is the same as with equalities—a journey that will evolve over time. Early intervention requires some planning and resource transfer, which cannot be done instantly. The future jobs fund is a classic example. It was a great initiative that provided lots of good opportunities locally and nationally, but then it was suddenly withdrawn so it would be no good our planning around it. Perhaps that was not the best example, but the point is that the ability to plan for the future requires our having better information than we currently have. I understand all the reasons why a one-year budget is being offered, such as the coming election.

Given the scale of budget decline that is anticipated over the coming year, it has not left authorities in the best position, particularly given that we have local government elections in 2012. Our preference is for as many decisions as possible to be made to allow the new administrations that come in on the back of those elections to be in a positive position. The risk is that we will end up being somewhat on the back foot. Early intervention in particular requires a sustained effort, which requires reasonable vision into the future on funding and major policy initiatives.

The Convener: We are very conscious of that in the Equal Opportunities Committee because of the effect on the most vulnerable. As no one else wants to comment, I thank you very much for your evidence, which has been extremely useful to the committee. I wish you all a safe journey home.

We will now move into private session, as previously agreed.

11:53

Meeting continued in private until 12:41.

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