

# EQUALITY STATEMENT SCOTLAND'S BUDGET 2011-12



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scotland  
SCOTTISH GOVERNMENT

# EQUALITY BUDGET STATEMENT

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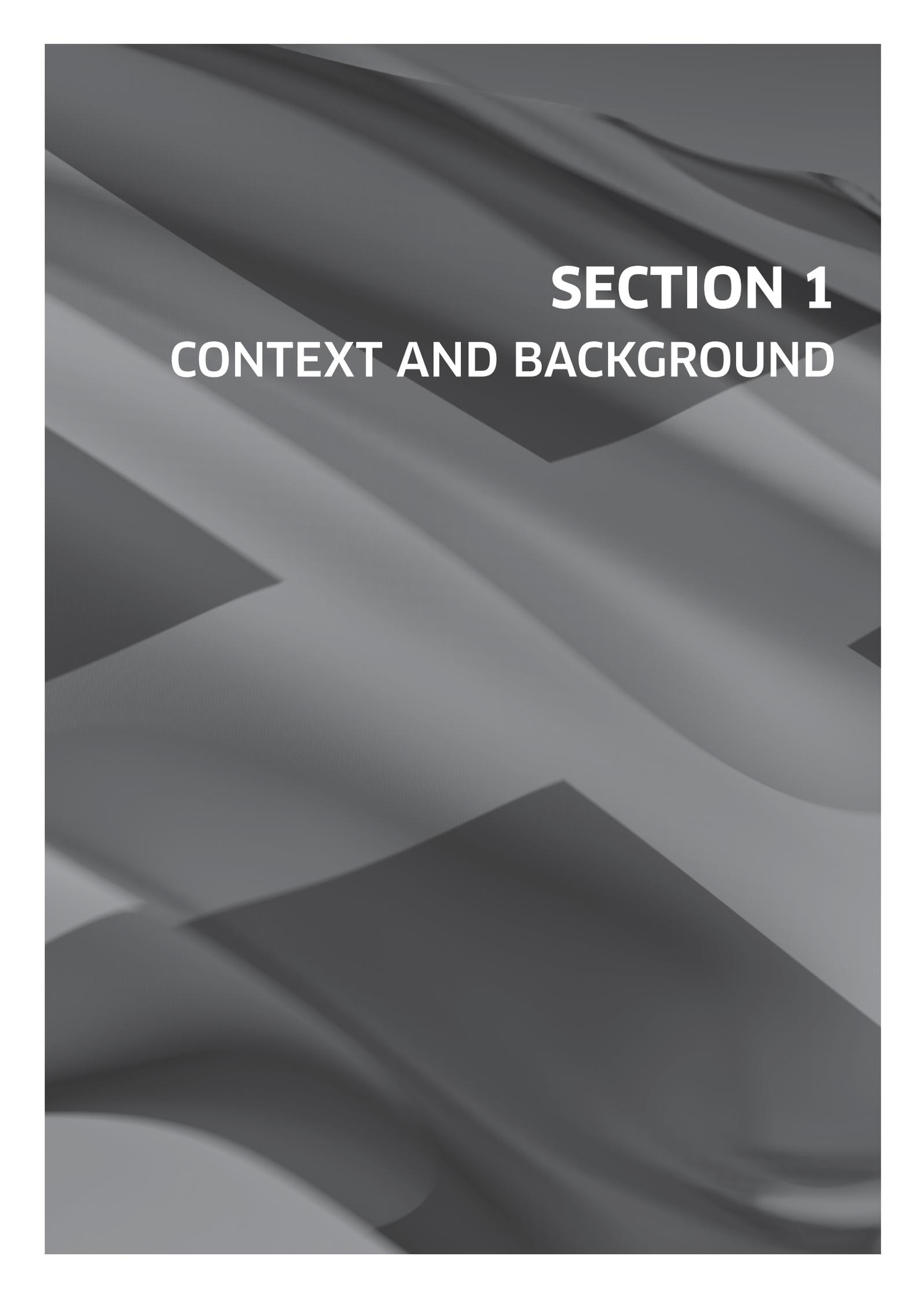
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# **SECTION 1**

## **CONTEXT AND BACKGROUND**

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# CHAPTER 1

## Introduction

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## INTRODUCTION

*The way that Governments raise and spend money has the potential to reduce the inequalities that occur in families, communities, markets and businesses; or to amplify them.*<sup>1</sup>

The Scottish Government has a strong commitment to equality and to tackling disadvantage and inequality. Equality contributes to our National Purpose and economic targets and to a fairer and more inclusive Scotland.

As a result of the UK Government's Comprehensive Spending Review (CSR), Scotland faces the worst cuts to public spending in a generation. In 2011-12 Scotland's budget will be cut by £1.3 billion. This makes it difficult for us to do all that we need to ensure Scotland's economic and social wellbeing. Nevertheless, faced with this challenge, we are determined to retain our focus on outcomes which deliver our Purpose of creating a more successful country with opportunities for all to flourish.

Our Draft Budget is directed at supporting economic recovery and increasing sustainable economic growth; at ensuring a competitive advantage for Scotland through action on climate change and at protecting frontline services on which people depend. Equality considerations have underpinned our Budget. They have also helped to shape our proposals. In these tough times this is more not less important.

The Scottish Budget also reflects our shared commitment with local government to deliver on our Purpose and National Outcomes. Local authorities are best placed to take decisions on local provision and target money and services to where they are most needed. We have given priority to supporting the delivery of vital services. We are maintaining local government's share of the Scottish Budget between 2010-11 and 2011-12 at 34.5 per cent and we are protecting real terms spending on running health services in Scotland. These are important decisions for equality groups and communities who are highly reliant on the public sector for work and provision.

### Purpose of this Statement

This Equality Statement provides a summary of the action that the Scottish Government has taken to ensure equality has been considered within the Scottish Budget process. It highlights some of the equality impacts of the UK Government's Comprehensive Spending Review (CSR) and provides an overview assessment of the equality implications of the Scottish Budget for 2011-12. It further outlines the equality implications of the budget proposals for each portfolio and how each contributes towards making Scotland a fairer and more just society. It also provides an overview of the impacts on those with the lowest incomes.

The Equality Statement is divided into three sections. The first section, chapters 1 and 2, provides an overview of the context within which the Budget is situated. Section Two, chapters 3 to 11, provides information on the equality considerations and overall potential impacts for each Scottish Government portfolio budget. Section Three, chapters 12 and 13, provides an overview of the potential impacts of the Scottish Budget 2010 by equality group.

<sup>1</sup> Professor Diane Elson (2004), Chair of Sociology, University of Essex, adviser to UNIFEM, UNDF, OXFAM and past Vice President of the International Association for Feminist Economics

We are supported in this process by the public sector equality duties. These set legal obligations and provide the framework for public authorities to take account of the impact on equality groups when developing proposals and coming to decisions.

Public authorities are legally obliged to pay due regard to the promotion of equality and the elimination of discrimination in carrying out their functions. This means that public bodies, in developing their policies and proposals need to consider the impact on gender, race and disability equality.

In preparing for this Budget we have taken an approach which involves assessing the overall potential and differential impacts of spending and savings as far as possible at this stage. This is part of an ongoing process. The Budget and this Equality Statement will be the subject of debate and scrutiny over the coming months. Individual policies and programmes which are made possible by this Budget will be subject, as appropriate, to assessment for their impact on equality.

## KEY MESSAGES

- The scale of the challenge imposed by the UK Government is unprecedented. This settlement will see spending reductions of over 11 per cent in real terms between 2010-11 and 2014-15, with a 36 per cent cut in our capital budget over the same period.
- The UK Government's Comprehensive Spending Review threatens our economic resilience and recovery and social fabric. There are particular impacts for equality groups and for the demand on public services. The changes to VAT and housing benefit, and cuts to other benefits will hit hard at the poorest and most vulnerable.
- Scottish Government spending is already well targeted and cuts will undoubtedly have an impact on services which are valued and important to the people of Scotland. Greater fiscal autonomy and powers would enable us to deal better with cuts in public spending.
- We have shown leadership in facing the challenges and set a Scottish Budget directed at economic recovery, protecting the frontline services that people rely on and ensuring a competitive advantage on climate change. We are focusing on what matters to people and what is good for Scotland.
- How governments spend money has the potential to reduce or amplify inequalities. Our budget has been shaped by the evidence we have gathered including our equality analysis. We have taken seriously our responsibilities under the public sector equality duties and used them as a framework to help inform our decisions.
- We are tackling the cuts through efficiencies, pay restraint and measures to focus on service redesign and transformation – protecting jobs, services and incomes.
- Our Budget responds to the potential impact of cuts in spending on the public sector and local services. We have maintained local government's share of the Scottish Budget and we are protecting real terms spending on delivering health services in Scotland.

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# **CHAPTER 2**

## **The Scottish Budget**

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This Budget outlines spending plans which, in the current climate, best deliver for the people of Scotland. It is a Budget which prioritises jobs and economic recovery, public services, families and communities. It is a Budget which is informed by equality considerations and a strong commitment to protect the most vulnerable in our society, but it is cast in the context of unprecedented cuts in public spending.

The Scottish Government's budget has been cut by £1.3 billion in 2011-12. Resource money available for public services will be cut by £500 million. £800 million will be cut from capital spending which provides for housing, transport, schools and other public infrastructure. There is no way therefore to avoid taking difficult decisions.

Scottish Government spending is already well targeted and cuts will undoubtedly impact on services which are valued and important to the people of Scotland. We will do what can be done to effectively manage pressures and cuts in public expenditure. We have already exceeded stretching efficiency targets and this Budget sets a further challenging target of 3 per cent. This is key to enabling spending on priorities and services. However, these measures will not be enough to balance the budget and further tough decisions have had to be made. We will use a range of mechanisms to address the challenge, including savings from procurement, freezing pay and constraining the pay of the highest earners and continuing to simplify the public sector landscape.

In coming to these decisions the Scottish Government has maintained a focus on protecting services, families and communities. It has also set out to ensure that spending plans are made in light of equality considerations.

We are clear about the importance of equality not only for the individual but also for the economy and for society.

## THE SCOTTISH CONTEXT

In preparing for this Budget we have considered a range of evidence. An early part of our work focused on the recession and its impact on equality groups. *Coping with change and uncertainty – Scotland's equalities groups and the recession (Scottish Government, 2010<sup>2</sup>)* provided very useful insight to inform our considerations. We also drew on three major UK reports (*An Anatomy of Economic Inequality in the UK<sup>3</sup>*, *Fair Access to the Professions<sup>4</sup>* and *The Marmot Review on Fair Society, Healthy Lives<sup>5</sup>*) which provided important context about the widespread inequalities faced in Britain today and the links between equality and socio-economic issues. We have also drawn on the Equality and Human Rights Commission's Triennial Review (EHRC) equality data and information available; and the work around our three social policy frameworks on poverty, early years and health inequalities.

During the course of the year we were also able to draw on the wider debate around the pre-budget scrutiny undertaken by the Scottish Parliament's committees, in particular the evidence provided to the Equal Opportunities Committee.

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2 <http://www.scotland.gov.uk/Publications/2010/11/150958501/0>

3 Hills, J (Chair) (2010) *An Anatomy of Economic Inequality in the UK: Report of the National Equality Panel*, London: Government Equalities Office

4 Milburn, A (Chair) (2009). *Unleashing Aspiration – The Final report of the Panel on Fair Access to the Professions*, London: Cabinet Office

5 Marmot, A (Chair)(2009). *Fair Society, Healthy Lives- The Marmot Review*, London: University College London

## What does the evidence tell us about the Scottish Context?

We know that inequalities in employment, education and health can affect the productivity and performance of the economy by limiting Scotland's access to the full range of talent and human resources; by reducing participation in the labour market and by reducing the growth in incomes and employment opportunities. Poverty and inequality are like an anchor on economic growth, holding Scotland back with knock-on consequences for the public purse.

We also recognise that spending directed at removing inequalities helps lead to better outcomes across the board. We reflect this in the Scottish Government's three major social policy frameworks: *Achieving our Potential*, *Early Years* and *Equally Well*.

In considering our approach to the Budget we acknowledge the progress that has been made in addressing equality and improving people's life experience. Scotland continues to carry deep rooted and systemic inequalities that can hold people back. These barriers are especially evident in labour market participation, income and health. Women, for example, are already disadvantaged by unequal pay and occupational segregation resulting from society's assumptions about the roles of men and women. Inequality can compound the difficulties faced as a result of the recession with some groups and individuals less resilient and able to manage its impacts.

The evidence from the study *Coping with change and uncertainty Scotland's equalities groups and the recession* (Scottish Government, 2010) which was carried out before the UK Spending Review and the Scottish Budget, concluded that this recession threatens to deepen existing inequalities and further distance certain individuals and groups from opportunity and prosperity. In terms of confidence about the future, disabled people, the low skilled and young unemployed have suffered a more substantive 'set back' in this recession, and carry fewer 'protective factors' into the future in order to reclaim ground.

The report anticipates that with Scotland's demographic profile and larger public sector there will be an increased demand on public services at a time of reduced public spending. It also reports that the cuts in public spending may have a particular impact on women who make up 64 per cent of the public sector workforce<sup>6</sup>, and disabled people who often rely on employment in the public and voluntary sectors. Lifeline services that may be more susceptible to cuts or change such as home based care, childcare, respite care are those on which equality groups often depend. The report captures the views of stakeholders who flagged a growing concern that 'hard-won ground' for women, ethnic minority and disabled people might be easily lost when resources are tight. There were also concerns that those already disadvantaged in the labour market may find it difficult to gain employment in a more competitive environment.

This context shows that before UK Comprehensive Spending Review and Scottish spending decisions are taken into account, there are existing structural inequalities in Scotland, and that the recession has had negative impacts on some equality groups. The Scottish Government has taken account of existing and potentially deepening equality issues through the approach outlined below.

<sup>6</sup> Annual Population Survey, Jan-Dec 2009

## **EQUALITY AND THE BUDGET: THE APPROACH TAKEN**

In September 2009, the Scottish Government published, for the first time, an Equality Statement to accompany the draft 2010-11 budget. This was welcomed by the Equality and Budget Advisory Group (EBAG), the Parliament's Equal Opportunities Committee and equality interest groups as a step forward in embedding equality into the Budget. There were also concerns however that it did not go far enough. We accepted the criticism that more should be done to link the Equality Budget Statement to the main budget and to demonstrate how equality has been considered in the development of proposals. This Equality Statement reflects this feedback.

### **Equality and Budget Advisory Group**

The Scottish Government is assisted in its equality work on the budget by the Equality and Budget Advisory Group. We have been working closely with EBAG in preparing for this budget and have drawn on its advice to improve our equality analysis and approach. We are grateful to members of the Group who have given their time and insight to this work.

In July 2010 we received the EBAG report '*Equality Analysis in the Budget and Spending Review 2011 Onwards*<sup>7</sup>', which outlines the Group's considerations around improving equality analysis of the Budget. The report has been important in informing the budget setting process for 2011-12 and beyond.

Underpinning this work has been the associated endeavour to improve the quality of and access to equalities data available for Scotland. We have worked with the EHRC on the Equality Measurement Framework and continued the development of our own equality data collection. We are also working on improvements to our approach and tools to support equality impact assessment across the Scottish Government. In the context of the possible redesign and delivery of public services, we will be exploring with our partners how we might collaborate on the more complex equality analysis which will be necessary to underpin these changes.

### **The Budget Process 2011-12**

Equality considerations have been integrated into the main budget process from the outset. In May 2010 it was agreed that the focus for equality analysis would be around spending priorities and on proposals for material reductions or increases in spend.

Since May 2010 work has been undertaken across the Scottish Government to prepare for the Budget, in particular with regard to generating consistent equality analysis across policy areas. The equality evidence has been drawn upon and used throughout this process.

Two workshops with Directors from across the Scottish Government were held in June and October 2010. The purpose of these workshops was to engage Directors in identifying the equality issues within their portfolio areas and to scope out the potential equality impacts of initial budget proposals. A further benefit of the workshops was to develop analytical partnerships around equality to take forward the work around the Budget.

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<sup>7</sup> Scottish Government (2010) *Equality Analysis in the Budget and Spending Review 2011 Onwards*, <http://www.scotland.gov.uk/Topics/People/Equality/18507/13477>

Equality resource packs<sup>8</sup> on preparing for the Budget were provided to directorates across Government. Information on equality was also sought as part of the main budget commissioning correspondence from the Finance Directorate to portfolios.

Scottish Government officials and analysts have been involved in considering the potential impacts of proposed spending plans on equality groups. This has informed chapters 3 - 11 of this Statement. It should be noted that that work reflects the first stage of an ongoing process.

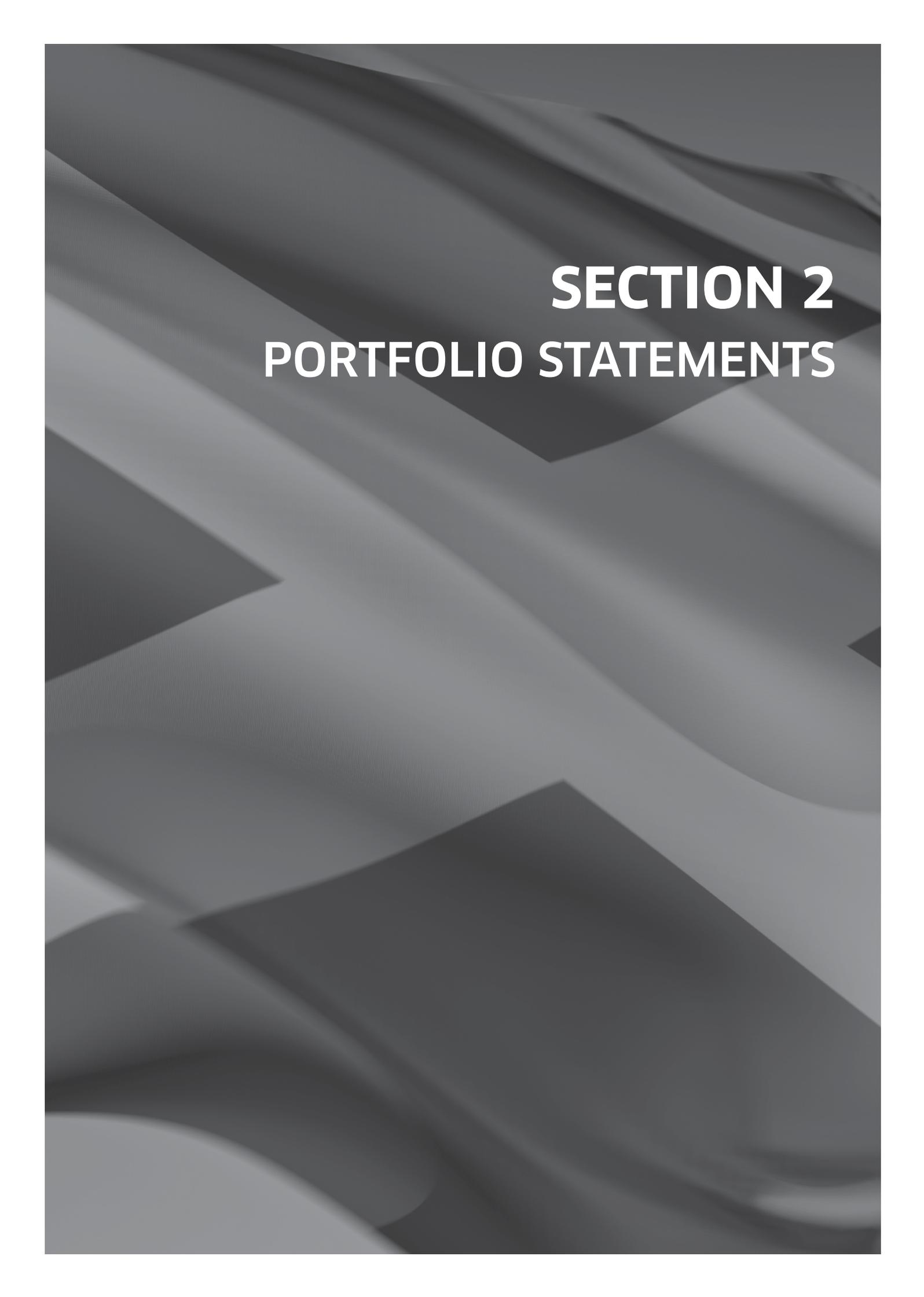
The Cabinet Secretary for Finance and Sustainable Growth met EBAG on 25 August 2010 to discuss the report *Equality Analysis in the Budget and Spending Review 2011 Onwards* and to consider how best to take forward the recommendations contained within it. Subsequently, the EBAG report was circulated to Ministers.

Following on from the discussions with the Cabinet Secretary for Finance and Sustainable Growth, EBAG has engaged with the Office of the Chief Economic Adviser to discuss some of the underpinning issues around equality and the economy. In particular the discussion focused on issues relating to women's role and participation in the labour market, the formal and informal economy and the challenge of measurement and economic modelling for this.

We recognise that undertaking equality analysis and assessment of the budget is complex and still relatively uncharted territory. We are keen to continue working with the Equality and Budget Advisory Group to build on what we have done to date. We believe that in light of prospective public sector reform and service redesign we must make sure that our future approach to equality analysis and assessment both of policy and spending plans, is appropriate for the new environment.

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<sup>8</sup> Scottish Government (2010) Equality and the Budget – A Guide to Making Informed Spending and Budget Decisions: Resource Pack, <http://www.scotland.gov.uk/Topics/People/Equality/18507/13477>



**SECTION 2**  
**PORTFOLIO STATEMENTS**

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# **CHAPTER 3**

## **Office of the First Minister**

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## PORTFOLIO RESPONSIBILITIES

The First Minister's portfolio sets strategic direction across the Scottish Government. It includes policy on Culture, Europe and External Affairs, and the relationship between the Scottish, UK and other Governments, where the primary aim is to promote Scotland's interests and identity at home and abroad. The portfolio's budget supports work to place Scotland on the world stage and contributes towards delivering Scotland's economic ambition.

The portfolio works to enhance the quality of life for Scotland's communities through maximising access to high quality cultural events and opportunities and the promotion of Gaelic. Through its Executive Agencies it promotes, protects and provides access to Scotland's historic environment (Historic Scotland) and Scotland's documentary heritage (National Archives of Scotland).

## SUMMARY OF 2011-12 SPENDING PLANS (Level 2)<sup>9</sup>

	2010-11 Budget £m	2011-12 Draft Budget £m
Europe and External Affairs	16.7	16.1
Culture and Gaelic	194.2	174.9
Corporate and Central Budgets	9.5	8.2
Historic Scotland	49.3	47.0
National Archives of Scotland	10.1	8.9
<b>Total Office of the First Minister</b>	<b>279.8</b>	<b>255.1</b>
<i>of which:</i>		
DEL Resource	251.5	234.6
DEL Capital	28.3	20.5
AME		

## UK COMPREHENSIVE SPENDING REVIEW - ANTICIPATED IMPACTS

The UK Government's CSR will impact the Scottish Budget which will threaten our economic recovery and resilience, making it more difficult for our cultural sector to attract domestic visitors. However, the Scottish Government recognises the vital role that our support for our cultural organisations plays in growing Scotland's economy and improving the quality of life for all Scotland's people.

The likely impact of the new UK Government immigration cap on skilled and highly skilled workers may impact on the services offered to migrants from ethnic minority backgrounds and the number of migrants who ultimately settle in Scotland.

## EQUALITIES IMPACTS - SCOTTISH BUDGET

The Scottish Government's aim is that everyone who wants to can access and share in the cultural experiences that Scotland has to offer. Creative Scotland has put equality at the heart of its activities and aims to address barriers to full inclusion in the arts. The Scottish Government is supporting

<sup>9</sup> All the tables in this document are at level 2. A more detailed breakdown of spend is available in the main Budget document.

this by maintaining Creative Scotland's core budget. The Scottish Government also wants to see free access to the National Collections continuing and will work to achieve this.

The National Performing Companies should be able to continue some of their participation initiatives - for example, targeted reduced price tickets. Similarly, Historic Scotland will aim to protect its frontline services across Scotland, including delivering outreach programmes for schools in areas of multiple disadvantage. The Scottish Government is also committed to supporting Gaelic communities and is confident that the range of development activity in this area will continue.

Within the National Performing Companies and National Collections, savings may result in a reduction in outreach and educational activities aimed at diverse communities. Similarly, the savings in culture discretionary funding may impact on equality groups including previous funding recipients and, for example, audiences in community activities. Within Gaelic, although there is not expected to be disproportionate impact on equality groups, the savings are likely to have an effect on some of the services offered to Gaelic communities.

Savings are also being made within the Fresh Talent budget and the Relocation Advisory Service to reflect the changing economic situation.

## **CONCLUSION**

Culture has an important role to play in the lives of all Scotland's people. Taking part in cultural activities improves wellbeing and it is therefore particularly important that the people of Scotland have access to culture during these challenging times. The Scottish Government looks to its Executive Agencies and Non Departmental Public Bodies to take equality groups into consideration when making their spending choices in order to ensure that everyone can continue to access and enjoy the range of high quality activities that they provide.

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**CHAPTER 4**  
**Finance and Sustainable**  
**Growth**

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## PORTFOLIO RESPONSIBILITIES

The Finance and Sustainable Growth portfolio is responsible for managing Scotland's Budget efficiently and for delivering the right mix of policies to increase sustainable economic growth. Excluding local government (which is covered in chapter 11), the majority of the Portfolio's spend is focused on investment in transport and water infrastructure and support for businesses through enterprise, energy and tourism funding. It also covers public sector reform, including modernisation of the planning system and promoting the growth of the third sector.

## SUMMARY OF 2011-12 SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget £m
Air Services in Scotland	35.1	35.3
Committees, commissions and other expenditure	31.4	18.4
Concessionary Fares and Bus Services	255.1	255.3
Enterprise, Energy and Tourism	450.3	423.8
European Regional Development Fund - 2007-13 Programmes	-	-
European Social Fund - 2007-13 Programmes	-	-
Ferry Services in Scotland	101.9	109.0
General Register Office for Scotland	21.9	19.0
Motorways and Trunk Roads	544.1	557.6
Other Transport Policy, Projects and Agency Administration	76.3	67.1
Planning	5.3	4.1
Rail Services in Scotland	842.8	779.4
Registers of Scotland	-	-
Scottish Public Pensions Agency	3,242.2	3,241.6
Third Sector	35.5	27.0
Water and Climate Change	62.0	(88.0)
<b>Total</b>	<b>5,703.9</b>	<b>5,449.6</b>
<i>of which:</i>		
DEL Resource	1,464.0	1,364.5
DEL Capital	1,009.5	854.7
AME	3,230.4	3,230.4

## COMPREHENSIVE SPENDING REVIEW - ANTICIPATED IMPACTS

The UK Government's CSR means a decline in the Scottish Budget which threatens our economic recovery and resilience across all sectors of the economy. Whilst the decisions made in the UK Government's CSR do not have a direct effect upon the devolved work of the portfolio, they will impact on the economic and social environment of Scotland.

## EQUALITIES IMPACT - SCOTTISH BUDGET

Much of the impact on individual lives and equality groups for this portfolio is delivered through spending on transport. Transport Scotland will continue to fund key areas of public transport

provision, particularly in terms of fares subsidy. Whilst there will be modest reductions to the budget for the National Concessionary Travel Scheme for older and disabled people, these will be achieved through efficiency savings and will not affect the level of provision or eligibility for these equality groups. This scheme enables anyone aged 60 and over and eligible disabled people to travel free on any local bus and scheduled long distance coach services in Scotland throughout the day, which improves their access to services, facilities and social networks.

Transport Scotland will maintain its current level of funding to bus operators recognising that key vulnerable groups rely upon buses. A number of equality groups, (those on low incomes, women and some minority ethnic groups, older and disabled people), rely on their local bus services more than the rest of the population, and also use buses more than other types of transport.

Air fares (through the Air Discount Scheme), train and ferry fares will also continue to be subsidised. This will ensure the continuation of affordable fares and the support of some services that might not otherwise be commercially viable and on which equality groups often rely.

Spending will be maintained for the Mobility and Access Committee which provides advice on transport accessibility in Scotland. Engagement with disabled people's organisations and other equality bodies will continue to be a priority to ensure that all of Scotland's people can benefit from a high quality transport system. Where other organisations are involved in the delivery of transport services we will ensure that they are fully aware of their equality obligations, especially in terms of accessibility, and that they take account of equality issues and assess the potential impact of decisions they take.

As part of its ongoing work to better meet the needs of disabled people, VisitScotland will work with the Scottish Government and representatives from the tourism industry to actively promote the provision of appropriate facilities for disabled people, in recognition of disabled people's contribution to Scotland's economy and their spending power.

Funding will be maintained for the Energy Savings Trust's advice services. This provides energy efficiency and microgeneration advice to householders. We know that these services are used mostly by older and low income householders.

The Scottish Government supports the registered charity Planning Aid for Scotland (PAS) with annual grant funding for its core services. PASs professionally qualified volunteers provide independent information, advice and training on the land use planning system to individuals and communities across Scotland. PAS activities also focus on engaging with young people, equality groups and 'seldom heard' voices in communities across Scotland.

Funding for the third sector has been adjusted in the Budget. Core funding has been increased from £20.7 million to £24 million, and the funding of the Scottish Investment Fund has been extended for an additional year. This funding has supported equality broadly by growing and strengthening the capacity of the third sector to support their communities, including equality groups and by providing valued services and jobs. Of those working in a charity, voluntary organisation or trust, two thirds are female<sup>10</sup>. There is also a higher proportion of part-time posts and a higher proportion of disabled people employed than in the public or private sector. Therefore adjustments

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<sup>10</sup> Defined as those who self-report they work for a Charity, voluntary organisation or Trust, in the Annual Population Survey

to support the third sector may impact upon equality groups. The main spend in this budget line is for general third sector infrastructure. Equality-specific third sector infrastructure has generally been supported through the dedicated Equality and Social Inclusion budget line in the Health and Wellbeing portfolio.

Reductions to the budgets of key delivery partners such as Scottish Enterprise, Highlands and Islands Enterprise and VisitScotland may have equality implications. The impacts might be for their own workforce and their service users. There are no substantial differential impacts on vulnerable communities or equality groups identified at this time, but depending on the decisions of the Boards reduction in spend could have potentially adverse effects on equality groups who find it most difficult to compete successfully in the labour market.

It is important to note that any reductions in employment and enterprise support in rural areas will compound the effects on these areas from spending cuts in the UK Government's CSR; most notably cuts in defence which threaten communities in North East Scotland dependent on Royal Air Force bases for employment and opportunities. Scottish Enterprise, Highlands and Islands Enterprise and VisitScotland have equality policies in place and will consider the impacts of cuts when developing their decisions in line with their duties under equality legislation.

In common with much of the public sector, Scottish Enterprise and Highlands and Islands Enterprise and VisitScotland all employ a higher proportion of female than male staff. Any reduction in staffing levels may fall particularly on these women.

## **CONCLUSION**

Whilst there will be reduced spend on both capital and resource budgets across the Finance and Sustainable Growth portfolio, these reductions have been designed, wherever possible, to protect service levels for vulnerable groups. There may be further impacts as a result of reductions for delivery partners but they will pay due regard to their obligations under the equality public sector duties and will assess their decisions and options for the impact on equality.

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# CHAPTER 5

## Health and Wellbeing

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## PORTFOLIO RESPONSIBILITIES

The portfolio covers three main areas. This chapter focuses specifically on the Health spend, the Housing and Regeneration and the Equalities and Social Inclusion spend.

The aim of the Health and Wellbeing portfolio is to help people to maintain and improve their health, especially in disadvantaged communities, and to deliver high quality health care.

The Equalities and Social Inclusion budget attends to some of the very specific considerations for those in the equalities and low income groups, in support of broader policy across Scottish Government.

The Housing and Regeneration budget supports both households and jobs through continued investment in good quality, sustainable and affordable housing; provides targeted and proportionate financial support to home owners at risk of repossession; responds flexibly to harness opportunities in the private development sector; tackles homelessness and provides access to appropriate accommodation, advice or support; and supports successful regeneration of the Scotland's communities.

## SUMMARY OF 2011-12 SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget £m
Health	11,181.9	11,359.8
Housing and Regeneration	488.0	393.8
Equalities and Social Inclusion	27.5	27.5
Sport	54.1	66.4
Food Standards Agency Scotland	10.9	10.9
<b>Total</b>	<b>11,762.4</b>	<b>11,858.4</b>
<i>of which:</i>		
DEL Resource	10,747.5	11,014.4
DEL Capital	914.9	744.0
AME	100.0	100.0

## UK COMPREHENSIVE SPENDING REVIEW - ANTICIPATED IMPACTS

Decisions announced in the UK budget around funding of services, and benefits, may impact upon the Scottish Government's success in tackling health and other inequalities and are likely to affect demand for services. Significant health inequalities exist in Scotland especially compared with the rest of the UK.

The only way to tackle Scotland's health inequalities is to address the underlying causes of poor health - such as negative early years experience, poverty, unemployment, poor physical and social environments and problems associated with drugs, alcohol and violence. We are concerned that factors such as unemployment and poverty, which are likely to increase as a result of the UK CSR, will further drive up demand for health services in Scotland.

It is anticipated that the impacts of the UK CSR on Scotland's housing sector people in need of social housing (especially the low-income), and those that work and require housing and regeneration services will be very significant indeed. UK Government measures include extending the Local Housing Allowance shared room rate, (which applies to most single claimants aged under 25), to people aged 35 and under. Current exemptions for people in receipt of severe disability premium and those living in certain types of supported accommodation will continue. However, this nonetheless is estimated to impact 1600-1700 single people in the 26-35 age band. Housing benefit payments will be capped from April 2011 at £250 for single bedroom properties, with the cap rising to £400 for four and five bedroom properties. This will impact on some families claiming benefits in higher-market rental areas in Scotland. We estimate that affected Scottish households will lose at least £10 per week in housing benefit alone. The package of changes proposed to Housing Benefit poses a risk to us achieving our 2012 homelessness target.

## **EQUALITIES IMPACTS – SCOTTISH BUDGET - HEALTH**

The health resource budget has increased by £280 million. This is the full amount of the budget consequential arising from the increase to Health in England. This funding will support the delivery of key priorities and help to meet a range of anticipated cost pressures arising from the 2010 UK Emergency Budget such as the VAT increase, pay increases for the lowest paid staff, and implications from changes to National Insurance Contribution thresholds.

Scottish Ministers have made clear their commitment to place downward pressure on pay costs, particularly for the highest earners – including a freeze on consultants' distinction awards, and a commitment to reduce the number of executive and senior managers by 25 per cent over the period of the UK Spending Review. Pay restraint is balanced against the upward pressure of funding incremental progression where this is a contractual entitlement. Pay restraint across NHS staff will necessarily affect more women than men - as at end of September 2009, 21 per cent of NHS Scotland staff were male and 79 per cent were female<sup>11</sup>. Pay restraint will allow jobs to be retained.

The capital budget for 2011-12 will decrease year on year in cash terms by £89.5 million compared to 2010-11. However, the 2010-11 budget included £20 million contingency funding for pandemic flu which was not available for spend elsewhere in the portfolio. Accordingly the reduction in spending power is only £69.5 million. Where there is an impact on the timing of capital projects, those who stood to benefit will need to continue with the provision of service at existing levels: these may be people with ill health or disabilities (and their carers) or with age or gender specific conditions. However, we are seeking to minimise the impact on capital projects through the use of the Non-Profit Distribution (NPD) model as outlined in the budget document.

The bulk of the portfolio spend is allocated to NHS Boards to deliver services. The revenue allocation of funding to territorial NHS Boards is informed by the NHSScotland Resource Allocation Committee (NRAC). This is explicitly designed to lead to a fair allocation of resources to NHS Boards according to the needs of their populations and geographical areas.

NRAC's work was informed by equalities impact assessment and is being updated in the light of Scottish Government's Health and Wellbeing Directorate's *Inequalities Impact Assessment Pilot*. Following this, consideration will be taken of new and emerging data which can be used to adjust

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<sup>11</sup> Public Sector Employment, Q2, 2010

the formula around equalities by the Technical Advisory Group on Resource Allocation (TAGRA). Once funding has been received by NHS Boards, they carry out equality impact assessments across a range of areas of service delivery, and are required to consider how they meet the needs of protected equality groups in meeting their annual performance Health Improvement Efficiency Access and Treatment (HEAT) targets.

The Budget contains a range of policy initiatives and targets which explicitly address the needs of equality groups. For example, the Scottish Government has allocated £70 million for a new change fund to shift the balance of health and social care towards primary and community care. This is in order to optimise people's independence and wellbeing, and will offer benefits to the elderly and the disabled. The decision to continue to deliver the commitments on Free Personal Care will further reduce the impact of the UK CSR on older people, including those with disabilities. Both of these decisions will also help protect the jobs of the predominantly female workforce who are employed by local authorities in the health and social care sector, of whom over 40 per cent are aged over 50.<sup>12</sup>

In relation to programme spend, Health directorates will be supporting or enhancing the position/outcome for equalities across a number of key expenditure lines, these include:

**Abolition of Prescription Charges** will remove current inequalities in the exemption criteria. For instance 600,000 adults in families with income of less than £16,000 who must still pay prescription charges will no longer have to pay for their prescriptions.

Continued provision of **Free Personal Care**, delivered with local partners.

Investing in tackling the health and wider social problems associated with alcohol misuse will bring benefits to men and women of all ages across Scotland, particularly men who are more likely to suffer from alcohol misuse than women.

**Keep Well** which is a targeted health check primarily focussed on the 15 per cent most deprived areas in the 45-65 age group. This is judged to reach areas where a higher proportion of vulnerable people live.

**Health Works** which will improve access to work-based advice on workplace health, safety and wellbeing. This is designed to address inequalities in health amongst lower paid and poorer quality employment.

**Healthy Start** which targets pregnant women who are under 18 or on benefits and those with children under four. It gives free vouchers which can be swapped for milk, fresh fruit, fresh vegetables, infant formula milk or free vitamins.

**Breathing Space** confidential phone line maintained. This is aimed at people experiencing low mood or depression and developed in response to the high male suicide rate.

**Protection of Vulnerable Groups** programme contributes to schemes which support free disclosure checks for volunteers doing regulated work for qualifying voluntary organisations.

<sup>12</sup> Staff of Scottish Local Authority Social Work Services, 2009  
<http://www.scotland.gov.uk/Publications/2010/07/01092227/0>

The proposed **Self Directed Support Bill** and related national strategy will ensure that the most vulnerable in our society have choice and control about the way that social care and support is provided to them.

**The Same as You?** - improving services for people with learning disabilities

**The Sensory Impairment Strategy** will provide a full and holistic approach to supporting those with sensory impairment.

The proposed **Autism Strategy** will ensure better support for people on the autism spectrum and their families

**Patient Support and Participation (PSP)** includes a three year funding commitment for improving NHS Translation, Interpreting & Communication Support services, Advocacy Provision, and the promotion of equality is an explicit aspect of the Patients Rights Bill. Additionally PSP sponsors the Equalities, People and Performance Directorate at NHS Health Scotland, to support the delivery of equal outcomes for equality groups across NHS Scotland.

**Wheelchair and Seating Services** which will complete the modernisation of the NHS Wheelchair and Seating Services in Scotland.

**Organ Donation** which will include implementation of the recommendations of the UK Organ Donation Taskforce to increase awareness of donation within ethnic minority groups as they currently wait three times longer for an organ due to low rates of organ donors from within their communities.

**Food and Health** programme which includes work to improve access to healthier affordable food in low income areas and targeting of healthy eating in the most deprived neighbourhoods.

The **Childsmile Practice, Nursery and School** programmes are specifically designed to target children in the most disadvantaged communities and to reach those most in need. This preventative approach has shown improvements in oral health.

**The Delivery Framework for Adult Rehabilitation** focuses on rehabilitation for older people, adults with long term conditions (including those with mental health problems), and those wishing to work after a period of ill health or injury.

A decision has been taken to maintain spending on Equality and Social Inclusion in the light of the anticipated impacts of public spending cuts. This will enable us to mitigate some of the negative impacts on these groups that may arise in this climate. With these funds we will support frontline services that tackle violence against women, look to focus on addressing employability and skills for those most marginalised in the labour market as well as funding measures that best support equalities communities. We want to ensure that resources go even further in these difficult times and therefore we are looking at new ways of working in order to maximise the impact of our funding. We will also ensure that we work with our public sector partners in developing equality analysis and assessment in this more complex environment.

## **EQUALITIES IMPACTS – HOUSING AND REGENERATION**

In 2011-12, the Scottish Government needs to meet the commitments for housing and regeneration capital investment which commenced during the recession to support the economy. We have chosen not to replicate the UK approach and instead have created a forward programme for housing which strongly supports the economy and protects the supply of new homes. This can be achieved jointly with partners, through innovative approaches and a mix of new affordable homes to more closely match need.

We also plan to use less taxpayer investment for each new home by leveraging more funding from other sources. The construction of affordable housing provides significant support to the economy through unambiguous positive impacts on output and employment. In 2011-12 we will support economic growth with an extra £600 million investment in new affordable housing supply through use of £55 million of new government funding, helping to support around 7,500 jobs. Also, 6,000 new affordable homes, including for new social tenancies, will be built. Housing and Regeneration spending has a large impact on supporting those in the lowest income groups. Notwithstanding any job creation impact, 60 per cent of Registered Social Landlord (RSL) lets are to those in the lowest income decile.

Vulnerable groups will be supported by the maintenance of the successful Energy Assistance Package (EAP) and the Home Insulation Scheme (HIS). HIS, with its area-based approach designed to maximise uptake among key equality groups (low income and older people), will help 200,000 households in 2011-12, saving 200,000 tonnes of CO<sub>2</sub> and £37 million of household fuel bills over the lifetime of the insulation measures installed. EAP will help an estimated 70,000 fuel-poor households. This helps eligible low income households (including families with children under five or a disabled child under 16), living in homes with the lowest energy efficiency. Both of these programmes help the fuel poor, which we know disproportionately affects older people, single parents (who are predominantly women) and disabled people.

There will also be continued support for households facing economic difficulty through continued support to the Home Owners Support Fund. The regeneration of the Clyde Gateway as part of the Commonwealth Games aims to support 500 local people into employment, which will positively impact upon low income groups in this area, which contains two of the city's highest employment deprived areas.

The Affordable Housing Investment Programme (AHIP) makes up a large percentage of Housing and Regeneration's capital budget, providing a subsidy to RSLs in order to build new social housing. We recognise that a major component of AHIP supports subsidising assisted housing, and any reductions will have an impact on single male adults, older females and single female parents in particular, since these groups currently need social lets most.

We also anticipate that any savings to AHIP and adaptation programmes may affect the quality of housing available to the most vulnerable, such as disabled people and low income groups. The Wider Role fund is being re-shaped to include voluntary sector support. This budget impacts on low income groups in the disadvantaged communities where RSLs have been tackling inequalities through this funding. Our capacity to continue our progress in addressing Scotland's homelessness problem will be affected by UK Government's CSR decisions, especially on housing benefit.

Equality groups feature in the majority of homelessness applications; particularly young people (16-24 year olds) and those on low incomes (with ethnic minority groups also making up a relatively larger percentage of those on low incomes). However, we will strive to minimise the impact

## **CONCLUSION**

Tackling inequality and improving equalities lies at the heart of this portfolio's ambition, and processes to consider and assess impacts on equalities are embedded into decision making in all parts of the portfolio.

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# **CHAPTER 6**

## **Education and Lifelong Learning**

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## PORTFOLIO RESPONSIBILITIES

The Education and Lifelong Learning Portfolio is responsible for government policy related to improving outcomes for children, young people and users of social care. It covers all aspects of school education and national qualifications; university research and science; further and higher education; as well as community and adult learning and development, skills and training.

## SUMMARY OF 2011-12 PORTFOLIO SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget £m
Learning	126.0	156.9
Children, Young People & Social Care	96.9	95.4
Student Awards Agency for Scotland (SAAS)	534.6	516.6
Scottish Further and Higher Education Funding Council	1,786.1	1,570.3
Other Lifelong Learning	277.9	244.4
<b>Total</b>	<b>2,821.5</b>	<b>2,583.6</b>
<i>of which:</i>		
DEL Resource	2,487.0	2,319.0
DEL Capital	228.0	162.1
AME	106.5	102.5

## UK COMPREHENSIVE SPENDING REVIEW – ANTICIPATED IMPACTS

As a result of the UK Government's cuts, £168 million resource and £65.8 million capital has been removed from the portfolio, at precisely the time when demand on the portfolio will increase, as people in Scotland seek to learn and work in tough times.

Welfare reform proposals will mean an increase in the number of people looking for help to acquire and improve skills, especially as a result of the move towards benefit conditionality and the movement of people from Incapacity Benefit into the formal employment support system. In this situation, as Scotland's budget is reduced, it will be a challenge to respond to increased demands. Also, it is unlikely that those most affected by these changes will find it easy to gain suitable employment as they are already the groups furthest away from the job market. In equalities terms, unemployment is already a particular problem for young people, disabled people and ethnic minorities.

Another effect of reduced UK Government public spending could be pressure and possible job losses in the public and voluntary sectors, where women constitute the majority of the workforce, and many disabled people are employed<sup>13</sup>. It is the Education and Lifelong Learning portfolio that must provide support to these people as they seek new employment.

<sup>13</sup> Annual Population Survey

We await further detail on the reforms to the Department of Work and Pensions Welfare to Work programmes. If these are well designed, they could result in a reduction in the number of economically inactive and workless households and a reduction in household poverty. However, we anticipate negative effects on welfare recipients in Scotland, and increased pressure on services in the short term.

## **EQUALITIES IMPACTS – SCOTTISH BUDGET**

### **Learning and Children, Young People and Social Care**

The Learning and Children, Young People and Social Care budgets are focused on protecting the delivery of front line services to young people in Scotland and any changes, if not managed well, could impact negatively on equality groups.

As a response to the UK Government's CSR and increasing demand, we will continue to focus on young people and their needs through continued commitment to the *Early Years Framework*, support of the reform of the Children's Hearing System, implementation of *Curriculum for Excellence* and through investment in the new school building programme.

The changes to the Scottish Children's Reporter Administration (SCRA) will involve the development of a new IT case handling system. The savings achieved in administering the system will be released to focus on the children and families participating in the Children's Hearings process. We will also continue with the roll out of *Getting it Right for Every Child (GIRFEC)* in support of improved outcomes for children in need of protection and looked after children.

We have also prioritised the modernisation of the SCRA estate, improving access for disabled children, families, staff and visitors. This is being achieved through the rationalisation of children's hearings centres across Scotland with savings being used to ensure the remaining centres are of a high standard.

Despite pressure on the overall budget for the portfolio, current funding to the third sector for improving outcomes for children and young people, including disabled children, will be protected. We will introduce a new *Early Years and Early Intervention Fund* from 2011-12 with initial start up funding of £5 million. This will make additional funding available to support the voluntary sector to deliver early years provision and early intervention. This fund will improve outcomes and helps build capacity within the voluntary sector to deliver these vital services to those who need them most.

The focus remains on implementation of *Curriculum for Excellence* and development of new National Qualifications, ensuring that we raise standards in teaching and learning. *Curriculum for Excellence* is about improving the education experience and outcome for all children and young people across all equality groups. The flexible learning approaches of *Curriculum for Excellence* enable all young people with varying needs to gain knowledge and skills for learning, living and working, with the aim of ensuring that young people become successful learners, confident individuals, effective contributors and responsible citizens.

There will be £20 million invested in *Scotland's Schools for the Future* programme in 2011-12. The investment in the *Special Schools Project* will directly benefit students with additional support needs. The new or refurbished primary and secondary schools will be better equipped to provide access and support for those with additional support and mobility requirements.

It is critical to keep young people aged 16-19 engaged in learning. In other parts of the UK, the Educational Maintenance Allowance (EMA) scheme – the flagship programme for supporting young people from low-income families – is being removed, but in Scotland, we will continue to fund this scheme. Supporting EMA honours our commitment to support the least well off students in Scotland, and open up opportunities to poorer families.

### **Higher Education**

The scale of the reductions required means that we have had to take the difficult decision to reduce the overall resources for the further and higher education sectors in Scotland. In doing so, we have been very clear that our objective is to continue to protect student numbers and to protect our investment in research. We have asked the sectors to extract maximum value from the unprecedented levels of investment they have received over the past four years by managing these reductions through greater efficiency and collaborative working.

They have responded to this challenge. We have agreed with the sectors that we will work in 2011-12 to preserve the number of core college and university student places. In addition we are guaranteeing that no existing student will see their living costs support decrease in the academic year 2011-12.

In England tuition fees are being raised at Universities and charges proposed for Colleges - we have specifically rejected such measures.

Our approach to higher and further education means that we will aim to continue with the gains to widening access made in recent years.

### **Employability and skills**

The refreshed *Skills for Scotland Skills Strategy*<sup>14</sup>, published in October, sets out our framework for a more skilled, more successful and fairer Scotland. An initial Equalities Impact Assessment was published<sup>15</sup> alongside the Strategy and examines barriers to learning for various groups and sets out an approach to address these as the Strategy is implemented.

The decision to continue to invest in skills, including the introduction of 34,500 new training opportunities in 2011-12, will protect and improve the support available to the unemployed and young people.

To ensure the most effective interventions are made to help people into work, from 2011-12 Skills Development Scotland will commission provision for skills programmes for those who are out of work, in partnership with Community Planning Partnerships (CPPs) across Scotland. By refocusing pre-employment support to more localised programmes run by CPPs, the intention is that interventions will be more responsive to the diversity of communities and their needs and will be customised to better support those with particular requirements.

Local employability partnerships now operate in all 32 local authority areas and will continue to offer support to help people move into work and to align people with opportunities which match local employer requirements. Local partnerships are particularly focussed on those people who

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<sup>14</sup> <http://www.scotland.gov.uk/Topics/Education/skills-strategy>

<sup>15</sup> <http://www.scotland.gov.uk/Topics/Education/skills-strategy/overview/Assessment>

are most disadvantaged in the labour market - particularly women, ethnic minorities and disabled people and those with multiple and complex barriers to employment.

Announcements on the results of the latest round of European Social Fund grants in the Lowlands and Uplands Scotland (LUPS) areas will be made as part of the Scottish Government Budget with funding to CPPs continuing from 2011 under a new Priority 5 'Strategic Skills Pipeline'. In addition the Employability and Tackling Poverty Division retains a small core budget of £1.2 million in 2011-12 to support the development of employability partnerships at a local level.

The sharing of best practice and learning through our local employability partnerships is key to improving local approaches to equalities. A Scottish Government funded Glasgow Works project (funded from 2009-11) which focuses on assisting more ethnic minority people into the labour market is ongoing but already the project's experience being gained is being shared across all employability partnerships.

## **CONCLUSION**

Despite very challenging conditions the portfolio has kept 93 per cent of resource and 71 per cent of capital spend compared to 2010-11. The changes at UK level will impact on this portfolio, mainly through an increase in demand for Education and Lifelong Learning services. This will be felt most acutely at local level. To mitigate against this where possible, we have devolved our spending to the frontline and are looking to share learning on equality with partners. Where savings have been made these are being made through efficiencies and service redesign.

Our mix of early years intervention, continued investment to support the *Curriculum for Excellence*, the maintenance of student support, the greater devolution of skills budgets to local level and the maintenance of learning opportunities all add up to a system that offers opportunities for all with particular focus on those that most need assistance.

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# CHAPTER 7

## Justice

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## PORTFOLIO RESPONSIBILITIES

The Justice portfolio aims to create a safer and stronger Scotland by protecting individuals and communities from threats to their prosperity and safety. It also plays an important role in helping communities to flourish, in fostering good relations and in increasing access to justice. It has responsibility for the civil and criminal justice systems and covers Scotland's police, fire, courts and prison services, as well as having responsibility for the legal aid system and criminal justice social work services.

The Justice portfolio also underwrites the work of Alcohol and Drug partnerships in Scotland and provides treatment and services to help people recover from drug addiction through its funding of NHS Boards.

## SUMMARY OF 2011-12 SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget £m
Community Justice Services	30.1	30.3
Courts, Judiciary and Tribunal Support	51.1	50.0
Criminal Injuries Compensation	28.1	25.5
Scottish Resilience	20.7	18.3
Legal Aid	167.9	154.1
Police Central Government	237.0	210.4
Drugs and Community Safety	36.0	35.3
Accountant in Bankruptcy	5.2	3.2
Police and Fire Pensions	273.5	273.5
Scottish Prison Service	469.9	365.5
Miscellaneous	18.4	18.2
Scottish Court Service	93.5	79.9
Office of the Scottish Charity Regulator	3.6	3.3
<b>Total Justice</b>	<b>1,435.0</b>	<b>1,267.5</b>
<i>of which:</i>		
DEL Resource	1,256.0	1,196.6
DEL Capital	179.0	70.9
AME		

## UK COMPREHENSIVE SPENDING REVIEW - ANTICIPATED IMPACTS

Safer communities are built on strong, secure economic foundations. To the extent that the CSR may have a negative impact upon macroeconomic performance (a policy area reserved to the UK Government) and, in particular, income and spatial inequality there may be an ensuing increase in crime levels. This could lead to greater demand for services provided under the Justice portfolio.

## EQUALITIES IMPACTS – SCOTTISH BUDGET

The Justice portfolio will focus on making communities safer, keeping recorded crime low and investing in the rehabilitation of offenders, and frontline services. The budget will maintain the number of police officers at 1,000 above the 2007 level. This will enable the continued focus on community policing which is vitally important in the reduction of racist incidents, sectarian and hate crime and in providing protection for women and the most vulnerable.

While the majority of crime victims are male, some offences, such as domestic abuse have a disproportionate impact upon women. The budget recognises priorities for improved delivery of justice for key equality groups. It will enable work to continue to support the Domestic Abuse Court and to support the Community Justice Authorities in their work with offenders. In particular it will enable the continuation of the Caledonian programme focusing on perpetrators and victims of domestic abuse. There is a shared Scottish Government and COSLA approach to Violence against Women, outlined in *Safer Lives: Changed Lives*.

The portfolio also provides resources to Alcohol and Drug Partnerships via the NHS in Scotland. There is clear evidence that people with drug problems are among the most marginalised and stigmatised members of society. There is also evidence that the problem drug using population is ageing. Large number of drug users also have co-occurring health issues, particularly mental health, requiring specialist support. In addition, reported drug use among young people continues to drive prevention work focused on this age group. A successful recovery-focused approach is person-centred, focused on the specific needs and circumstances of the individual and based upon parity of esteem between service providers and the person moving into recovery. Maintaining this significant investment in front line drug treatment services reinforces the Scottish Government's commitment to tackle drug problems across Scotland. This investment, and the accumulated impact of the national drugs strategy, *The Road to Recovery*, will support delivery of our National Outcomes, helping more people to live longer healthier lives and will improve life chances for children, young people and families at risk.

A key Scottish Government priority is to maintain frontline policing in the face of reduced budgets next year and in future years. The Association of Chief Police Officers in Scotland (ACPOS) has undertaken work over the last year to identify savings and efficiencies which protect services to communities.

The Scottish Government is leading further work to identify and appraise options for structural reform of the police to enable frontline services to be maintained over the coming years of spending reductions. The initial findings of this work will be reported to the Scottish Policing Board on 6th December 2010. The detail of any reforms will need to be scrutinised for their potential impact on equality groups, but clearly retaining a strong and responsive service through efficiencies and restructuring would be of benefit to those communities who disproportionately suffer the effects of crime – particularly those in deprived areas.

The moves in 2009 to increase the legal aid threshold for civil actions, and to support additional services for advice and representation for those facing crises such as repossession, were important in increasing access to justice for significant numbers of those on lower incomes and amongst the most marginalised. The budget for 2011-12 is designed to maintain this provision as far as possible, although there will be savings made in the delivery of legal aid, particularly for criminal cases.

We recognise that reductions in the criminal legal aid budget may have a particular impact upon men, as 80 per cent of all current criminal legal aid applications are from men. However, wherever possible, the efficiencies which are being considered are designed to reduce costs rather than reduce access or provision.

Reductions in the Scottish Prison Service budget will mean that there is less resource to accommodate the existing prison population, acknowledging that prisoner numbers are forecast to continue to rise. This could put additional pressure on services, including those for prisoners with particular needs, such as those with learning disabilities or mental health problems, and could reduce the estate's capacity to respond to particular accommodation requirements. The Scottish Prison Service will examine options in light of the reductions, assess the potential impact on equality groups, and develop appropriate strategies, including reviewing the prison estate.

## **CONCLUSION**

The Justice portfolio, in making the necessary spending reductions, has sought to minimize the negative impacts on equality and vulnerable groups wherever possible. Proposed changes to the legal aid system will, as far as possible, protect existing levels of access to justice. Where we will have to take forward plans for efficiencies and reform to deal with the reduction in funding the policy will be to prioritise and protect front-line service users and we will assess the impacts of this reform programme.

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**CHAPTER 8**  
**Rural Affairs and the**  
**Environment**

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## PORTFOLIO RESPONSIBILITIES

The Rural Affairs and Environment (RAE) portfolio has responsibility for protecting the environment and for developing rural Scotland through working with rural industries and communities. It is a wide-ranging portfolio covering agriculture, marine management and policy, aquaculture, forestry, rural development and environmental policy.

## SUMMARY OF 2011-12 SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget £m
EU Support and Related Services	155.9	138.2
Research, Analysis and Other Services	95.7	82.0
Marine and Fisheries	66.7	61.3
Environmental and Rural Services	196.1	186.4
Forestry Commission	55.1	47.7
Forest Enterprise	24.9	23.8
<b>Total</b>	<b>594.4</b>	<b>539.4</b>
<i>of which:</i>		
DEL Resource	524.8	489.8
DEL Capital	69.6	49.6
AME		

## COMPREHENSIVE SPENDING REVIEW – ANTICIPATED IMPACTS

Over the course of the Spending Review period, the UK Department for Environment, Food and Rural Affairs (DEFRA) will reduce resource spending by 29 per cent and capital spending by 34 per cent. DEFRA will manage these reductions through a mixture of efficiency savings, reduction in the number of public bodies, stopping funding for the Waste Private Finance Initiative project and reduction of administration costs. These reductions are unlikely to impact on Scotland directly, except in relation to animal health (where negotiations to devolve budgets are in train) and potentially in relation to the capture of research funds by organisations such as the Scottish Agricultural College.

Spending cuts elsewhere in the UK CSR will have an impact on rural Scotland, most notably, cuts in defence which threaten the viability of rural communities in North East Scotland dependent on RAF bases for employment and opportunities.

## EQUALITIES IMPACTS – SCOTTISH BUDGET

The RAE budget contributes to the promotion of equality in Scotland in several ways, as it explicitly supports all people living in Scotland's rural communities, and also seeks to protect and enhance the environment for the benefit of all in Scotland.

Within the RAE spend on EU Support and Related Services there are specific programmes which target equality groups. These include two parts of the Scotland Rural Development Programme (LEADER

and Technical Assistance) where we have maintained funding support. The LEADER programme enables local rural community and business networks to build knowledge and skills, and encourage innovation and co-operation in order to tackle local development objectives. Within this programme many LEADER Local Action Groups identify women and young people as priority groups.

The Technical Assistance budget includes funding for the Scottish National Rural Network which, through its use of interactive communication tools, aims to connect rural Scotland in all its diversity to promote economic growth and community development. It provides news, information and networking opportunities for everyone living and working in rural Scotland, and helps them to keep in touch with similar communities in the rest of the UK, Europe and beyond.

Within the RAE spend on EU Support and Related Services, cuts are being made to the Rural Enterprise and Rural Communities budget lines. This will reduce the total amount of funding available for rural communities to bid for grant awards for improving the quality of life in rural areas and encouraging diversification of economic activity. We have been unable to assess whether this is likely to have impacts on equality groups.

The RAE budget for Marine and Fisheries supports spending on the European Fisheries Fund which is being maintained. This includes the axis on community action which contributes to the sustainable development of fishing communities and provides opportunities to strengthen the competitiveness of fisheries areas as well as restructuring and redirecting economic activities.

The RAE budget (Environment and Rural Services) provides funding to Scottish Environment Protection Agency (SEPA) and Scottish Natural Heritage (SNH). Savings in the resource budget will reduce grant-in-aid to both SEPA and SNH and may result in lower staff numbers. The profile of staff of these public bodies does not differ significantly to that in the rest of the public sector in Scotland. These organisations will consider the possible equalities impact of any workforce adjustments they need to make.

Budget reductions for SNH may reduce investment in urban Greenspace and in promoting access to the outdoors. This may impact disproportionately on equality groups by resulting in less encouragement for vulnerable groups to access the countryside.

The reductions in the Forestry Commission budget will be met by slightly lower programme spend, offset by higher EU income. As such, this is unlikely to have any negative equalities impacts.

Although some individuals in rural Scotland experience poverty, rural and coastal communities and families do not appear to be more disadvantaged overall than those in the rest of Scotland. Capital savings to the Scotland Rural Development Programme may result in lower incomes for some farmers but are not likely to have significant negative equalities impacts.

## **CONCLUSION**

By maintaining a (reduced) commitment to promoting access to the countryside across all individuals and groups, this portfolio is continuing to improve equalities outcomes. Where there are other budget reductions the equalities impact is around workforce issues. There may be further impacts as a result of reductions for delivery partners (such as SEPA and SNH) but they will have due regard to public sector equality duties.

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**CHAPTER 9**  
**Scottish Government**  
**Administration**

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## PORTFOLIO RESPONSIBILITIES

The Administration portfolio's priorities are to support the delivery of the Scottish Government's Purpose and 15 National Outcomes, and to assist the process of economic recovery, through ensuring that the organisation is well equipped and offers maximum value for public money. This includes delivering efficiency savings and operating with a staff complement that is proportionate and affordable in the current economic climate. The Scottish Government continues to promote equality and remains committed to becoming an exemplar in the field of diversity and equality.

## SUMMARY OF 2011-12 SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget <sup>2</sup> £m
Scottish Government Staff	167.2	152.0
Accommodation	19.8	17.8
Other Office Overheads <sup>1</sup>	42.8	38.6
Training	5.4	4.9
Office of the Queen's Printer for Scotland	0.1	0.1
Capital Charges	16.7	15.1
Capital ICT Projects	7.4	5.5
Other Capital Expenditure	2.6	2.0
<b>Total</b>	<b>262.0</b>	<b>236.0</b>
<i>of which:</i>		
DEL Resource	252.0	228.5
DEL Capital	10.0	7.5
AME		

## UK COMPREHENSIVE SPENDING REVIEW - ANTICIPATED IMPACTS

The impact of decisions made as part of the UK Government's CSR means the Scottish Budget has reduced. The Scottish Government has had to make some difficult decisions in relation to its own workforce but has sought to take account of and minimise the impacts on equality groups.

## EQUALITIES IMPACTS - SCOTTISH BUDGET

The Scottish Government Core (which comprises all staff at Senior Civil Service (SCS) level and below in the core Directorates) is a gender balanced workforce. Nearly 90 per cent of the workforce is aged over 30, with around 30 per cent aged 50 and over. A small percentage (1.2 per cent) of employees record that they are from a minority ethnic background, and 4 per cent record that they are disabled.

The Scottish Government has introduced a pay freeze for all staff excepting those earning under £21,000 where a minimum £250 per annum increase will apply. A pay freeze for all staff, except the lowest paid, will help to protect jobs for men and women of all age groups. The specific measures

to help the lowest paid will benefit women, disabled people and employees aged 50 and over, as well as those aged under 30.

One action taken to help the organisation live within the financial constraints next year was to offer staff at all levels the opportunity to apply to leave under the terms of an early retirement/voluntary severance scheme. Compared to the equality profile for the Scottish Government as a whole, a higher proportion of women have applied for and accepted their offers of early retirement and voluntary severance (nearly 60 per cent of these people are women).

Similarly, a higher proportion of people over age 50 have applied and accepted their offers (again, nearly 60 per cent). The proportion of applications and acceptances from disabled staff (8 per cent) is somewhat higher compared to their profile in the Scottish Government as a whole, whilst there are proportionately fewer applications and acceptances from ethnic minority groups (0.4 per cent) compared to their profile across the organisation as a whole.

A further action was a commitment to reduce the costs of the SCS by 10 per cent in 2011-12, through the continuation of the SCS pay freeze and a reduction in the number of SCS staff. The equalities profile of the SCS is older (nearly half are aged over 50), includes a higher proportion of men and a slightly lower proportion of disabled staff, and is broadly similar in terms of ethnic status, compared to the organisation as a whole.

## **CONCLUSION**

The process of restructuring the organisation, and any decisions arising from it, will be assessed for equalities impacts. The Scottish Government has developed a toolkit to assist managers with the restructuring process. In addition, there will be an organisational analysis of the outcomes of restructuring to assess the equalities impact. We are also currently working to improve the range of data that we hold, in particular on sexual orientation and religion or belief, to ensure all decisions are made on a sound evidence base. Any redeployment that arises from our restructuring will also be monitored closely to assess any detrimental impact and to consider appropriate action as required.

Work is also underway to maximise the equality and diversity capability of our human resources department, in particular to raise awareness of, and competence in, the equality impact assessment process with respect to HR policies and practices. Equality Impact Assessments will continue to be carried out on all aspects of our policies and policy implementation.

To mitigate the impact of any decisions arising from our restructuring process, or our spending decisions, the Scottish Government is undertaking a range of action, including awareness raising activity around employee benefits (particularly childcare vouchers) and the promotion of flexible working opportunities. We will also continue to carry out regular equal pay reviews of our staff to ensure that there is no adverse impact.

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**CHAPTER 10**  
**Crown Office and**  
**Procurator Fiscal Service**

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## PORTFOLIO RESPONSIBILITIES

Crown Office and Procurator Fiscal Service (COPFS) works on behalf of all the people of Scotland to investigate and prosecute crimes and to investigate sudden deaths, in the interests of ensuring that Scotland is a safe place to live and a good place to do business.

## SUMMARY OF 2011-12 SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget £m
The Crown Office and Procurator Fiscal Service	118.2	108.2
<b>Total Crown Office and Procurator Fiscal Service</b>	<b>118.2</b>	<b>108.2</b>
<i>of which:</i>		
DEL Resource	111.0	105.5
DEL Capital	7.2	2.7
AME		

## UK COMPREHENSIVE SPENDING REVIEW - ANTICIPATED IMPACTS

The UK Government's CSR means a decline in the Scottish Budget and threatens our recovery and resilience. Whilst the decisions made in the UK Government's CSR do not have a direct effect upon the devolved work of COPFS, they will impact on the economic and social environment of Scotland in which COPFS works.

## EQUALITIES IMPACTS - SCOTTISH BUDGET

Decisions that have been made on spending reflect the requirements to ensure that swift, effective and fair justice is available to all of Scotland's communities.

The spending decisions have prioritised the maintenance of working courts in all parts of Scotland to ensure that, wherever possible, people in rural and remote areas are not disadvantaged by having increased travel times to attend court where necessary.

Difficult decisions have had to be taken in COPFS to meet the savings required. A significant proportion of the proposed savings will be made from the capital budget. COPFS will be making significant reductions in staff numbers having recruited no new permanent members of staff since the start of April 2010. This could impact on levels of service provision but this risk will be managed by increasing efficiency and prioritising work including cases involving serious crime and on high quality services to victims and vulnerable witnesses. Most who come into contact with the justice system - accused, victims and witnesses - come from disadvantaged socio-economic groups and some are also vulnerable because of mental health and other environmental issues.

Priority will continue to be given to the most serious crimes, which may mean that less serious offences have fewer resources devoted to them. To the extent that these types of offences affect different sectors of the community disproportionately, there may be equalities implications. Equalities impact assessments will be carried out on all proposed policy adjustments to mitigate this risk as far as possible.

In relation to reducing the workforce, COPFS will assess the equality implications of the decisions it makes in order to meet the requirements of the public sector equality duties. In common with the rest of the public sector a higher percentage of staff (70 per cent) in COPFS are female. Thus reductions are likely to involve a higher number of women than men.

## **CONCLUSION**

Any equalities effects for service users associated with reductions in spending within COPFS are not expected to be large. As outlined above, COPFS will assess fully the equalities implications of the decisions it makes.

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**CHAPTER 11**  
**Local**  
**Government**

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## PORTFOLIO RESPONSIBILITIES

Local government plays a very important role, alongside national government, in the governance of Scotland. Local authorities plan and deliver vital services and respond to the needs of Scotland's diverse local communities. They therefore have a unique and important role to play in advancing equality and reducing significant inequalities. Equality is a shared aspiration for the Scottish Government and local government and it is a cross-cutting theme that is being considered across all Single Outcome Agreements (SOAs). General improvement that leaves some of our people living well below the standards of the majority will not meet either national or local ambitions for a fairer Scotland.

The Single Outcome Agreements (SOAs) produced by each Community Planning Partnership (CPP) and jointly signed by local authorities and the Scottish Government, articulate how local authorities and their partners at local level are aligned to deliver on the National Outcomes, whilst meeting local needs. Joint Scottish Government and COSLA guidance on equalities and SOAs was issued in March 2009. Furthermore, the Scottish Government and local government and its partners will do all that is necessary to meet their legal responsibilities under the Equality Act 2010.

## SUMMARY OF 2011-12 SPENDING PLANS

	2010-11 Budget £m	2011-12 Draft Budget £m
General Resource Grants	8,742.3	8,354.7
Non-Domestic Rates (NDR) and other AME Grants	2,076.3	2,179.5
Support for Capital	843.2	691.8
<b>Total Local Government portfolio</b>	<b>11,661.8</b>	<b>11,226.0</b>
Other Local Government*	324.5	322.0
<b>Total Support for local authorities</b>	<b>11,986.3</b>	<b>11,548.0</b>
<i>of which:</i>		
DEL Resource	9,066.8	8,676.7
DEL Capital	843.2	691.8
AME	2,076.3	2,179.5

\* Held within other portfolio chapters

## UK COMPREHENSIVE SPENDING REVIEW - ANTICIPATED IMPACTS

Decisions made as part of the UK Government's CSR mean the overall Scottish Budget has declined. Furthermore, decisions made at UK level on tax and benefits will impact on people across Scotland and are likely to drive up the demand for services provided by local government, for instance around housing, social care and money advice.

Recognising the challenges local government faces, the Scottish Government has maintained local government's share of the Scottish Budget between 2010-11 and 2011-12 at 34.5 per cent and will be providing local government with a total funding package amounting to £11.55 billion in 2011-12. This should help protect vital public services and jobs.

## EQUALITIES IMPACTS – SCOTTISH BUDGET

Local government services including education, social care, housing, financial advice and funding of community groups all contribute towards promoting equality and looking after the most vulnerable in Scotland. Local government is facing a difficult period both as an employer and as a key provider of vital services to the public. Decisions to meet this challenge have to be made at a time when demand is rising and resources constrained. Within this context it is essential that local government has the flexibility to focus on needs. The reduction in ring fencing provided by the Concordat and SOAs delivers this flexibility and allows local government to prioritise spend.

The Scottish Government has focused on key priorities which will mitigate some of the impacts of the UK's CSR on Scotland's people, including the most vulnerable in our communities. These decisions will also offer some level of protection to jobs in the public sector, including female employees.

Freezing council tax in each local authority in 2011-12 at 2007-08 levels means council tax bills will have remained fixed for four consecutive years. This benefits everyone who is liable to pay council tax. However, in particular, the freeze provides financial relief to equality groups, such as older people of pension age, who may not be entitled to claim Council Tax Benefit.

The commitment that the total number of police officers will be maintained throughout 2011-12 at 1,000 more than were in post before this Scottish Government came into office will enable the continued focus on community policing. This is vitally important in the reduction of racist incidents, sectarian and hate crime and in providing protection for women and the most vulnerable.

The commitment to the delivery of the outcomes for children and young people as specified in SOAs will deliver benefits for all of Scotland's communities, including the most vulnerable. This includes implementing the *Early Years Framework*, *Curriculum for Excellence* and maintaining the pupil - teacher ratio in P1-P3, the crucial early years of primary school. As women make-up the majority of the workforce in these areas, this commitment is expected to offer some protection to women employed in these sectors.

The Scottish Government has allocated £70 million for a new change fund to shift the balance of health and social care towards primary and community care. This is in order to optimise people's independence and wellbeing and will offer benefits to the elderly and the disabled. The decision to continue to deliver the commitments on free personal care will further reduce the impact of the UK CSR on older people, including those with disabilities. Both of these decisions will also help protect the jobs of the predominantly female workforce who are employed by local authorities in the health and social care sector, of whom over 40 per cent are aged over 50.<sup>16</sup>

The commitment of the Scottish Government and local government working towards implementation of the Carers and Young Carers strategy at local level, including the maintenance of an extra 10,000 weeks respite provision, will benefit both carers and the recipients of respite care who are amongst the most vulnerable in our society. Carers are more likely to be female, although the gender balance is more even for young carers and carers aged 70 and over. It is also known that as carers get older they take on more caring responsibility and that carers are more likely to live in deprived areas.

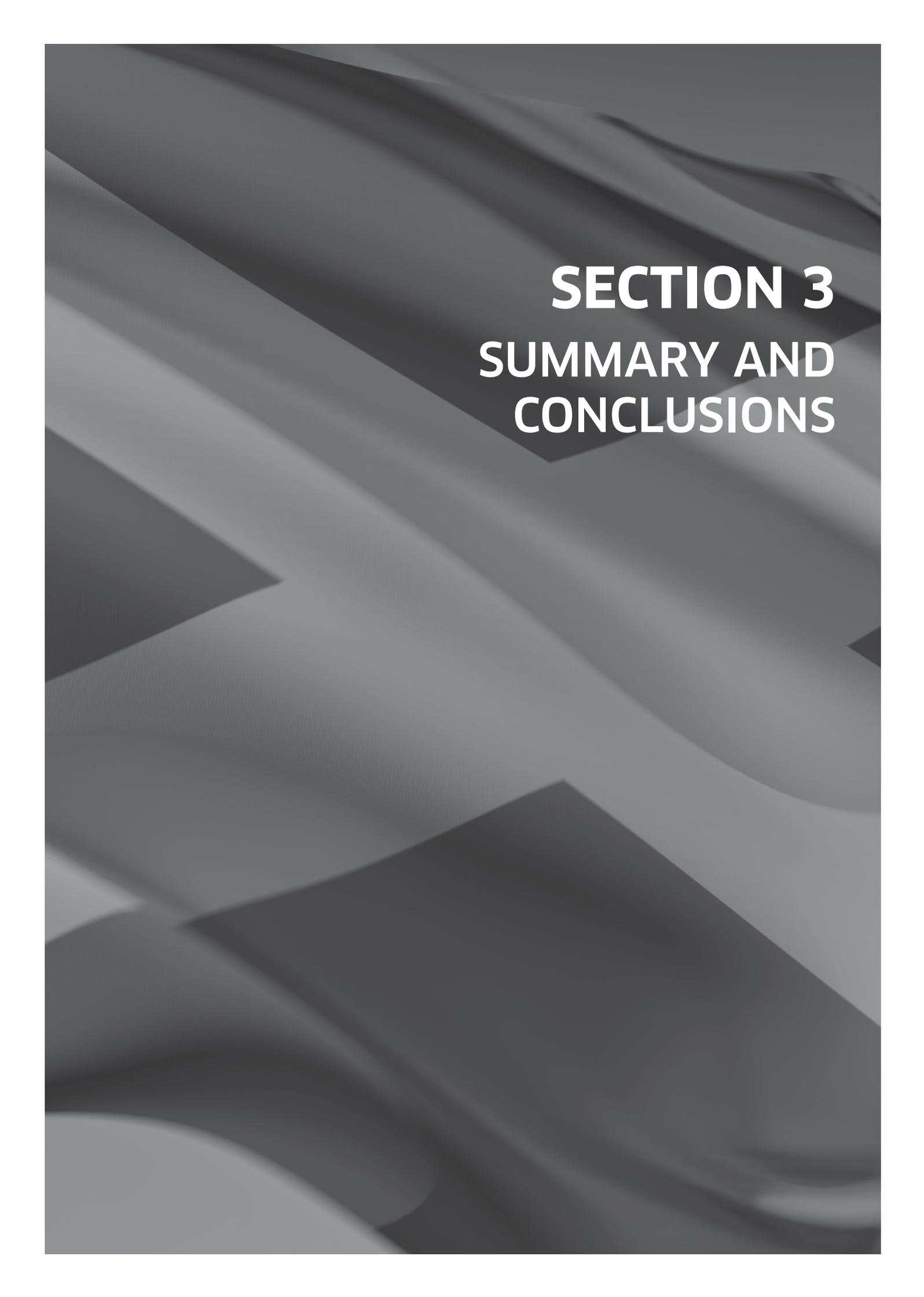
<sup>16</sup> Staff of Scottish Local Authority Social Work Services, 2009  
<http://www.scotland.gov.uk/Publications/2010/07/01092227/0>

The continued joint commitment between local and national government to better policy making, better delivery and joint discussion and resolution of problems provides a supportive context and opportunity for securing positive equality outcomes.

## **CONCLUSION**

The constraints on medium term public spending in Scotland will present significant challenges to both central and local government. Difficult choices will have to be made over this period. Together the Scottish Government and COSLA have agreed the key commitments outlined above which will offer some level of protection for equality groups and the most vulnerable.

It is for local government to determine how best to take account of equality issues and assess the potential impacts of the decisions they take. The framework provided by public sector equality duties helps in this regard. 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. The Scottish Government will look for further opportunities to do this.



**SECTION 3**  
**SUMMARY AND**  
**CONCLUSIONS**

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**CHAPTER 12**  
**Overview of**  
**Equality Considerations**

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This chapter provides an overview of some of the main equality considerations arising from the Scottish budget. These are set in the context of UK Government spending and reform decisions, especially the Comprehensive Spending Review (CSR). We have looked across the equality characteristics as defined in the Equality Act 2010 but it should be noted that there is very limited information available on the impact of proposals on religion, sexual orientation and gender identity at this stage.

We are aware that looking at each of the equality groups separately carries the risk of creating artificial separation between them, when we know that everyone in Scotland carries a number of equality characteristics (age, gender etc). Moreover, many people in Scotland carry multiple characteristics that make it more difficult for them to achieve their potential and to flourish. To understand how the impact of decisions and changes compound upon individuals from several different positions requires very detailed analysis which has not yet been possible, and for which data is sometimes unavailable.

The sections below set out a qualitative analysis of the spending and savings proposed in the Scottish draft budget 2011-12, assessing potential and differential impacts, as far as is possible at this stage. We seek where appropriate, to highlight what is known of the equality dimensions of the workforce and those whom our proposals affect, but cannot in all cases, estimate the extent of the impact.

We recognise that this overview and the assessments made under each portfolio in Section 2 are part of an ongoing process. The draft Budget and this Equality Statement will be the subject of debate and scrutiny over the coming period. We expect that the development of individual policies and programmes which are made possible by this Budget will be subject, as appropriate, to further assessment for their impact on equality.

## Gender

Men and women's lives are different and often not equal in terms of their economic situation, caring responsibilities, working patterns, sources of income, patterns of expenditure and dependence on public services. Women are more reliant than men on the welfare state and public services. Consequently, the public sector cuts arising from the UK Comprehensive Spending Review, (and earlier Budget) combined with the reform of welfare have a particular effect on women's jobs, incomes and services. Recognising this, we focus on women in this section, while acknowledging that certain decisions may also carry male-specific outcomes.

Women are a key part of the workforce in Scotland and are making a considerable contribution to Scotland's economic growth. They are increasingly highly skilled and qualified and are the main providers of childcare and family care (60 per cent of unpaid care is provided by women<sup>17</sup>) Furthermore, in two fifths of all Scottish households, the woman has the highest personal income, and only 11 per cent of working age women are economically inactive due to 'looking after home or family'<sup>18</sup>.

We acknowledge that women's work and contribution can be undervalued and that assumptions about the roles of men and women contribute to the segregation of jobs and occupations. This is manifest in the gender pay gap of 12 per cent<sup>19</sup> in Scotland and the under-representation of women in decision making and in senior management positions. During the recession, male unemployment has risen more than female, possibly due to the initial job losses in the traditionally male construction sector<sup>20</sup>.

However, of the 1.19 million women working in Scotland, 39 per cent are working in the public sector where they make up 64 per cent of the workforce<sup>21</sup>. While women undertake part-time work more than men (42 per cent compared to 10 per cent of the total workforce), in the public sector, 62 per cent of women are working full-time. Within the female public sector workforce, 27 per cent are in managerial and professional roles (compared with 17 per cent in the private sector or 30 per cent of male workers across both sectors)<sup>22</sup>. However, even within the public sector, women are concentrated in administrative and personal service occupations (39 per cent combined), which are largely lower paid.

If we consider the particular roles that women occupy in public service it is clear how essential they are to delivering a successful Scotland where all can flourish; we are aware that 92 per cent of primary school teachers are women,<sup>23</sup> as are 85 per cent of social workers<sup>24</sup>. About two thirds of local authority staff are women<sup>25, 26</sup> and 79 per cent of NHS employees are female. In the police service, across all roles, thirty eight percent of staff are women (compared to 29 per cent ten years ago<sup>27</sup>), and of the 72,500 people in Scotland who report that they work for a charity, voluntary organisation or trust, 34 per cent are male and 66 per cent are female.

17 2001 Census

18 Scottish Household Survey: this is a drop from 17 per cent in 1999

19 Annual Survey of Hours and Earnings (ASHE). The mean pay gap is 12.2 per cent for full-time working, while the median pay gap is 8.6% for full-time working

20 Labour Force Survey

21 Annual Population Survey Jan - Dec 2009

22 Annual Population Survey Jan - Dec 2009

23 Statistical bulletin: Teachers in Scotland 2009

24 Staff of Scottish Local Authority Social Work services 2008 (published 2009)

25 Joint Staffing Watch Q1 2010

26 Annual Population Survey Apr 2009 to March 2010

27 Joint Staffing Watch, June 2010

Finally, key elements of the UK CSR and proposed Welfare Reform programme (such as limiting the childcare element of the Working Tax Credit, removing Child Benefit in households with one higher rate taxpayer) threaten to limit women in Scotland's access to paid work, reduce household income and impinge upon their financial independence.

## **Draft Scottish Budget 2011/12**

Men and women have different experiences in the labour market and within the public sector. Women's work and earnings are essential to the Scottish economy and to Scottish households. Although women do still tend to be concentrated in lower paid occupations, they fare better in the public sector. These have been important considerations in arriving at the decision in this Budget to protect jobs and frontline services on which many women and families depend. The maintenance of the local government share of the Scottish budget between 2010-11 and 2011-12 at 34.5 per cent and the protection in real terms of the spending on running the Health Service will help in this regard. In addition, the pay proposals will contribute to the protection of women's jobs and incomes.

It is essential to state that any adjustments to the public sector workforce are decisions which are devolved to Scottish Government public sector partners (in local authorities, NDPBs and agencies). As workforce decisions may affect men and women differently we would expect that consideration would be given to equality analysis and assessment.

Within the Budget there are a number of other decisions which have been taken which are relevant for their impact on gender equality:

- Aim to protect teacher posts;
- Health services sustained;
- Continue supporting Free Personal Care;
- Healthy start programme increased;
- Domestic Abuse Courts continued;
- Breathing Space confidential phone line maintained;
- Scotland Rural Development Programme 'LEADER' programme maintained;
- Caledonian programme for perpetrators of domestic abuse maintained; and
- The Equality and Social Inclusion budget maintained enabling key frontline support to tackle violence against women and domestic abuse.

As service users, Scotland's men and women stand to benefit from continued investment in health, education, justice and community safety. The protection of free personal care, delivered in partnership by local authorities and NHS, benefits men and women, but particularly women both as service users and as care providers. Women will also benefit from services and programmes targeted at children and families (such as Healthy Start), and also from early intervention activities, whose success is often contingent on mothers as delivery partners. As women are more likely to use HE/FE as adults, and generally make more use of social care, the investment made here will be of particular benefit.

We believe our policies around pay will be of benefit to women and to safeguarding essential household income through the protection of public sector jobs. A range of mechanisms to manage down the staff costs in Scottish Government itself will be introduced. The SG workforce as a whole is gender balanced, however the Senior Civil Service has a majority of men. While our efficiency proposals are being developed, we will be aware of the gender dimensions which must be considered as we seek to reduce our costs and meet the target of a 10 per cent reduction in the SCS in 2011-12.

Whilst the overall resources available for capital spend have been severely cut, the decision to continue with key capital projects offers the promise of employment for the largely male workforce in the construction sector.

Men, as service users, will likewise be provided for from the range of investments in key services. They stand to benefit from our sustained investment in alcohol misuse services. However there may be a bigger impact on some younger, more vulnerable men in terms of the provision of social housing after all the housing benefit adjustments take hold. Where there have been reductions to the Affordable Housing Investment Programme, the pace of provision of new affordable housing to those in need, including older female and single female parent tenants, will be slower.

## Disability

There are a large number of disabled people in Scotland, and in certain circumstances, they and their families are at increased risk of disadvantage and poverty. One in five people in Scotland, aged 16 and over report having a 'long term limiting illness, a disability or both'<sup>28</sup>, and this proportion increases with age: from 7 per cent of people aged 16-24 to over half of those aged 75 years or older. Around one third of households in Scotland contain someone with a long term illness, disability or both, and working age families who have a disabled adult family member are twice as likely to be in poverty as families without disabled members<sup>29</sup>. It is both as workers, those seeking work and as service users that disabled people (and their carers) need barriers to be removed and support to be provided.

Many disabled people face barriers to employment and independence. These are often the result of negative assumptions about what disabled people can and cannot do. Disabled people have much lower employment rates (47 per cent) than those without a disability (74 per cent), and have much higher economic inactivity rates. Most of the 1.2 million adults in Scotland with work-limiting conditions and/or disabilities, are not in work or looking for work<sup>30</sup>. Disabled people on average earn less,<sup>31</sup> have lower levels of qualifications and are likely to be in lower paid jobs, but the situation varies for different types of disability. Recent research suggests that the position may be much worse for women than for men<sup>32</sup>.

The recession has not affected the incomes of disabled people unable to work disproportionately, but it is likely to have reduced the chances of employment for those seeking work, as the labour market becomes even more competitive. While several disability benefits have been protected in the UK Government's Comprehensive Spending Review and Welfare Reform announcements (e.g. an exemption from the household benefits cap), the move from Employment Support Allowance

28 SHS 2007-8, 22%

29 DWP Family Resources Survey.

30 as defined under the Disability Discrimination Act, June 2009 LFS

31 APS 2009

32 Longhi and Platt (2008) Pay Gaps Across Equalities Areas, EHRC

to Job Seekers Allowance or the Work Related Activity Group will have an impact for people with certain disabilities, such as the 46 per cent of Incapacity Benefit claimants with mental health conditions<sup>33</sup>.

## **Draft Scottish Budget 2011/12**

Our Budget sustains the efforts to tackle the barriers disabled people face to leading independent lives, whether in employment or not, while continuing to improve the life chances of young people with a disability and reduce household costs for their families.

- National Concessionary Travel Scheme for Disabled People protected;
- Maintaining level of funding for the Mobility and Access Committee for Scotland;
- Commitment on Free Personal Care;
- Legislation on Self-directed Support and a related national strategy;
- Development of an Autism Strategy;
- Continuation of Sensory Impairment Strategy;
- Continued support from local employability partnerships;
- Continuation and development of 'Same as You';
- Energy Assistance Programme to continue to provide assistance for households with disabled children and adults;
- Investment in Scotland's Schools for the Future – improving access for children with additional support needs; and
- Continued work with Visit Scotland to promote accessible tourism

This budget supports disabled people and their families in a range of ways that recognises the risk of low-income and poverty associated with disability, but also seeks to develop potential, overcome barriers and improve quality of life.

The Scottish Government shares a vision with the Convention of Scottish Local Authorities (COSLA) and the Independent Living in Scotland (ILiS) Steering group that disabled people in Scotland should have equality of opportunity at home and work, in education and in the social and civic life of the community. Policies supporting this agenda are carried across all portfolios and the current funding pressure may have an impact on the pace at which this vision is realised. Pressure on the Affordable Housing Investment Programme could result in fewer adaptations which would prevent disabled people from living independently in their own homes.

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33 DWP Tabtool - accessed November 2010

However, our continued investment in a range of frontline services will impact positively on disabled people. Recognising that many older people are also disabled, the commitment to continue Free Personal Care supports the ILiS agenda. The continued commitment to the *National Concessionary Travel Scheme for Disabled People* demonstrates our understanding of the value of mobility and travel to independent living. Continued investment in the special schools project will directly benefit children with additional support needs, whilst new or refurbished schools will provide better access and support for those with additional support needs.

In light of the impact of the current funding pressures on equality groups including disabled people, we have decided to maintain the Equality and Social Inclusion Budget at £27.5 million. This will enable us to continue to focus on disability equality issues and to help advance independent living for disabled people.

We recognise that many of the services on which disabled people depend are provided at local level. The measures in this Budget to protect front line services will be helpful. However, the decisions that are taken about provision at a local level are matters for the local authority and other public sector bodies. We expect that these would be considered as part of the equality impact process.

## Ethnicity

Scotland's ethnic minority population is between 2 per cent and 3 per cent<sup>34</sup>. Social and economic outcomes suggest that their opportunities and life chances are unequal when compared with non ethnic minority people in Scotland. In Scotland, although we recognise that our ethnic minority populations differ from elsewhere in the UK (clustered in certain areas, and with very few from the Caribbean grouping) we are committed to understanding and addressing the inequalities that persist.

The Equality 2010 Act and earlier legislation set out to explicitly address the unjust inequalities underpinned by racism and discrimination. We also acknowledge that often the differences between groups *within* the total minority ethnic population are greater than the differences *between* the majority and minority ethnic groups. All minority ethnic groups in Scotland have a younger age profile and have lower mortality rates than the general population. Most live in large urban areas particularly in the cities of Glasgow, Edinburgh, Aberdeen and Dundee. Some groups, for example Chinese and Indian, are more likely to live in less deprived areas, whereas Pakistani and South Asian people have concentrations in both the most and least deprived neighbourhoods.

The employment rate for the minority ethnic population is lower than for Scotland as a whole (58 per cent against 78 per cent)<sup>35</sup>, and there was a sharp drop in these levels between 2007 and 2009.<sup>36</sup> People from minority ethnic backgrounds are more likely to be working in distribution, hotels and restaurants but just as likely to be working in Public Administration and Health.

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34 The most recent source of detailed breakdown of Scotland's population by ethnicity is from the 2001 census, which reported the total minority ethnic population to be 2.01 per cent. More recent data from the Annual Population Survey suggest that this figure has increased to around 3 per cent.

35 Annual Population Survey 2009

36 Annual Population Survey

Minority ethnic groups as a whole have higher poverty rates with those self classifying as Asian, having the highest rates<sup>37</sup>. However there is likely to be considerable variation between Scotland's ethnic minority groups. Minority ethnic households also generally have lower incomes, have larger families and are more likely to have higher numbers of dependent children. Changes as a result of the UK Emergency Budget and Comprehensive Spending Review decisions which impact more on lower income groups may therefore disproportionately affect minority ethnic individuals and families. We anticipate they may be particularly vulnerable to changes in entitlement to benefits within UK Welfare reform proposals.

For ethnic minority families with children, it is less likely that both parents are working. Economic inactivity rates for women are very high among some groups, (especially South Asian women), and there is evidence that part of this is attributable to attitudes to childcare provision outwith the home. Ethnic minority families with children are supported by many public services, but also require some dedicated support in order to access services (e.g translation).

Many of the services which are used by minority ethnic communities are delivered by local government and public sector delivery partners and they will be aware of the importance to ensure that changes are considered for their impact on race equality and equalities more generally.

## **Draft Scottish Budget 2011-12**

Our Budget provides for a number of measures which support minority ethnic communities and race equality:

- Continued funding and focus on community policing - vitally important in seeking to reduce racist incidents;
- Continued support from local employability partnerships;
- A commitment under NHS Patient focus and Public Involvement for Translation and Interpretation Services and Advocacy Provision;
- Implementation of recommendations of UK Organ Donation Taskforce - increasing awareness of donation within minority ethnic groups and hence reducing waiting times; and
- Equality and Social Inclusion budget maintained - supporting activity to promote race equality and tackle racism.

The Scottish budget has protected services that are key to helping minority ethnic groups people access the services they need in order to achieve their potential and contribute to Scotland's economic growth.

As service users, minority ethnic groups will stand to benefit from continued investment in health, education, transport, policing and community safety. Given the large numbers of children and family sizes, they will also benefit from programmes targeted at children and families (such as Healthy Start). Whilst they have long life expectancy, there are known health differences for some

groups, so the protection of NHS services and the work on health improvement will help towards positive health outcomes. A high proportion of minority ethnic school leavers go on to further and higher education and the protection of Education Maintenance Allowance may bring significant positive impact for this group. Lower employment rates have long been an issue for people from minority ethnic groups, so support from local employment partnerships and targeted programmes will help to improve the employment prospects of all minority ethnic groups. Finally, the protection of the Equality and Social Inclusion Budget ensures that essential policy and service support work continues, driving race equality in Scotland.

## Age

The issues for age are about the oldest and the youngest adults in Scotland.

Consideration of the implications of the recession, economic climate and UK spending decisions indicates that of all the age groups, it is young people whose aspiration, opportunity and potential is at risk. In England, most eligible young people have lost Education Maintenance Allowances, therefore increasing the barriers to education and affecting future life chances. In Scotland however, we will retain Education Maintenance Allowances in recognition of its important support for young people at this difficult time.

For the post-school 16-24 age group, unemployment has increased faster than for any other age group in the period, and by 9.3 percentage points to 22 per cent over the two years to June 2010 in Scotland. In 2009 12 per cent of the Scottish population was aged between 16 and 24<sup>38</sup>.

20 per cent of Scotland's population is over retirement age, and 9 per cent are aged 75 and over. It is estimated that there will be a 50 per cent increase in the over 60s population by 2033, so it is a growing older population that will experience the impacts generated now, into the future. A number of welfare measures for pensioners have been protected in the Emergency Budget and Comprehensive Spending Review (CSR), although low-income pensioners have lost some pension credit. Of pensioner households, we anticipate that it is single pensioners (the majority of whom are women) who may suffer most from the combined effects of reduced services, increased costs and reduced incomes as a consequence of UK measures. The public sector in Scotland has higher proportions of older workers (32.3 per cent over 50) than the private sector (23.3 per cent), so adjustments to the public sector workforce may affect proportionately more older workers.

## Draft Scottish Budget 2011/12

The Budget supports a number of measures which benefit older and younger people;

- Concessionary Travel - National Travel Scheme for older people maintained;
- Commitment to reduce delayed discharge, unplanned admissions and to continue free personal care;
- Energy Advice Services and Energy Assistance Programme protected ;
- Aim to protect teacher posts;

<sup>38</sup> GROS midyear estimates

- Educational Maintenance Allowances protected;
- Maintenance of European Social Fund and ScotAction funding; and
- Health Start funding increased

Scotland's Budget does much to protect the wellbeing of older people in Scotland, signalled by our continued commitment to the delivery of free personal care. This benefits those older people receiving the care, but also protects the jobs of the older cohort of (largely female) employees who deliver this essential service. The maintenance of concessionary travel for the over 60s contributes to older people being able to lead productive and independent lives.

This commitment to Independent Living is also reflected in the commitments in the health spend that aim to avoid unnecessary hospital stays, and to allow older people to be cared for in their own homes. Where jobs are protected across the public sector (through pay restraint and other measures), these help to protect the household incomes for the significant numbers of older workers in public service. The agreement with COSLA to provide the maximum possible employment opportunities for teachers should benefit older teachers, as well as younger teachers.

Recognising that many older people are at risk of fuel poverty, and face barriers in upgrading their homes, the retention of the Energy Advice and Energy Assistance packages endeavours to reduce the energy costs for older people, especially those on low incomes, as a priority. However, the adjustments to the AHIP funding stream mean that the pace of making adaptations to homes for elderly and infirm people will abate and that less specialist social housing for older people may be available.

The commitment to retain the Education Maintenance Allowance in Scotland offers a lifeline of support for many young people who stand to benefit very significantly from remaining at school and acquiring qualifications. This signals our commitment, alongside funds such as ScotAction, to counter the prevailing and challenging difficult conditions for young people seeking qualifications and work. The emphasis in this budget on protecting jobs, investing in skills and economic recovery will be important in helping to secure opportunities for young people who are vulnerable in the current climate, particularly those who are no longer in school, unemployed, poorly qualified and not able to live at home.

For young women, the commitment in the Health spend to expand the funding for Healthy Start recognises that early intervention in the pregnancies and early motherhood of young mothers improves the life outcomes for both them and their children.

## **Socio-economic**

In providing this overview we have loosely interpreted the term socio-economic as those on the lowest incomes, and as such, the Scottish Government's 'solidarity' target is a useful guide for progress<sup>39</sup>. However, we recognise that it is both the people experiencing poverty and the places of deprivation in Scotland that stand to benefit from sustained support.

<sup>39</sup> To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017

Although the Chancellor in his June 2010 Budget speech claimed his Budget was 'progressive', this was based on a limited model that did not include all measures announced for introduction by 2014. The Institute of Fiscal Studies subsequently modelled key changes, extended the analysis and concluded that looking at all the tax and benefit measures that are scheduled to be introduced over the next 4 years the impact is generally regressive. Low-income households of working age proportionately lose most from these measures because of the cuts to welfare spending. Those who proportionately lose least are households of working age without children in the upper half of the income distribution because they do not lose out from cuts in welfare spending and gain from the increase in the personal tax allowance. Scottish Government modelling so far has confirmed this result for Scotland finding that:

- Households in the middle of the income distribution are estimated, on average, to see the smallest proportionate fall in their income. This is partly because such households are the largest beneficiaries of the increase in income tax personal allowances
- Households with children are estimated to see a proportionately larger fall in their incomes than households with no children
- Pensioner households are expected to see proportionately smaller falls in their income than most other household type

### **Draft Scottish Budget 2011/12**

There are a number of measures in the budget which help those on low incomes:

- Free prescriptions – Council Tax Freeze – Concessionary fares – Free Personal Care;
- Food and Health programme; Keep Well; Health Works – all targeting people with low incomes;
- Early Years Framework and Early Intervention initiatives;
- Increased commitment to Children's Hearing Process;
- Educational Maintenance Allowances;
- Energy Assistance Package and Energy Advice Services sustained; and
- Targeting job creation in the Clyde gateway areas of low employment.

The poorest in our communities who rely heavily on public services and the lower paid public sector workforce will benefit from the measures in this budget which protect front line services and jobs.

Key Scottish Budget universal policies, such as the freeze on council tax and the abolition of prescription charges benefit all in Scotland who are currently liable to pay (including some on lower incomes) but the Scottish Budget also contains a significant number of measures that specifically seek to protect those on lower incomes from the most severe impacts of the UK CSR and of low-paid work or unemployment.

In the Health spend, a number of protected or enhanced programmes are specifically targeted at people living in areas of high deprivation or living on low incomes. The commitment to implement the Early Years Framework will benefit those children and families furthest removed from opportunity and prosperity, while programmes supporting Early Intervention (across a number of policy areas, including drugs misuse programmes) also reinforce our commitment to break the patterns and cycles of poverty that persist in Scotland. The retention of the Education Maintenance Allowance again recognises that key support interventions at transitional points will keep young people from low income households in learning, gaining qualifications to ultimately improve their life chances and earning potential.

Attending to the challenge of reducing household expenditure (in low income homes) *the Energy Advice and Energy Assistance Package* funding seeks to prioritise energy savings for those who can least afford high energy bills. Specific provision is made for homes with a disabled person resident and homes where there are children under 5. The funding available for the building of affordable housing will be reduced, but will still be available to those on the very lowest incomes. Generally, where people from low income backgrounds are heaviest users of key public services (such as the Courts Service, Social Work and certain health services), they would bear the impact of any service reduction. Recognising this, the Scottish Budget seeks to achieve spending cuts through efficiency measures, while maintaining front line services.

The Scottish Budget's measures to protect jobs through pay restraint, exempt the lowest salaried from pay freeze measures and introduce a living wage for staff under direct Scottish Government pay control indicate a commitment to prioritise protection for the lowest income earners and households. Combined with our spending decisions above, which prioritise the protection of services most used by those on the lowest incomes, the Scottish Budget demonstrates its ongoing commitment to tackling poverty.

Finally, to enable the continuation of an effective strategic drive to tackle poverty and disadvantage, we have maintained the level of the Equality and Social Inclusion Budget.

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# CHAPTER 13

## Conclusions

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This is a Budget for people, jobs and services. It is a Budget which does the best for Scotland in very difficult circumstances.

The equality analysis which we undertook and the input and advice we received from the Equality and Budget Advisory Group have helped to shape our approach and spending decisions.

The work in preparing the Budget and this Equality Statement is part of an ongoing process. The Budget will be the subject of debate and scrutiny before it is finally agreed in early 2011. The decisions taken which require further detail and the policies and programmes which are made possible by this budget will be the subject of consideration for their impact on equality as appropriate.

In the period ahead we will:

Work with our public sector partners, the third sector and communities around the redesign of public services and in determining what approach should be taken to equality analysis and impact assessment in this more complex environment

Explore with the Equality and Budget Advisory Group how to improve further the equality analysis and assessment relating to future Scottish spending plans and possible mechanisms for monitoring the impact of spending decisions. We will also consider how we can improve our overall budget process with regard to incorporating equality considerations.

We will continue to improve the equality data available to support equality analysis and assessment including working with the Equality and Human Rights Commission on the Equality Measurement Framework.



**The Scottish  
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