

EQUALITY STATEMENT
SCOTTISH SPENDING REVIEW
2011 AND DRAFT BUDGET
2012-13



one
scotland
SCOTTISH GOVERNMENT

**EQUALITY STATEMENT:
SCOTTISH SPENDING REVIEW 2011
AND DRAFT BUDGET 2012-13**

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FOREWORD

by the Cabinet Secretary for Finance, Employment and Sustainable Growth



Decisions about how the Scottish Government should spend its money are amongst the most important we have to make. We have been determined to arrive at the right decisions for economic growth and recovery, for the delivery of public services and for the wellbeing of people and communities. The people of Scotland put their trust in this Government when we were re-elected in May. We have put our responsibility for competent Government into practice through the spending plans outlined in this Budget.

I am pleased to present this Equality Statement which accompanies our Draft Budget 2012-13. It provides information on how our spending contributes to improving equality outcomes and how we have considered the potential impacts of our spending plans on those groups of people whose lives are affected by discrimination and inequality. It forms an important part of our budget process and the decisions we have taken.

I have made clear that our priority at this time of unprecedented reductions in public spending in Scotland by the UK Government is to accelerate economic recovery and growth. In this context, I am aware that inequalities in employment, health and education can affect our economic productivity and performance by limiting our access to the full range of talent and human resources available in Scotland; reducing participation in the labour market and holding back individuals in their employment and earnings. For all to flourish, the deep rooted inequalities which prevent people from realising their potential need to be addressed and the conditions created where everyone feels a valued part of our society. People and communities across Scotland, regardless of socioeconomic background, age, gender, religion, belief, race, sexual orientation, gender identity or disability, should be able to contribute to our economic and social wellbeing – this is our vision of a modern Scotland.

So as well as giving priority to measures for economic growth, carbon efficiency and infrastructure, this is a Budget which invests in people and communities.

We have drawn on a range of evidence in preparing this statement, including how people and communities are faring, and have used this alongside our equality analysis to help us make the best and most informed decisions we can. We know, for example, that people are struggling with the changes to VAT and adjustments to welfare and housing benefit systems, which will hit hard at the poorest and most vulnerable. While these have not been our decisions, we must take account of their impacts when we make our own.

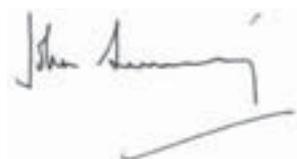
Our approach has also been informed by the recommendations of the Christie Commission in which the importance of tackling the causes of inequality and poverty were highlighted as a way of both reducing costs and improving services.

The Equality Statement demonstrates the importance that we attach to equality and to the process of equality analysis and assessment in the setting of the budget. We recognise that the budget process is ongoing and therefore the analyses and assessments contained in this Equality Statement can only capture where we are at this point in time. As such, we expect the Equality Statement, as a 'live' document, to be used as part of the consideration of the Draft Budget.

In recognition of this dynamic process, I intend, for the first time, to provide an update of this document and the equality impacts of the Budget in order to capture shifts and changes in spending lines which may occur as a consequence of the Draft Budget's progress through Parliament.

I am grateful to the Equality and the Budget Advisory Group for its continued input to strengthening our processes for equality analysis and assessment of the budget. While Scotland is at the forefront of the UK in this field we will continue to explore further improvements in our approach to incorporating equality considerations in our budget setting in the period ahead.

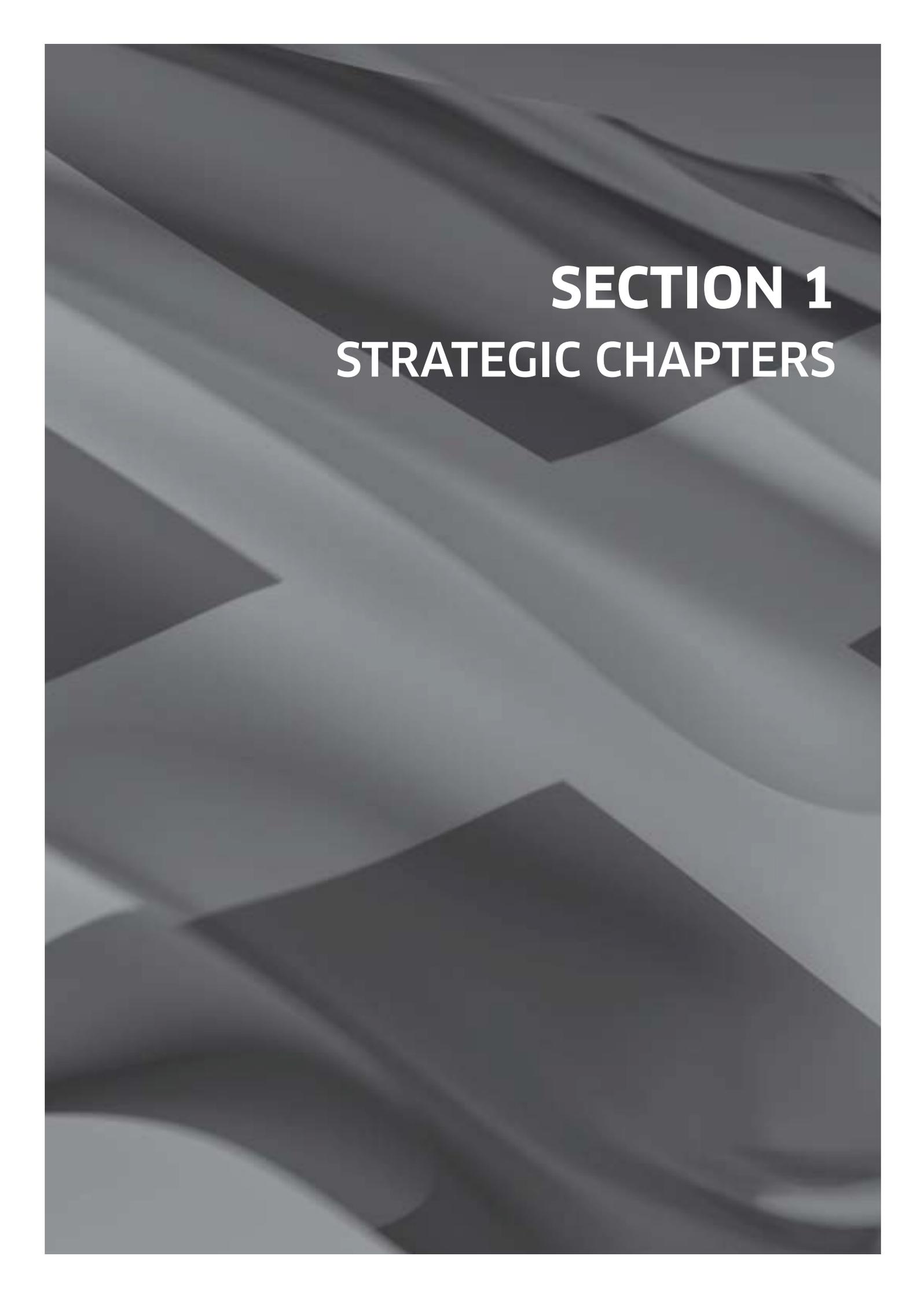
I hope the information contained within the Equality Statement proves a useful lens through which the public and Parliament, and our many partners in the public, private and third sectors can assess our draft spending plans. It is in this spirit of endeavour that I commend this Statement to Parliament.



John Swinney MSP

Cabinet Secretary for Finance, Employment and Sustainable Growth

September 2011



SECTION 1
STRATEGIC CHAPTERS

CHAPTER 1

Introduction and Purpose

INTRODUCTION

The Scottish Government has a strong commitment to equality and to tackling discrimination and disadvantage and this is reflected in the spending plans outlined in the Draft Budget 2012-13.

This Budget has been shaped by the Scottish Government's Purpose of creating a more successful country with opportunities for all to flourish through increasing sustainable economic growth. It is framed within the vision and approach outlined within the *Renewing Scotland: The Government's Programme for Scotland 2011-12* and the *Government Economic Strategy*. It is driven by a responsibility to the Scottish people to govern with competence. However, it is a Budget constrained by significant cuts in public spending imposed on Scotland by the UK Government.

Over the period of the UK Government's spending review to 2014-15, the Scottish Budget is being cut by 9.2 per cent in real terms. Our capital budget will be cut by 36.7 per cent in real terms. These cuts are taking place in the context of fragile global economic recovery and so present the Scottish Government with a significant challenge.

Scottish Government spending is already well targeted and so any reductions in funding impacts our ability to provide valued and important services for the people of Scotland. Despite the fact that the cuts make it difficult for us we have managed our choices in such a way as to ensure that this is a budget for growth and recovery and also a budget which invests in people and communities.

The Budget will focus on a suite of measures to accelerate economic growth and recovery.

The Scottish Budget provides a fair settlement to local government and protects NHS spending in Scotland. These are important decisions for families and households and for equality groups and communities reliant on the jobs and services provided by the public sector.

The Budget marks a decisive shift in the focus of spend towards early intervention and prevention. This enables greater emphasis to be given to tackling the root causes of inequality and social problems and intervening early in the cycle for maximum benefit. It also secures the best value from public monies by focusing resources where they can make the most impact and contributing to reducing the demand on public services.

The decisions about how the Scottish Government spends its money are amongst the most important it makes. They matter to people's lives and have the potential to reduce or to exacerbate the inequalities that people face. We have sought therefore to make the best and most informed decisions we can through a process of equality analysis and assessment.

We are supported in this process by the public sector equality duty which requires public authorities to have due regard to the promotion of equality, the elimination of unlawful discrimination and the fostering of good relations in exercising their functions.

We have undertaken the analysis and assessment of the Budget not only because we take our responsibilities under the Equality Act 2010 seriously in terms of compliance

with our statutory requirements but also because we believe that integrating equality considerations into our Budget process helps us make more informed decisions and better directs our resources.

Purpose of the Statement

This Equality Statement provides a summary of the action taken by the Scottish Government to ensure that equality has been considered as an integral part of the Scottish Budget process. It highlights how our spending plans will contribute to promoting equality and tackling inequality and it provides information on the equality considerations and potential impacts across each Scottish Government portfolio budget.

The Equality Budget Statement is divided into three sections. Section One, chapters 1 to 4, provides an outline of the context and evidence that informed decision making and the approach which has been adopted in the preparation of spending plans. Section Two, chapters 5 to 14, provides the detail on the equality considerations taken into account and the potential impacts identified within each Scottish Government portfolio budget. Section 3, chapter 15 gives an overview of the potential impacts of the Scottish Budget by equality characteristic.

The budget process is a dynamic one and this Statement can only capture the analyses and assessments undertaken up to this point. It, alongside the Budget, will be subject to debate and scrutiny over the coming months. We will update the Statement to take account of changes arising from the progress of the Budget through Parliament. Furthermore, individual policies and programmes that are made possible by this Budget will be subject, as appropriate, to assessment for their impact on people with protected characteristics.

CHAPTER 2

Strategic Focus of the Spending Review

STRATEGIC FOCUS OF THE SPENDING REVIEW

The Budget's strategic focus is to deliver on the vision, approach and core ideals outlined in the *Government's Programme for Scotland 2011-2012* and the *Government Economic Strategy*. Our top priority within the Budget is supporting economic recovery and growth, with an additional focus on the opportunities for Scotland from the transition to a low carbon economy and a strong investment in the protection of services and in people and communities.

There is strong investment in our young people to tackle issues of youth unemployment, to increase their opportunities and improve their life experiences.

The policy of pay restraint will support the protection of public sector jobs whilst the 'living wage' proposals will benefit the lowest earners, many of whom are women, young people and disabled people.

In addition, in recognition of the tough challenges faced by households, core social commitments will be continued through the Social Wage including free personal care, free prescriptions and free higher education.

The Budget provides a fair settlement for local government and protects spending in health and other key services such as social care. It also flags a further significant shift in approach towards prevention and early intervention. This is an agenda that challenges the public sector to reform and encourages the reshaping of public services for better delivery and future savings for reinvestment.

A decisive shift to Preventative Spending

The Scottish Government's spending plans are designed to reflect a decisive shift to preventative spending and specific funding has been provided to support and encourage joint working across institutional boundaries and sectors.

Specific funds have been established to assist a change in approach to the delivery of public services and in the way public bodies engage with each other, with the third sector and with the public. This is designed to achieve more responsive services and to better cater for those that need and use them. These funds are focused on Adult Social Care, Reoffending and Early Years. However this approach is being encouraged across Government more widely and is supported by measures to strengthen the third sector and build the resilience of communities.

The focus on prevention is important and relevant for equality. There is an growing view that increasing demand for our public services stems from our changing demographic and from a focus on tackling the symptoms of inequality rather than the root causes. As the Christie Report highlights, in addition to having the potential to save money and better utilise public resources, a preventative approach has the purpose of promoting equality and reducing inequality to achieve the fair, just and equitable society to which we aspire.

This framing of equality within a preventative agenda provides the opportunity to focus new effort on addressing the causes of inequality and in addressing long-standing structural and persistent inequalities. A preventative approach lends itself to a much

more person-centred focus. As such we might expect public authorities to seek to increase their understanding of the experiences of people and communities who are using their services, the barriers they face and the aspirations they have for change.

The Scottish Government's spending plans include investment in a range of preventative measures aimed at early intervention and tackling the root causes of inequality. These include the following:

- There will be ongoing investment in an Early Years and Early Action Fund. The Fund supports services including parenting, play, childcare, child and maternal health and family support, in order to help parents and communities build better lives for themselves and their children. This is aimed at helping all children, and within that, specifically identifying those children and families who need additional support to overcome disadvantages.
- The Family Nurse Partnership programme will be rolled-out across Scotland. This programme offers vulnerable, young first time mothers intensive and structured home visiting, from early pregnancy until the child is two. Evidence demonstrates that it benefits the neediest young families in the short, medium and long term, across a wide range of outcomes, helping improve social mobility and breaking the cycle of inter-generational disadvantage and poverty.
- A Reducing Reoffending Change Fund will be created to expand the coverage and impact of those interventions with a proven track record in reducing reoffending, as well as supporting innovation. There will also be continued investment in Community Payback Orders, which require people who would otherwise be in receipt of short term custodial sentences to undertake unpaid manual work in their communities, and which are an effective means of reducing reoffending. These interventions to reduce reoffending are beneficial for people who would otherwise be potential victims of crime, many of whom come from our most deprived communities, and/or could be the victims of specific crimes such as hate crime or gender-based domestic abuse. They also offer the perpetrators of crime more opportunities to turn their lives around, and address their drug use, mental health issues or distance from the labour market.
- The Change Fund supporting Adult Social Care will be continued, to shift the balance of health and social care towards primary and community care. This is beneficial for older people's independence and wellbeing, by enabling them to remain at home rather than in hospital. It also delivers better outcomes for disabled people and their carers (the majority of whom are women).
- Keep Well will be mainstreamed across NHSScotland from April 2012. This is a programme of targeted health checks, primarily focussed on 45-65 year olds in the 15 per cent most deprived areas. It is understood to be an effective and efficient approach to delaying the onset of cardiovascular disease and to tackling excess premature mortality within deprived communities.
- There will be investment in establishing new approaches to detecting cancer early, initially focusing on breast, bowel and lung cancers. This will be particularly

beneficial for older people, as they are more likely to be diagnosed with cancer than those who are younger¹, and for people living in deprived areas, who are more likely to develop lung cancer².

- A continued focus on promoting equality, tackling discriminatory attitudes and assumptions, challenging stereotypes and addressing issues such as occupational segregation which help to sustain inequality and disadvantage.

Protecting families and individuals via the Social Wage

The Budget keeps the Scottish Government's commitment to protecting individuals and families and building a fairer society. Households face real challenges in terms of their income, the impact of rising inflation, higher energy costs, VAT increases and the impact of welfare reform. In response the Scottish Government's Social Wage includes measures to reduce the pressure on households. These include:

- At least a £250 pay increase for those earning less than £21,000.
- Sustaining funding for the National Concessionary Travel Scheme which benefits many older people and disabled people across Scotland – increasing their mobility and access to facilities and opportunities and increasing their independence.
- Protecting free personal care for the 46,800 older people who receive these services as well as their carers.
- Free prescriptions helping those on lowest incomes.

Promoting growth by creating opportunities for all people, but particularly our young people

We recognise that equality is an important driver of growth and that inequality detracts from our economic performance and social wellbeing. We make clear in our Economic Strategy, the importance of increasing participation in the labour market, removing the structural and long standing barriers which limit opportunities and harnessing the diversity and wealth of talent we have available to us as a nation.

The Budget has a strong focus on young people with investment in measures to address youth unemployment and increase the life chances and experiences of young people in Scotland. In particular support will be given for a record level of Modern Apprenticeship places and a commitment that those 16-19 year olds not in work or not part of a Modern Apprenticeship scheme will be offered learning or training opportunities. In this context we recognise the diversity of young people and will be interested to see what investment in measures such as Modern Apprenticeships can offer to tackling occupational segregation.

1 Cancer Incidence Statistics (ISD)

2 ISD (2010) *Cancer Mortality in Scotland (2009)*

Strengthening the Third Sector to harness their experience of delivering services and their knowledge of communities

Strengthening the Third Sector and supporting communities are also important themes in this Budget. The sector has a role in the delivery of public services and in the building of communities and it has a wealth of experience working with communities. This, as well as its proven ability to develop alternative models of support and provision, will be helpful in the shaping of future services. We know the valuable role the third sector plays at the heart of our communities, providing a voice for different groups of people, shaping services around the diversity of need and channelling their knowledge of communities into service redesign. Working with the third sector on models that give individuals and communities greater control in deciding what they require and in co-producing programmes and projects has a strong rationale in terms of both improved outcomes and financial sustainability.

CHAPTER 3

The Context for Equality

THE CONTEXT FOR EQUALITY

In preparing this Budget the Scottish Government has drawn on a range of evidence to inform its spending decisions.

We know that inequalities in employment, health and education can affect Scotland's economic performance and social wellbeing. We also recognise that spending directed at removing inequalities helps lead to better outcomes across the board. We have reflected this in our work around tackling poverty, early years and in addressing issues of health inequality.

There has been considerable progress made in addressing inequality and in improving people's life chances. However, Scotland continues to carry deep rooted and structural inequalities which limit opportunities and hold people back. These are evident in labour market participation, income and health. Women are particularly disadvantaged in terms of unequal pay and occupational segregation resulting from stereotypical assumptions about the roles of men and women in society.

Specifically commissioned evidence on equality

Last year, we specifically commissioned work on the recession and its impact on equality groups. The analytical report *Coping with change and uncertainty - Scotland's equalities groups and the recession* (Scottish Government, 2010) provided an equalities analysis of how individuals and equalities communities in Scotland were faring in the recession and an indication of the initial impact on the UK Government Spending Plans.

For 2011, we have reviewed the evidence considered in the report, and provided updated analysis within this year's budgeting process. The revised report *The position of Scotland's equality groups: revisiting resilience in 2011* is published alongside the Budget and Equality Budget Statement.

This evidence demonstrates that while the Scottish economy has moved out of recession, the pace and sustainability of recovery remains unclear. This affects the position of people in Scotland's equality groups many of whom will be severely affected by deep UK Government spending cuts and welfare reforms. It is these processes of welfare reform and of public sector funding adjustment that now threaten to deepen established inequalities in Scotland's economic landscape, as those with the weakest financial resilience, poorest qualifications and on lowest incomes stand to bear the brunt of UK Government austerity measures.

While the uncertainty reported in 2010 interviews has abated to some extent, those interviewed in 2011 and who currently rely on the benefits system remain nervous and confused about the full impact of welfare reform. This resonates with a widespread lack of confidence amongst the disabled people interviewed about the likelihood of better future outcomes. They indicate particular concern about the range of incremental and un-coordinated changes to their support. Their evidence suggests that where there is room to influence in Scotland, the Scottish Government and its partners should consider approaches to transition and change that are informed by good stakeholder engagement, that provide clear and precise information, and are delivered in ways that affirm the dignity of the service user.

In Scotland's labour market, there has been a continued shift out of economic inactivity for both women and disabled people, against a backdrop of decreasing unemployment across most age groups. Amongst our unemployed young people, those with few/no qualifications remain ill equipped in terms of financial resilience.

Although more women in Scotland are becoming economically active, single mothers, who are on the lowest incomes, are the poorest qualified, have the weakest financial resilience, and are set to be disproportionately and negatively affected by the UK Government welfare reform measures. People from minority ethnic groups in Scotland continue to be underrepresented in the workforce. However, like women, despite being relatively better qualified for the workplace, certain minority ethnic workers still do not enjoy equal employment and income outcomes with their non ethnic minority peers. This would suggest that the deep rooted and systemic inequalities preceding the recession are persisting into recovery.

Overall, although we have witnessed a steady improvement in labour market conditions in Scotland in recent months, global economic conditions remain uncertain, which threatens economic recovery. And given spending cuts and welfare reform, the evidence suggests that, unless mitigating action is taken, there may be significant and disproportionate negative impacts for some equality groups which may exacerbate existing inequalities.

Commission on the future Delivery of Public Service (Christie Commission)

The report of the Commission on the future Delivery of Public Service¹ published on 29 June 2011 confirms that there is a pressing need for reform of public service delivery (future demand pressures would compound current fiscal tightening) and maps out a way forward founded on four key objectives:

- Building services around people and communities.
- More effective work between delivery organisations to integrate services.
- Prioritising prevention and tackling inequalities.
- Improving accountability and transparency, leading to improved performance and lower cost.

In relation to equality specifically it says:

- Tackling inequality needs to be central to the future delivery of public services.
- Public services are central to achieving the fair, just and equitable society to which we aspire as well as protecting vulnerable people.
- The social and economic inequalities that exist in society account for a significant element of the increasing demand on our public services.
- Increasing demand stems from a focus on tackling the symptoms of inequality rather than the causes.

¹ <http://www.scotland.gov.uk/Publications/2011/06/27154527/0>

Independent Budget Review (IBR)

The IBR published its report last year. Although it did not reflect on the impact on equality or vulnerable communities, the suggested approaches outlined in the report would have some implications for equality and would require further assessment for impact. These are outlined briefly below:

- A move from universal to targeted services may impact equality groups as principal beneficiaries. The nature of the change would need to be considered carefully. As soon as a service becomes means-tested, less than 100 per cent of those eligible for it will claim it. This means that the effect of any move away from universality will be greater than it appears at first glance, exaggerating the effect upon certain equality groups.
- Redesign and reconfiguration of public services may impact on equality groups but may not necessarily be detrimental – redesign may offer opportunities for improvement in provision as has been argued in submissions to the IBR from those involved in the moves to promote Independent Living for disabled people. Equality analyses and impact assessment across relevant public authorities will be important to advancing this approach.
- Charging for existing free services may have equality implications but this would depend on the areas chosen, the populations affected and the scope of the charges.

CHAPTER 4

Equality Impacts – Our Approach

EQUALITY IMPACTS – OUR APPROACH

We first published an Equality Budget Statement in September 2009 to accompany the Draft Budget 2010-11. This is our third Statement and is published alongside the Draft Budget 2012-13.

We have worked harder than ever this year to improve our analysis and embed equality within the budget process. The approach we have taken fits with the way that policy and budgetary decisions are made within the Scottish Government. We sought to incorporate equality considerations throughout the process so that proposals and decisions are informed in their development. We aligned the assessment process with the budget process, seeing it as integral to it not independent from it. This enables us to publish simultaneously, the Spending Review and Draft Budget and the Equality Statement. Such an integrated approach is unique within the UK and reflects the commitment that the Scottish Government has to reform, transparency and equality.

We have been guided in our approach by the work of the Equality and Budget Advisory Group (EBAG) and the observations made by the Scottish Parliament's Equal Opportunities and Finance Committees during the scrutiny of last year's Draft Budget.

Equality and Budget Advisory Group (EBAG)

EBAG is chaired by the Scottish Government and is comprised of internal and external members, expert in their areas. EBAG provides support and advice to the Scottish Government on the process and approach to equality analysis and assessment of policy and spending plans. A report was provided to Ministers in August 2010¹ and this informed both last year's and this year's equality approach to the budget. Ministers also met with EBAG in August 2011 to discuss the approach further.

Scottish Parliament

The Parliament has a long-standing interest in how the Scottish Government is integrating equality analysis into its policy and budget decisions. Last year while the Equal Opportunities Committee welcomed the Equality Statement accompanying Scotland's Budget 2011-12², it also identified where further progress is needed, such as more transparency about the process by which the Scottish Government arrived at decisions, and the need for more clarity around mitigating actions.

The Budget Process 2012-13

From the outset of the preparations for the Spending Review and Budget 2012-13, equality considerations have been integrated in the main budget process. Officials from the Equality Unit were part of the Budget Project Board and the supporting project team and equality analysts were engaged in the co-ordination of analysis and assessment across the Government.

Equality was identified in Ministerial directions and in finance commissioning notes from the outset of the process, and developments relating to the equality analysis and

1 <http://www.scotland.gov.uk/Publications/2010/11/16135842/0>

2 <http://www.scotland.gov.uk/Publications/2010/11/17115419/0>

assessment were reported to Ministers. As part of the process, the consideration of potential impacts has informed decisions at both the level of overall allocation between major spending areas and within portfolio areas.

In recognition of the importance of ensuring equality was considered from the outset, we started the process for equality assessment earlier this year, allowing equalities data and evidence to influence at the earliest possible stage. Data was gathered, analysed and fed in as the spending plans went through their iterative process, informing the budget and acting as the basis of the content of the Equality Budget Statement. The work was co-ordinated by equality analysts, with particular regard to generating a consistent approach.

A localised and mainstreamed approach

This year there was a strong central direction for planning and preparation of the spending plans, within which equality was firmly located. In addition, we aimed to strengthen our reporting of the analysis and assessment within portfolios by giving a local focus to the assessment work. This was to improve the link between ongoing policy development and equalities work within portfolios and the development of spending plans. It also served to improve the communication around the portfolio's input to the overall Budget.

As part of the strengthening of the local portfolio work, effort was made to build on the work undertaken with Directors and senior managers last year. Engagement and support was focused on supporting local spending review teams and their Finance leads. Dedicated support was provided via a workshop which was held at the start of July and a resource pack was issued to support the preparations for the budget.

This workshop was followed in the later stages of the process with dedicated equality assessment meetings for portfolios. These involved portfolio spending review teams and their analytical support with equality co-ordinating officials and analysts. The purpose of the meeting was to discuss any final emerging issues and to identify any key areas for development in terms of monitoring and data. They also provided an opportunity to learn from this year's process.

In preparation for the Budget, specific work was commissioned to support the process. In particular, the report *The position of Scotland's equality groups: revisiting resilience in 2011*, which is published alongside this Statement. In addition, Scottish Government analysts worked with the Scottish Parliament's Information Centre (SPICe), on an impacts analysis of the 2010 pay freeze decision. This work has informed the Equality Statement.

The preparatory work was made easier by the concerted effort being made this year to align policy and analytical resources in both mainstreaming and budgeting work. The Equality Analysts Network has formed the backbone of equalities assessment for the Spending Review 2011 and Draft Budget 2012-13, while in a number of Directorates across Government, dedicated policy equality networks (with embedded analysts) have been taking stock of their equalities data and priorities.

In several key policy areas, there has been a step-change in how equalities awareness and analysis is being embedded in ways that are fit for purpose.

We recognise that the analysis and assessment undertaken is limited by the lack of available data, particularly with regard to some equality groups. Work has continued on improving the availability of equalities data, and to developing the draft Scottish Equalities Evidence and Statistics Plan.

This will help the Scottish Government as it frames its data priorities for budgeting, work on outcomes and ongoing policy development requirements. Analysts in the Office of the Chief Statistician and in Communities Analytical Services in particular have been working with evidence and equalities stakeholders at local and administrative levels, striving to improve the availability and utility of the equality data we collect. Moving forward, a renewed focus on the National Performance Framework, and on National Outcome 7 – we have tackled the significant inequalities in Scottish society³ in particular, will build a sound foundation for the Scottish Government as it looks to setting its equality outcomes in future.

Over the last year, work has continued with regard to incorporating equality within the Scottish Government's economic and strategic frameworks, following the positive engagement of EBAG with the Office of the Chief Economic Advisor.

Conclusion

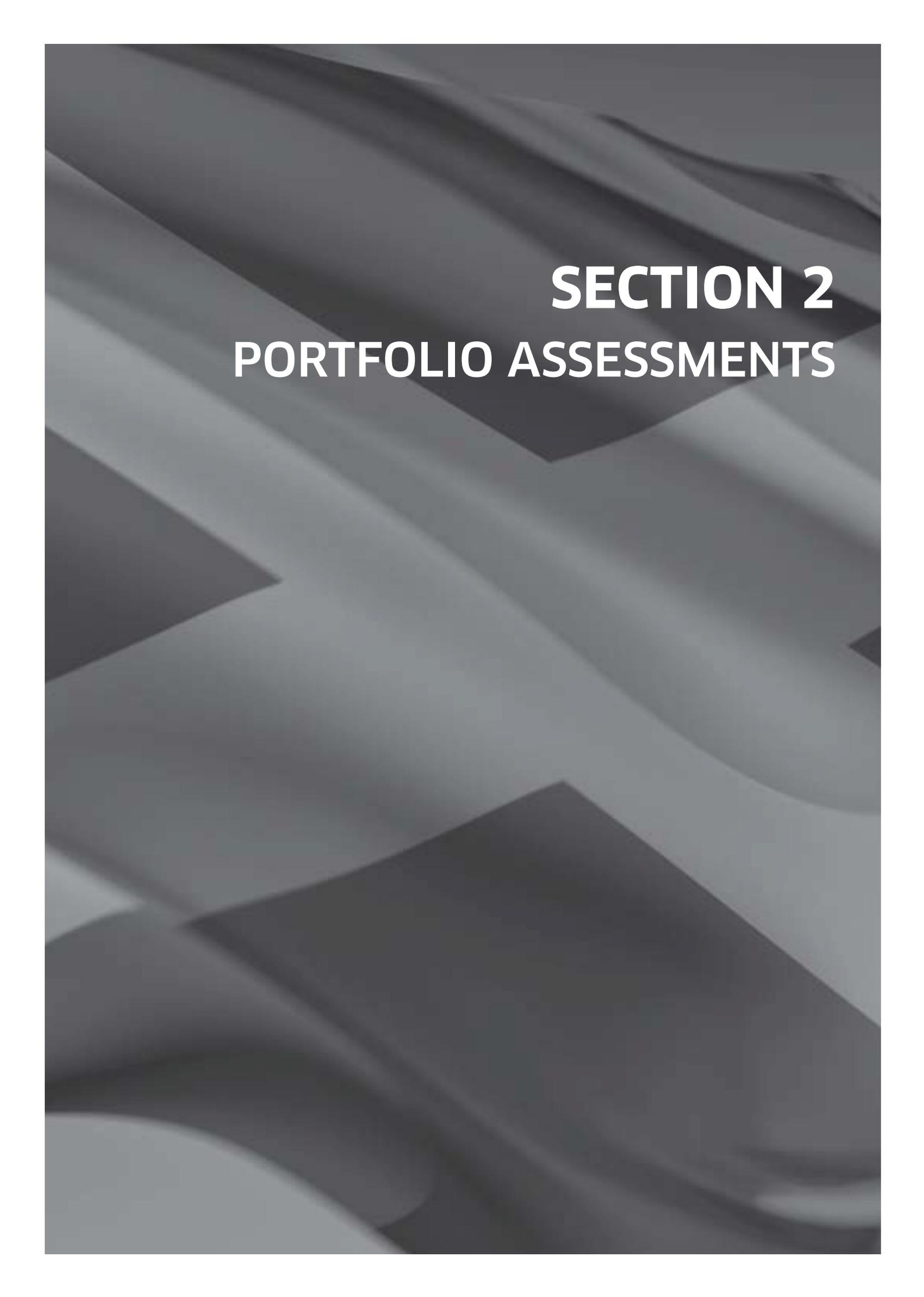
The equality analysis and assessment of the Scottish Government's spending plans is complex and challenging. Nevertheless, we are determined to continue to improve on what we are doing and to work with our partners in this endeavour.

We recognise the issues raised by EBAG about future focus. In the context of reshaping public services and increasing the focus on prevention, it will be necessary to explore with public sector partners the opportunities for sharing equality data and information, collaborating on analysis and assessment, undertaking joint consultation and engagement and building the capacity for such activity. The public sector equality duty and the proposed specific duties will provide a helpful framework for such work.

The Budget and the Equality Statement will be the subject of debate and scrutiny in the coming months. We expect the Equality Statement to provide a useful lens through which the Budget can be examined. As the analysis and assessment can only capture the process to date, we intend to update the Statement to take account of any changes which may arise as a result of Parliamentary scrutiny.

Furthermore, the individual policies and programmes which result from this Budget will be subject to assessment and analysis, as appropriate, for their impact on equality.

3 <http://www.scotland.gov.uk/About/scotPerforms/outcomes>



SECTION 2

PORTFOLIO ASSESSMENTS

CHAPTER 5

Health, Wellbeing and Cities

SUMMARY OF BUDGET CHANGES

The Health, Wellbeing and Cities portfolio will be responsible for public spending totalling £11.7 billion in 2012-13. Funding allocated to healthcare will be £11.6 billion, of which Territorial Boards and Special Boards will receive a core allocation of £8.9 billion. £73.7 million will be allocated to Sport including Commonwealth Games 2014, £20.3 million to the Equality budget and £10.9 million to the Food Standards Agency.

Total healthcare funding in 2012-13 of £11.6 billion reflects an increase of £214.3 million.

Notwithstanding that NHS resource funding will increase, issues such as the ageing population, new technology and the cost of drugs mean that the NHS will still face considerable budget pressures.

The portfolio delivers a significant and beneficial impact on equality. This is reflected in some of the priorities for spend over the Spending Review period: to protect front-line services; to continue to protect and enabling people to fully participate in Scottish society by addressing health inequalities and, through early interventions, to support our children; to improve the integration of health and social care; and to continue to fund support for carers and young carers.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The Health, Wellbeing and Cities portfolio is responsible for helping people to maintain good health and improve their health, especially in disadvantaged communities, and for delivering high quality healthcare. Significant areas of activity are focused on prevention across all areas of Health expenditure, and the portfolio also works to tackle discrimination, and to promote equality and sport.

In addition, the portfolio has responsibility for Scotland's cities, working with partners to ensure that they are attractive places for people to live, work and flourish which in turn will enable our cities to contribute most productively to economic growth.

Almost the entire budget is allocated to Health. Of the remaining budget envelopes, Sport is the largest and includes the delivery of the 2014 Commonwealth Games in Glasgow and their associated Active legacy. One of the principal aims of spend on the Games is to regenerate the east end of Glasgow, thereby enhancing local employment opportunities and improving the skills base.

Three quarters of the Health budget is allocated directly to NHS Boards to deliver services. In 2010-11, NHS workforce costs accounted for almost two-thirds of expenditure by NHS Boards.

Table 5.01 Detailed Spending Plans (Level 2)

	2011-12 Budget ¹ £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Health	11,368.7	11,583.0	11,803.0	11,945.5
Sport	66.4	73.7	132.6	207.7
Equalities	20.3	20.3	20.3	20.3
Food Standards Agency Scotland	10.9	10.9	10.9	10.9
Total Portfolio	11,466.3	11,687.9	11,966.8	12,184.4
<i>of which:</i>				
DEL Resource	10,862.2	11,128.4	11,468.3	11,841.4
DEL Capital	504.1	459.5	398.5	243.0
AME	100.0	100.0	100.0	100.0

EQUALITY IMPACT

This assessment focuses first on the most significant area of expenditure: that made by Health Boards. It then discusses the other key components of expenditure and some key manifesto commitments.

NHS Boards

Table 5.02 Detailed Spending Plans (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
NHS and Special Health Boards	8,645.1	8,862.3	9,130.7	9,390.7

NHS Boards provide free and universal front-line healthcare services for Scotland's entire population. The *NHS Healthcare Quality Strategy* person-centred ambition and the recently enacted Patient Rights (Scotland) Act 2011 provide clear direction for a NHS that fosters mutually beneficial partnerships between patients, their families and those delivering healthcare services which respect individual needs and values, and which demonstrate compassion, continuity, clear communication and shared decision-making.

Certain equality groups are disproportionately represented in the provision of those services. This is either through the level of use of the NHS or the share of its workforce that they account for.

Older people and those living in deprived areas are more likely to need services provided by the NHS. In 2009-10 people aged 65 and above were three times more likely to be admitted as an emergency in-patient to the NHS than those aged 45 to 64 years old, and four times more likely than those aged under 25². People living in

¹ The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

² ISD SMR01 - All Inpatient Emergency Admissions

Scotland's most deprived areas spend a far greater number of years in poor health than others, with associated additional demands on the NHS. A female living in a deprived area is estimated to spend over 14 years of her life in poor health, compared to only 6 years for a female from the least deprived areas³. With regard to the workforce, over three quarters (77 per cent) of NHS employees are female workers⁴.

Health Boards are required through their local delivery plans to demonstrate how they have considered the needs of equality groups in meeting their performance requirements. Quality Outcome Measures have been developed to measure progress against the *NHS Healthcare Quality Strategy* ambitions and wherever possible these will be disaggregated by equality characteristic. The Quality Alliance Board is required to ensure that mutuality, equality and human rights are embedded in practice through implementation of the *Quality Strategy*.

Protecting the NHS budget by ensuring it will receive in full the Barnett consequentials from increases in resource health spending by the UK Government was a key manifesto commitment. The NHS is vital to the health of the nation and is also one of Scotland's largest employers. Protecting its budget is therefore not only about securing the services it provides to its patients, including the most vulnerable groups in society such as the elderly and those living in deprived areas, but also securing the livelihoods of thousands of individuals and families whose income depends on NHS salaries.

Within the Health, Wellbeing and Cities portfolio, three-quarters of overall expenditure is allocated to NHS Boards through the use of a formula⁵. Resources are distributed among NHS Boards on the basis of relative need for healthcare services within that population group, where use of services has been used as a proxy for need. This ensures Boards with relatively high levels of deprivation and/or rural areas (and higher associated demand for health services) receive a greater share of funding per capita than the Scottish average. It is then a matter for NHS Boards to decide what services they provide and how they spend their resources in line with national policies. In doing so, NHS Boards are required to carry out equality impact assessments.

Notwithstanding the commitment to protect the Health budget, efficiency and productivity savings in excess of 3 per cent will continue to be required from NHS Boards, in view of the specific nature of Health's inflationary, demographic and clinical cost pressures. For example, the number of people aged 65+ living in Scotland has been projected to increase from 16 per cent in 2010 to almost a quarter by 2031⁶. It is anticipated that such demographic change will have a significant impact on the demand for health and social care services in the longer run.

Another key manifesto commitment was to guarantee that there will be no compulsory redundancies in the NHS. This commitment will benefit the entire NHSScotland workforce. Over three quarters⁷ of those working in the NHS are female; a greater number of females than males will therefore benefit from this commitment. Similarly,

3 Long-Term Monitoring of Health Inequalities; Headline Indicators October 2010

4 ISD Workforce Statistics, September 2010

5 the NHSScotland Resource Allocation Committee (NRAC) formula

6 Mid Year Population Estimates and 2008 Based Population Projections (National Records of Scotland)

7 77 per cent on a whole time equivalent basis - ISD Workforce Statistics, September 2010

just over 30 per cent (whole time equivalent) of those employed by the NHS are aged over 50, which is a slightly greater proportion than for Scotland's overall working population. This suggests that older workers could also benefit slightly more from the guarantee of no compulsory redundancies than those aged under 50.

Alongside the commitment to no compulsory redundancies is the continuation of a pay freeze for NHS staff earning over £21,000 FTE in 2011/12 and 2012/13, with at least £250 extra for those earning less than this. Within the NHS workforce, women, those aged under 25, and those aged over 55 are more likely to earn less than £21,000 than men and those workers aged 25 to 54 respectively⁸. The protection of wages for those earning £21,000 or less benefits low-earners and therefore proportionately more women, and older staff.

The continuation of the pay freeze promises to protect the jobs of men and women and will be balanced by the contractual entitlement to incremental salary progression.

Primary and Community Care Services

Table 5.03 Detailed Spending Plans (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Primary and Community Care Services	1,388.0	1,388.0	1,387.5	1,386.4

The Health budget will continue to provide a Change Fund within the NHS budget for NHS Boards and partner local authorities to work in partnership to redesign services to support the delivery of new approaches to improved quality and outcomes. £80 million will be allocated to the Change Fund in 2012-13. From 2012-13 onwards, at least 20 per cent of the Change Fund will be dedicated to supporting carers to continue to care. By ensuring that older people remain independent in their own homes, Health Boards and local authorities will be able to focus on reducing unnecessary hospital admissions and speeding discharge after a crisis. This will result in better outcomes for older people and ease the pressure on acute hospital provision. The Change Fund also delivers better quality, efficiency and outcomes for disabled people.

The Scottish Government will also continue to fund free personal care, which continues to benefit older people and carers, and the continuation of free prescriptions. The Health budget also includes the newly formed Social Care and Social Work Improvement Scotland, which operates independently to scrutinise and improve care, social work and child protection services.

Improving Health and Better Public Health

Table 5.04 Detailed Spending Plans (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Improving Health and Better Public Health	218.1	226.7	234.3	247.8

Portfolio expenditure has a strong preventative focus, as demonstrated through the approach to key public health issues such as cancer, obesity, smoking and alcohol consumption. As a priority in 2012-13, the Scottish Government will continue to address the major public health challenges facing Scotland, including alcohol misuse, smoking, obesity, sexual health and Hepatitis C; and introduce an Alcohol Minimum Pricing Bill to reduce alcohol consumption and hence alcohol related harm in Scotland; and deliver the *Obesity Route Map Action Plan*.

Thirty million pounds will be invested in establishing new approaches to detecting cancer early, initially focusing on breast, bowel and lung cancers. In terms of numbers affected, the programme should have a greater impact on older people as they are more likely to be diagnosed with cancer than those who are younger (with the highest rates for males aged 75 and above)⁹. The evidence also shows that people living in deprived areas are more likely to develop lung cancer¹⁰ so any programme seeking to improve earlier diagnosis rates for this disease may have a particularly beneficial impact on this group. Whilst bowel and breast cancers do not appear to be more prevalent in deprived areas, their late diagnosis is understood to be more common¹¹. Again, early detection could therefore be particularly valuable for people living in deprived areas.

The budget will also support the roll-out across Scotland of the *Family Nurse Partnership* programme. This programme takes a preventative approach focused on the early years. It works to secure the best possible start in life for our children by improving maternal health, child health and development, and the economic self sufficiency of families. It is targeted at vulnerable young first time mothers. The evidence shows that pregnancies are ten times more likely among women under 20 in the most deprived areas compared to women under 20 in the least deprived areas¹².

In addition, building on the success of the *Keep Well/Well North* programme of health checks, the Scottish Government will extend a programme to improve health of people experiencing health inequalities to all NHS Board activities from 2012-13. The programme focuses particularly on early intervention and prevention, and is understood to be an effective approach to delaying the onset of cardiovascular disease and to tackling excess premature mortality within deprived communities.

9 Cancer Incidence Statistics (ISD)

10 ISD (2010) Cancer Mortality in Scotland (2009)

11 National Cancer Intelligence Network <http://info.cancerresearchuk.org/news/archive/pressrelease/2011-06-09-poorer-women-breast-cancer-survive>

12 ISD (2010) Teenage Pregnancy, year ending 31st December 2008

Early Years

Action in children's early years is an effective form of early intervention to prevent poor health. Evidence shows that the early years are crucial in developing a person's strengths and the assets they will need to maintain their health and wellbeing in the future. As well as the *Family Nurse Partnership* mentioned above, the Scottish Government will continue to support wider preventative services, such as parenting support, education and learning support, employability services, drugs and alcohol services, community policing and services with a particular focus on vulnerable groups, such as looked after children, offenders and children affected by domestic abuse. This Government will do this by implementing the *Getting it Right for Every Child* approach across all relevant parts of our health services and investing £20m/£45m/£50m over the Spending Review period in an Early Years and Early Intervention Change Fund.

Capital

Table 5.05 Detailed Spending Plans (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Total Capital	488.2	453.5	380.5	239.0

The capital budget will support the manifesto commitment to make improvement to a number of hospital facilities across Scotland, including an Emergency Care Centre in Aberdeen, Acute Mental Health Services in Dumfries, the Chalmers Hospital in Grampian, the Migdale Community Hospital in Highland, Airdrie Resource Centre in Lanarkshire, the Royal Victoria Hospital in Edinburgh and the new South Glasgow hospital. The evidence suggests that older people and people with a longstanding illness or disability find it more difficult to access hospital out-patient services¹³, so improvements to the accessibility of the NHS estate and its facilities could lead to improvements in service for these groups in particular localities, especially given their greater dependence on NHS services.

The 36 per cent real terms reduction in capital resources available to the Scottish Government over the spending review period will be offset through revenue finance as part of the £750 million non-profit distributing pipeline announced in November 2010; and via projects being delivered through the hub initiative by the end of 2012; which will support the delivery of community based facilities for NHSScotland therefore potentially mitigating any impact on levels of employment in the construction sector.

¹³ Scottish Household Survey, 2009 data

2014 Commonwealth Games in Glasgow and Associated Active Legacy

One of the principal aims of this spend is to regenerate the east end of Glasgow and have a significant impact on the local employment and skills base. The Active legacy of the Commonwealth Games is intended to increase the opportunity of all groups in society to participate in appropriate physical activity through initiatives such as Community Sports Hubs which provide tailored programmes according to need in the local community.

The emphasis on improving the skills levels and job prospects of those in the east end of Glasgow should improve outcomes for those who live within a relatively economically disadvantaged area. A priority within the relevant strategies promoting the Active legacy is that health issues must clearly prioritise and address health inequalities and areas of deprivation.

Equality Budget

The maintenance of the Equality budget is an important manifesto commitment which will help drive forward improvements in the outcomes for communities. It will enable work to continue to promote equality and to tackle discrimination, prejudice and the barriers to equality of opportunity.

In particular it will enable work to be focused on equality activity and interventions which have the most impact in improving life chances and contribute to the prevention of inequality. This will encourage innovation in the approach to equality work and increase the focus on improving outcomes.

The funding will support work in relation to gender equality and violence against women, race equality and improving outcomes for ethnic minorities including for gypsies/travellers, the integration of refugees and asylum seekers, religious tolerance and understanding, and addressing issues of age, disability and LGBT (lesbian, gay, bisexual and transgender) equality.

Valuable front line services that tackle violence against women will be supported and work will be taken forward to implement the Forced Marriage etc (Protection and Jurisdiction) (Scotland) Act 2011.

Communities and equality groups know best what would make the difference to their lives. A focus will be given to increasing the capacity of equality groups to engage with mainstream providers in both the public and third sectors and to engage with public institutions and partnerships in the shaping of policies and services.

The proposed public sector equality duties will provide a robust framework for the delivery and mainstreaming of equality across the public sector in Scotland. They will help in supporting public sector collaboration around equality analysis and assignment which will be required as public services are reshaped and services redesigned. A key element of this will be the continued support for improvements in equality data.

SUMMARY

At around a third of the total spend by the Scottish Government, the Health, Wellbeing and Cities portfolio accounts for the largest area of funding across the spending review period. In tackling health inequalities, the Scottish Government is committed to addressing the unequal health access and outcomes experienced by some individuals and groups. This portfolio has developed an integrated approach to health, equality and human rights impact assessment to ensure these issues are considered coherently and systematically in health policy.

The NHS aims to improve the health of the population, is one of Scotland's largest employers, and contributes to the economic growth of Scotland. As such, the Health, Wellbeing and Cities portfolio plays a vital role in tackling the significant inequalities in Scottish society. The Scottish Government's commitment to pass on in full the resource funding Barnett consequential will be particularly significant for those equality groups who are disproportionately represented in the NHS, either through the level of use they make of its services or the share of the NHS workforce that they account for. These groups are older people and those living in deprived areas in terms of service users, and women for the workforce.

Notwithstanding that Health funding overall is increasing, efficiency and productivity savings will continue to be required from Health Boards in view of the specific nature of Health's inflationary, demographic and clinical cost pressures.

The Health, Wellbeing and Cities portfolio will continue to address the significant health inequalities that exist in Scotland, including amongst society's most vulnerable people, although substantial challenges remain.

CHAPTER 6
Finance, Employment
and Sustainable Growth

SUMMARY OF BUDGET CHANGES

The Finance, Employment and Sustainable Growth (FESG) portfolio accounted for approximately £3.7 billion budget in 2011-12, and as such represented one of the largest portfolio spends in the Scottish Government. Within the FESG Portfolio, resource budgets rise to £414.6 million and capital budgets fall to £45.9 million, by 2014-15.

The Portfolio faces key challenges in the period 2012 through to 2015, including:

- the need to provide adequate support to develop a low carbon economy in Scotland;
- ensuring the Enterprise bodies are resourced to support economic recovery;
- developing and implementing public sector pension reform;
- delivering on local government elections commitments;
- hosting the 2014 Ryder Cup;
- supporting the Homecoming in 2014; and
- addressing the challenges presented by the introduction of the four planned Enterprise Areas.

The budget has been balanced by systematic prioritisation of resources alongside the development of innovative reform measures to reduce costs and drive out efficiencies.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The FESG portfolio is responsible for delivering policies to help focus the government and public services on creating a more successful country therefore its spend is directed more on creating the conditions for sustainable growth, rather than directly on the beneficiaries of that growth. However, in aiming to focus effort on creating conditions to offer opportunities *for all of Scotland to flourish*, through increasing sustainable economic growth, this portfolio is aligned to the 'equity' strategic principle of the *Government Economic Strategy*, and its approach is to deliver the widest economic benefits in recognition of the social and economic inequalities that persist in Scotland. Excluding local government (which is discussed in chapter 14), the majority of the portfolio's spend is focused on support for businesses through enterprise, energy and tourism funding. The portfolio also covers public service reform, including modernisation of the planning system and promoting the growth of the third sector.

Table 6.01 Detailed Spending Plans (Level 2)

	2011-12 Budget ¹ £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Scottish Public Pensions Agency	3,241.6	3,212.8	3,388.2	3,569.5
Committees, Commissions and Other	11.7	19.9	10.4	10.4
Planning	4.1	3.8	3.6	3.5
Enterprise, Energy and Tourism	410.7	421.2	412.7	406.3
Third Sector	27.0	24.5	24.5	24.5
Accountant in Bankruptcy (AiB)	3.2	2.0	2.0	2.0
Registers of Scotland (RoS)	-	-	-	-
Total Level 2	3,698.3	3,684.2	3,841.4	4,016.2
<i>of which:</i>				
DEL Resource	379.2	416.6	416.8	414.6
DEL Capital	88.7	66.8	49.4	45.9
AME	3,230.4	3,200.8	3,375.2	3,555.7

EQUALITY IMPACT

Enterprise, Energy and Tourism

This area accounts for the most substantive spend across the portfolio budget². The key propositions in the Enterprise spend are to protect Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and VisitScotland operational spend as far as possible, thus ensuring that those who benefit from their expertise and support continue to do so. Insofar as the Enterprise Bodies' aim is to support business development and growth, in order to create employment, it is those furthest from employment who could suffer from any reduction in this investment. The efficiency gains sought in back office and corporate functions from the range of Strategic Forum³ members and public bodies may result in workforce reductions, which, subject to appropriate assessment, may affect more women than men based on current staffing profiles. These are decisions for the Boards of these bodies and we are confident that HIE, VisitScotland and SE, with their equality policies in place will undertake satisfactory assessment of the decisions they consider.

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Energy	34.6	64.3	56.2	60.0

1 The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

2 Aside from APPS which is classified as annually managed expenditure (AME) funded separately by Treasury.

3 Strategic Forum members: Scottish Enterprise, Highlands and Islands Enterprise, VisitScotland, Skills Development Scotland, Scottish Funding Council.

The increase in funding for the Energy Directorate (with Enterprise Directorate and Lifelong Learning Directorate as partners) in order to meet the aims of the 2030 Routemap for Renewable Energy in Scotland offers potential for improving equality outcomes, given the substantial boost it represents to capital investment in Scotland. While men in the construction and engineering industries stand to benefit primarily from infrastructural projected growth, the energy sector is offering new opportunities for women, and the investment will explore ways to address gender and other inequalities issues in line with the Government Economic Strategy commitment to tackle gender stereotyping/occupational segregation⁴.

The portfolio will continue to provide funding for energy efficiency advice to householders, and provide programmes and assistance to secure UK Government funding to allow implementation of measures that will contribute to Scotland's reduction of consumption of 12 per cent by 2020. A large proportion of the advice provided directs vulnerable householders (including those on low incomes and the elderly) to the Scottish Government Fuel Poverty funding packages which are delivered through Energy Savings Trust (whom the Scottish Government fund to do so). This budget also allows for the preparation of the advice network to become accredited to deliver the advice on the Green Deal and Energy Company Obligation, which will be launched in October 2012. A large proportion of the latter will be targeted at low income groups including the elderly and those living in areas of high deprivation.

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Tourism	41.0	49.1	49.5	50.3

VisitScotland has designed a new Single Equality Scheme (SES) which acts as a catalyst for action to boost equality and deliver their responsibilities under the Equality Act 2010. The SES encompasses all the characteristics outlined in the Equality Act 2010 and actions are designed to meet equality outcomes which are focused on achieving change for both VisitScotland staff and customers. As part of this drive VisitScotland is currently working with the tourism industry and partners like Capability Scotland to look for opportunities to boost accessible tourism and help ensure that Scotland's tourist destinations, products and services are accessible to all people, with a particular focus on meeting the needs of disabled and older visitors.

The continued spend in this portfolio to increase online provision of local services stands to potentially benefit disabled people in particular allowing them to access some services from home. The impact on older people and people from lower income groups who are less likely to use the internet is neutral, unless other delivery channels are removed.

⁴ Scottish Government *Government Economic Strategy, 2011*, (p 93).

Accountant in Bankruptcy

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Accountant in Bankruptcy	3.2	2.0	2.0	2.0

Within Accountancy in Bankruptcy's proposed reduction in spending, there is awareness that unless managed sensitively, the move to full cost recovery through the fee structure may have a negative impact on lower-income people seeking insolvency.

Third Sector

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Third Sector	24.0	23.5	23.5	23.5

The contribution of the third sector to Scotland's economy by specifically encouraging the social enterprise model is recognised in continued spending support. The sector's important role in developing programmes of preventative spend, and its potential for improving employability prospects, better care for the elderly and providing opportunities for young people is therefore harnessed. This funding continues to broadly support equality by strengthening the capacity of the third sector to support communities and by providing valued services and jobs. Of those working in a charity, voluntary organisation or trust, two thirds are female⁵. The sector also has a higher proportion of part-time posts and a higher proportion of disabled people employed than in the public or private sector. The main spend in this portfolio's budget line is for general third sector infrastructure, while equality-specific third sector infrastructure has generally been supported through the dedicated Equality budget line in the Health, Wellbeing and Cities portfolio.

Planning

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Planning	1.5	1.2	1.2	1.2

Of the budget allocation for the Directorate of the Built Environment it is the funding support for the registered charity Planning Aid for Scotland (PAS) that would carry impacts for equality in Scotland. PAS activities focus on engaging individuals and communities in Scotland who would encounter greatest difficulty in engaging with the planning system, and while it is expected that the core advice service to communities and hard to reach groups will be sustained, there may be some people including those

⁵ Annual Population Survey, 2010.

with equality characteristics (e.g. younger age group, ethnic minorities, disabled people) who remain disengaged from this service.

SUMMARY

While there will be reduced spend within the budget for the Finance, Employment and Sustainable Growth portfolio, available resources have been directed wherever possible to protect service levels. There is the potential for income generation to offset some reductions in public sector expenditure. The precise impact of this upon equality will depend on the detailed propositions which are brought forward, however there is the clear potential for this to ameliorate workforce impacts. There may also be further impacts as a result of specific reductions for delivery partners, but they will pay due regard to their obligations under the Equality Act 2010 and will assess their decisions and options for the impact on equality.

CHAPTER 7

Education and Lifelong Learning

SUMMARY OF BUDGET CHANGES

The Scottish Government's Education and Lifelong Learning portfolio's total budget will rise by £357.3 million to £2961.3 million by the financial year 2014-15 compared to the Draft Budget of £2604.0 million in 2011-12.

Within this, the Resource Budget will rise by £167.2 million and the Capital Budget will decrease by £55.1 million over the period.

The effective use of these budgets is crucial for Scotland's economy and people. Education and Lifelong Learning is a key contributor to economic recovery and long term economic growth, to improving life chances for all of Scotland's people and to enriching its culture. In making tough choices about the allocation of these budgets we have focused on ensuring that all of children and young people are supported through investment in:

- Early intervention to give all children the best start in life.
- The *Curriculum for Excellence* to ensure that all young people are successful learners, confident individuals, effective contributors and responsible citizens.
- *Opportunities for All* which is offering every 16-19 year old in Scotland not already in work, Modern Apprenticeship or education, a learning or training opportunity.
- Reform of the post 16 education system to produce a better learner journey for all to provide all young people with the right skills to enter and develop in work.
- A system based on ability to learn, not to pay, by maintaining free access to Higher Education and reforming student support systems in Further and Higher Education.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The Education and Lifelong Learning portfolio is responsible for government policy related to improving outcomes for children, young people and, in conjunction with colleagues in health and social care, users of social care. It also 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 and Gaelic language and broadcasting. The majority of the budget is, however, contained within the Local Government settlement which provides for local authority delivery of school education.

Table 7.01 Detailed Spending Plans (Level 2)

	2011-12 Budget ¹ £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Learning	177.2	193.2	180.0	172.5
Children and Families	95.5	100.6	96.5	93.0
Employability Skills and Lifelong Learning	244.4	240.4	248.0	244.5
Scottish Further and Higher Education Funding Council	1,570.3	1,577.7	1,590.0	1,596.7
Higher Education Student Support	516.6	558.0	744.4	854.6
Total Portfolio	2,604.0	2,669.9	2,858.9	2,961.3
<i>of which:</i>				
DEL Resource	2,338.3	2,395.5	2,460.3	2,505.4
DEL Capital	163.2	148.6	108.8	108.1
AME	102.5	125.8	289.8	347.8

EQUALITY IMPACT

It is expected that Welfare Reform changes at UK level will impact on this portfolio, mainly through an increase in demand for Education and Lifelong Learning services related to employment support, training and skills. This will be felt most acutely at local level adding further pressures to already tight budgets; although our assessment is that these pressures will arise over a period of time as welfare changes are phased in. It is anticipated that these reforms look set to impact more severely on lone parents and disabled people, who number among those we are committed to supporting into learning and work. To mitigate against these potential adverse impacts where possible, service redesign and efficiencies are being pursued and the needs of the most disadvantaged jobseekers will be given priority.

¹ The budget figures for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

Children and Families

Table 7.02 Children and Families (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Care and Justice	35.7	36.3	34.8	33.1
Children's Rights and Wellbeing	7.8	7.4	7.0	6.6
Disclosure Scotland	10.0	10.3	7.2	6.1
Early Years and Social Services Workforce	34.4	43.3	43.9	44.3
Education Analytical Services	3.5	3.3	3.6	2.9
Former SWIA Budget	4.1			
Total Level 3	95.5	100.6	96.5	93.0
<i>of which:</i>				
DEL Resource	89.6	96.5	95.5	92.5
DEL Capital	5.4	4.1	1.0	0.5
AME	-	-	-	-

Overall this budget is focused on achieving better outcomes for all Children and Families by giving all children the best start in life and by improving the life chances of vulnerable children and young people including those with disabilities, those from low income backgrounds or those experiencing multiple disadvantages. This is a key area of Scottish Government preventative activity informed by evidence that investment in this area can reap benefits in later years. This approach recognises that children and families will have different needs and experiences and takes account of this diversity, embracing equality considerations in doing so.

Early intervention to provide the additional help needed by the most vulnerable and disadvantaged children and families has been demonstrated to work. We will make the best use of our budget by ongoing investment of £6.8 million in an Early Years Early Action Fund and using this, alongside the spend and contribution of our partners, primarily local government and the third sector, to accelerate the implementation of the *Early Years Framework*. This is aimed at helping all children and within that specifically identifying those children and families who need additional support to overcome disadvantages.

The implementation of *Getting It Right for Every Child* (GIRFEC) will continue to ensure that all universal services deliver for children whatever their background and that the particular needs of vulnerable children, including those with disabilities, those encountering barriers such as language or communication and those living in disadvantaged circumstances, are taken into account.

The continuing move to child-centred, outcome focused services using the GIRFEC approach and supported by the Early Years Early Intervention Preventative Spend Change Fund are expected to deliver efficiencies to enable a shift in service delivery towards tackling problems in the early years and at the earliest possible point. Efforts to support local authorities and third sector in frontline delivery of children's services, as well as support for workforce training and development in the social care sector will

work to mitigate the impacts of some of the spending reductions. Further work will also take place during the year on measuring the impact of our changing approach on all groups of children.

Learning

Table 7.03 Learning (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
People and Infrastructure	65.3	88.4	72.7	66.0
Strategy and Performance	16.3	16.2	15.2	14.2
Learning and Support	46.5	43.3	47.7	49.1
Gaelic	20.3	20.6	21.1	21.2
Education Scotland	28.8	24.7	23.3	22.0
Total Level 3	177.2	193.2	180.0	172.5
<i>of which:</i>				
DEL Resource	111.3	109.8	118.5	121.7
DEL Capital	65.9	83.4	61.5	50.8
AME	-	-	-	-

The Learning Directorate budget delivers national policy to secure high quality education in schools to equip all young people with skills and achievements that enhance their life chances. It also funds Education Scotland, which provides challenge and improvement support across the system. The majority of expenditure on school education in Scotland is funded by local authorities.

This budget will deliver national support for local delivery of *Curriculum for Excellence*, the aim of which is to ensure that all Scotland's young people are successful learners, confident individuals, effective contributors and responsible citizens. Outcomes for particular groups of children, such as those from low socio-economic groups and those with additional support needs, continue to be substantially poorer than for their peers, and this requires that there is dedicated support to provide all young people with the opportunity to learn and succeed. The Supporting Learners Framework, developed as part of *Curriculum for Excellence*, supports practitioners to identify and provide the individual support children and young people need, to enable them to learn effectively, through universal or targeted support, wherever their learning takes place. This approach is combined with the flexibility of personalised learning within *Curriculum for Excellence* to support each individual child and young person.

The Scottish Government will use the ambitious challenges set out in the Donaldson review of teacher education and the negotiated outcomes of the McCormac review of teacher employment to further support the delivery of excellent personalised teaching.

The Scottish Government is continuing to invest in the school estate through the £1.25 billion Scotland's Schools for the Future programme. This involves working with local authorities to build upon the 37 school building projects already announced – at least one in each local authority area. A key guiding principle of the programme is to ensure

that new schools are not just fit for purpose but their design and layout should enhance their function and use. In particular, they should be inclusive and accessible to those with disabilities and be able to respond to future changes and demand.

The vast majority of spending on school education is delivered by local government; hence the spending decisions of local authorities are crucial in delivering improved outcomes for children and young people. The Scottish Government will continue to work closely with national partners and local government in the delivery of improved outcomes and in the use of equality impact assessment, particularly with regard to minimising and mitigating potential adverse impacts arising from the current financial challenge.

Employability, Skills and Lifelong Learning

Table 7.04 Employability, Skills and Lifelong Learning (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Colleges and Adult Learning	9.1	7.9	7.7	7.0
Employability and Tackling Poverty	1.2	1.2	1.0	1.0
Higher Education	2.2	2.0	2.0	2.0
Office of the Chief Scientific Adviser	6.4	6.0	5.5	5.5
Youth Employability and Skills	44.2	46.9	44.4	44.0
Skills Development Scotland	181.3	176.4	187.4	185.0
Total Level 3	244.4	240.4	248.0	244.5
<i>of which:</i>				
DEL Resource	244.4	240.4	248.0	244.5
DEL Capital	-	-	-	-
AME	-	-	-	-

This budget seeks to ensure that all young people are able to enter positive destinations after leaving school by obtaining appropriate qualifications or support to enter the workplace. This reduces the risk of unemployment and/or low skills which will impact on an individual's employability and earning potential for their lifetime, as well as reducing their potential to make a contribution to sustainable economic growth.

The Employability, Skills and Lifelong Learning budget funds investment in skills and the national training programmes. Already these budgets deliver 25,000 Modern Apprenticeship (MA) opportunities. The equality impact assessment undertaken by Skills Development Scotland on its delivery of National Training Programmes reflects the need to ensure that every equality group is better represented across the opportunities provided. Progress can be seen within Modern Apprenticeships where increasingly places are being taken up by young women as well as young men.

Skills Development Scotland's (SDS) budget will fall slightly in 2012-13 and rise thereafter reflecting not only the expectation that it will become more efficient but also that it has an important role in providing appropriate skills training for young people. As noted in the Equality Statement on the draft Budget 2011-12, local partnerships have

the ability to best meet the specific needs of their local populations, including the needs of equalities groups, and SDS are continuing to develop their services in conjunction with local partnerships.

While these budgets are subject to some pressures the Scottish Government are increasing our support for those young people who need most help to enter the workplace by introducing our Opportunities for All commitment. This will offer an education or training place to every young person who is not already in a Modern Apprenticeship, job or learning. This will support all those who currently struggle to transition from school to a positive destination; in 2009-10, the lowest positive destinations rates were amongst young people from the most deprived areas, those with co-ordinated Support Plan and Individualised Educational Programmes and those 'Looked After'.

Scottish Further & Higher Education Funding Council

Table 7.05 Scottish Further & Higher Education Funding Council (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Scottish Funding Council FE Programme	544.7	506.9	494.7	470.7
Scottish Funding Council HE Programme	926.2	1,002.2	1,041.5	1,061.7
Scottish Funding Council FE/HE Capital	91.0	60.7	45.9	56.4
Scottish Funding Council Administration	8.4	7.9	7.9	7.9
Total Level 3	1,570.3	1,577.7	1,590.0	1,596.7
<i>of which:</i>				
DEL Resource	1,479.3	1,517.0	1,544.1	1,540.3
DEL Capital	91.0	60.7	45.9	56.4
AME	-	-	-	-

The Scottish Government has launched a major programme of reform of the post 16 education system, Putting Learners at the Centre, to produce a better learner journey for all and to provide all young people with the right skills to enter and develop in work. A significant strand of that programme consists of the establishment of an Equality and Diversity Working group to ensure equalities issues are integral to the programme, to policy development and delivery and that relevant advice, guidance and training is provided to those involved.

The Scottish Further and Higher Education Funding Council budgets fund strategic investment in Scotland's colleges and higher educational institutions. These institutions play a major role in the learner journey. Access to Higher and Further Education is key to creating the skilled population needed to support sustainable economic growth and to improve individual life chances. There will be significant investment in Higher Education over the period of the spending review. This will uphold the quality of our university education to the benefit of all.

The Scottish Funding Council – through its Access and Inclusion Committee – has developed a new approach to equality, access and inclusion, together with a series of

measures designed to demonstrate the direct impact of public investment on widening access to further and higher education. We will continue our annual monitoring of widening access, demonstrating that our higher education institutions host a wide range of young people, with female participation outstripping male, above average participation from a number of ethnic groups and growing numbers from areas of multiple deprivation.

Budgets are reducing and it has been necessary to make savings in our FE provision. This will be brought about by the consolidation of provision, a reduction in the funding of non-recognised qualifications and changes to the payment regime. All of these changes will combine to increase the focus on young people and on low skilled individuals, on work related training and development and on the successful completion of qualifications.

Further Education Colleges will be incentivised to deliver through the proposed changes in the payment regime. It is recognised that if reductions in the funding of non-recognised qualifications are not undertaken carefully, they may impact more on older female students, those with disabilities and those from low income backgrounds. Our intention is that we can protect this provision for those who need it most.

The Scottish Government believes that access to education for all Scottish young people should be based on the ability to learn and not the ability to pay. Therefore alongside additional investment in Higher Education there is increased investment in student support. Despite the constraints on budgets, we have guaranteed that no existing student would see their living costs support decrease in academic year 2011-12. This is of particular benefit to young people from low income backgrounds.

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, this scheme will continue to be funded. Supporting EMA honours the Scottish Government's commitment to support the least well off students in Scotland, and open up opportunities to poorer families.

During the spending review period the Scottish Government intends to deliver on its manifesto commitment for students in Higher Education, providing a minimum income of £7,000 starting with the poorest students. Unlike the rest of the UK Scotland remains committed to no tuition fees, a position that will assist in encouraging access to Higher Education to students from a range of backgrounds and with a range of additional needs.

Whilst most young people stay in learning after 16, too many still do not, damaging their employment prospects and, over time, their life chances. Even for those who stay in the system, opportunity is not as fairly distributed across learners as we would like. Therefore places will be protected and tougher measures will be introduced to ensure learners from more disadvantaged backgrounds get the chance to study at university. Proposed new legislation ensures that these new arrangements have statutory force.

Student support arrangements overall for FE will be reviewed and any new system of support will be subject to equality analysis and impact assessment and be designed, as far as possible, to promote participation in particular from younger and poorer students.

The ELL workforce

The vast majority of the workforce in Children and Families are the responsibility of local authorities and those authorities will make individual decisions about spending on school education and children's services. Within social work services and child care women in their forties make up the majority of the workforce. The teaching workforce is also predominantly female and over a third is aged over 50. The workforce in Further Education and Higher Education is fairly evenly split between men and women, although women are overrepresented in support and administrative roles and as with the rest of the Education and Lifelong Learning workforce the majority of these workers are in their forties. These sectors are responsible for their own decisions on staffing levels and pay.

Where efficiencies are to be realised through adjustments to workforce levels, partner organisations are expected to undertake appropriate equality impact assessments.

SUMMARY

Education and Lifelong Learning is a key contributor to economic recovery and long term economic growth which should be shared equally across Scotland. By the effective use of this portfolio's budget we are enabling individuals to support themselves and their families, while making the maximum possible contribution to the success of Scotland's economy and wellbeing.

The Portfolio's priority is to ensure that all can participate in education and lifelong learning, but to focus additional effort on young and low skilled people and those who most need assistance to transition successfully into the workforce. As an integral part of *Early Years, Curriculum for Excellence* and Post 16 reform work the impact of policy and budget changes on equality groups within Scotland will be monitored and assessed.

CHAPTER 8

Justice

SUMMARY OF BUDGET CHANGES

Justice's overall resource allocation will increase by £30.2 million by the financial year 2014-15, when compared to the 2011-12 Draft Budget position. The capital allocation will reduce by £50.6 million over the same period – although there will be an increase of £41.5 million in 2012-13, which will include major investment in the prison estate, so that those who need to be in custody are kept in conditions that ensure security and promote rehabilitation.

The Justice portfolio will invest to save in the longer term – for example, through the creation of a Justice reducing reoffending change fund, and by helping people recover from drug problems. Action is underway to generate efficiency savings by delivering the same services with fewer resources. For example, the Scottish Court Service has cut its annual costs by closing four “split site” court buildings in Paisley, Kilmarnock, Perth and Ayr, in each case transferring the business into the main Sheriff Court building in the town.

A programme of reform has been set in motion, which will protect service levels while realising sustainable efficiencies in the medium and longer term. Most significantly, sizeable recurring savings can be realised from the reform of police and fire services, reduced cost of courts and tribunals and driving down the costs of legal aid.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The Justice portfolio has responsibility for the civil and criminal justice systems – which includes Scotland's courts, police, fire, and prison services, 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.

Table 8.01 Detailed Spending Plans (Level 2)

	2011-12 Budget ¹ £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Community Justice Services	30.3	31.3	31.8	32.3
Courts, Judiciary and Scottish Tribunals Service	50.0	52.4	51.4	50.9
Criminal Injuries Compensation	25.5	25.5	20.5	17.5
Scottish Resilience	18.3	17.9	17.7	17.8
Legal Aid	154.1	155.8	149.3	142.8
Police Central Government	210.4	242.4	236.9	165.5
Drugs and Community Safety	35.3	38.3	38.3	39.3
Police and Fire Pensions	273.5	281.9	291.8	309.8
Scottish Prison Service	365.5	400.6	364.5	378.7
Miscellaneous	18.2	17.9	16.2	16.8
Scottish Court Service	79.9	77.0	73.4	69.5
Office of the Scottish Charity Regulator	3.3	3.1	3.0	3.0
Total Justice	1264.3	1344.1	1294.8	1243.9
<i>of which:</i>				
DEL Resource	1193.4	1231.7	1244.6	1223.6
DEL Capital	70.9	112.4	50.2	20.3
AME	0.0	0.0	0.0	0.0
Central Government Grants to Local Authorities	587.0	566.8	566.8	566.8

EQUALITY IMPACT

Experiences of crime and justice vary across different groups in Scottish society. For example, the prison population is predominantly male (in 2010, 95 per cent of prisoners were male²), although the female prison population is increasing at a greater rate. Women are less likely than men to feel safe at night, both in their neighbourhood and in their own home³. Disabled people and those with a long-standing health problem tend to feel less safe in their neighbourhoods than others⁴.

Young people (aged 16-34 years) are most likely to say that antisocial behaviour is a problem in their area, and have the most personal experience of neighbourhood problems and witnessing drunk and rowdy behaviour⁵. Young people (aged 16-24 years) are also the most likely to be both the victims and perpetrators of crimes⁶.

1 The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

2 The prison population on 30 June 2010 was 7,983, of which 95 per cent were men. Prison Statistics Scotland 2010-11

3 Scottish Household Survey 2009-10

4 Scottish Household Survey 2009-10

5 Scottish Household Survey 2009-10

6 The risk of crime decreases with age. 26% of those aged 16-24 had been the victim of crime in the last 12 months compared with 25% of 25-44 year olds, 19% of 45-59 years olds and 9% of those aged 60+. Scottish Crime and Justice Survey 2009-10

Older people tend to be more pessimistic in their perception of change in the level of the general crime rate: 9 per cent of those aged over 60 thought that the local crime rate had decreased in the last two years, compared with 17 per cent of those aged 16-24⁷. Victims of crime are concentrated disproportionately in communities that are disadvantaged⁸.

The Justice portfolio recognises the diversity of the Scottish population, and the importance of equality in the spending decisions it makes. Below, we focus on those spending decisions where assessment indicates particular relevance for equality.

Community Justice Services

The Scottish Government will maintain funding for community justice. Community Payback Orders allow people who would otherwise be in receipt of short term custodial sentences to repay effectively to their communities, by undertaking unpaid manual work, and evidence suggests that they would also be less likely to re-offend. Of those who receive short-term custodial sentences, 73 per cent are reconvicted within two years, compared to 38 per cent of those who receive Community Service Orders. This will be good for people who would otherwise be potential victims of crime, many of whom come from Scotland's most deprived communities, and/or could be the victims of specific crimes such as hate crime or gender-based domestic abuse. Increasing the use of community justice also offers the perpetrators of crime more opportunities to turn their lives around, and address their drug use, mental health issues or distance from the labour market. The Scottish Government will explore with partners specific equality issues, including the impact on victims of perpetrators remaining in the community as opposed to being in custody, and the need for interventions to help rehabilitate those responsible for hate crime.

In addition, a change fund will be created to support those preventative interventions that we know can reduce reoffending. This work will take account of the particular contribution that can be made by third sector service providers. The fund will expand the coverage and impact of those interventions with a proven track record in reducing reoffending, as well as supporting innovation. This will help shift the focus of services, to get the correct balance between proactive and reactive services, as part of the next phase of the Scottish Government's *Reducing Reoffending Programme*.

Criminal Injuries Compensation

The Criminal Injuries Compensation Scheme provides compensation for personal injuries attributable to violent crime, such as physical assaults or sexual offences. The Scottish Government provides funding to the Scheme, which covers England, Scotland and Wales. The proposed reduction in funding from the Scottish Government reflects the UK Government's proposed changes to the Scheme, with the aim of making services more efficient and reducing expenditure. The outcome may be a Scheme that has a different

⁷ Scottish Crime and Justice Survey 2009-10

⁸ 25% of adults living in the 15% most deprived areas in Scotland had been a victim of crime in the last 12 months compared with 18% of those living in the rest of Scotland. Scottish Crime and Justice Survey 2009-10

service user profile demographic from the existing one, and the equality impacts of any revisions to the Scheme will have to be assessed.

Legal Aid

The Scottish Government is committed to maintaining access to justice, in a time of reduced budgets. Legal aid in Scotland provides an important service for many people with equality characteristics who could not otherwise pursue or defend their rights, or pay for their defence. The Scottish Government will set out shortly a series of planned reforms to legal aid that will, over the Spending Review period, take costs to a sustainable level, while maintaining as far as possible a system that enables people who could not otherwise pursue or defend their rights can do so.

Legal aid is aimed at ensuring that legal advice and representation is available to those who may not otherwise be able to afford it. The majority of criminal legal aid applications are from men⁹, whereas applications for civil legal aid (available for problems such as debt, eviction, workplace discrimination, matters relating to immigration, and divorce and other matters affecting families and children) are more likely to come from women¹⁰. The Scottish Legal Aid Board has a statutory duty to monitor the availability of legal services, and will monitor the impact of any savings measures taken, allowing for mitigating actions to be taken where necessary to ensure access to justice.

Police Central Government and Scottish Resilience

The Scottish Government has announced plans to reform police and fire and rescue services in Scotland. The focus of the reform is on delivering efficiency savings while protecting front-line services as far as possible. Equality Impact Assessments are being developed to help ensure the relevant issues are properly accounted for in the reform processes. A partial assessment for both police and fire and rescue services is currently out for consultation¹¹, and a full impact assessment will be published in due course.

Drugs and Community Safety

The drugs strategy *The Road to Recovery* aims to reduce the problematic impacts of drug problems for individuals, families and communities, and to create more opportunities for people to get the personalised care and support they need to recover from addiction. By maintaining spend in this area, and focusing on sustaining recovery in communities, the Scottish Government seeks to secure positive outcomes for many who would otherwise be among the most marginalised in society, recognising the gender, age, disability, race and other equalities considerations of drugs users and their families. A number of equality assessments have been carried out looking at equality impacts of specific areas of drugs investment.

The increase in community safety funding will support work in two key areas of preventative spend, as well as work to tackle sectarianism in Scotland.

⁹ Scottish Legal Aid Board Annual Report 2008-09

¹⁰ Civil applicant survey 2009

¹¹ <http://www.scotland.gov.uk/Publications/2011/09/08111926/0>

The *CashBack for Communities* programme will continue to invest the proceeds of crime into those communities hardest hit by crime and antisocial behaviour. The programme will fund a diverse range of projects, provided through sporting, cultural, youth and third sector organisations, seeking to divert young people away from ‘at risk’ behaviour and support long-term positive outcomes for those hardest to reach young people in communities across Scotland.

In addition, the *No knives, better lives* campaign will be rolled out across Scotland. This youth engagement campaign – which gets its message out via posters, cinema adverts, online films, local events and a website – encourages young people to think and talk about how carrying a knife can affect their future and the lives of their family and friends. The aim is to give young people good reasons not to carry a knife, and to encourage them to get involved in other activities. Launched in March 2009, the campaign has already seen significant reductions in knife carrying among young people in Scotland, with the overall level of knife crime falling by 38 per cent since 2007, including a 43 per cent reduction in both Inverclyde and Renfrewshire.

In 2012-13, dedicated resources will be introduced to tackle sectarianism – both through challenging those with sectarian attitudes and, wherever possible, preventing sectarian attitudes from arising in the first place. This will include reviewing the anti-sectarian educational materials that are available from pre-school to adult learning. By working with children, young people and adults in a variety of settings, the aim is to achieve a position where sectarian behaviour is as socially unacceptable as other forms of prejudice and discrimination. This work will have a positive impact upon those currently affected by sectarianism (and religious identity discrimination), but moreover, will help nurture a renewed culture of mutual respect and understanding for all people in Scotland.

Scottish Prison Service

The Scottish Government will increase its funding for prisons over the period 2012-15. The strong relationship between social deprivation and imprisonment¹² means that Scotland’s most excluded and disadvantaged citizens are disproportionately represented in the prison population. The Scottish Prison Service faces a number of challenges to meeting their needs – in particular, the continuing increases in prisoner numbers. In the past decade, the female prison population has more than doubled, while the number of male prisoners has increased by a third¹³. Current projections suggest that prison numbers will continue to rise¹⁴. Increasing the funding for prisons in line with the growth in the prison population is necessary to enable the Scottish Prisons Service to deliver rehabilitative interventions to reduce the risk of reoffending – including the provision of opportunities for prisoners with particular equality characteristics, such as physical and learning disabilities.

The Scottish Government is committed to finding more effective ways of dealing with Scotland’s female offenders, and has established a Commission on Women Offenders that

12 Houchin R (2005). *Social Exclusion and Imprisonment in Scotland: A Report*. Glasgow Caledonian University.

13 Prison Statistics Scotland 2009-10

14 Scottish Prison Population Projections 2010-11 to 2019-20

is chaired by Dame Elish Angiolini, Scotland's former Lord Advocate. The Commission, which will report in February 2012, has a remit to make recommendations for practical measures that can be taken in the term of this Parliament to reduce female reoffending and reduce the female prisoner population.

Scottish Court Service

The Scottish Court Service has cut its annual costs by closing four "split site" court buildings in Paisley, Kilmarnock, Perth and Ayr, in each case transferring the business into the main Sheriff Court building in the town. Equality issues were taken into account when undertaking this reorganisation, which was the first step by the Scottish Court Service in a wider review of how the court estate is used. Equality issues will be fully taken into account as longer term decisions are taken.

SUMMARY

The Justice portfolio has embedded consideration of equality issues into its policy development and monitoring mechanisms, including the establishment of equality networks.

The Justice portfolio, in making the necessary spending reductions, has sought to prioritise and protect front-line service users and to minimise negative impacts on equality and disadvantaged groups. Increased spending on community safety will help to tackle sectarianism in Scottish society, and to prevent 'at risk' young people from turning to crime. Increased spending on community justice and prisons will help to reduce reoffending, benefitting both the perpetrators and the victims of crime, who are concentrated disproportionately in communities that are disadvantaged.

Where plans for efficiencies and reform are taken forward to make best use of the available funding, the Scottish Government will consider the potential impacts on equality groups, and how any negative impacts can be mitigated. The reforms to legal aid that are being developed will, as far as possible, ensure that costs are reduced in a way that does not reduce access or provision. The police and fire and rescue services reforms are considering the equality impacts on service users and the workforce, to identify mitigating actions where required.

CHAPTER 9
Rural Affairs and
the Environment

SUMMARY OF BUDGET CHANGES

The Rural Affairs and Environment (RAE) overall resource allocation will reduce by £8.4 million by the financial year 2014-15 compared to the 2011-12 Draft Budget position. The capital budget will reduce by £18.7 million over the same period.

The portfolio remains committed to its key priorities and budget reductions will be managed in such a way as to protect the most vulnerable groups.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The 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.

RAE spending is critical to preserving and enhancing the quality and productivity of Scotland's natural environment which lies at the core of much of Scotland's economic activity related to the primary production of food and drink, tourism and exports. RAE spend includes core domestically funded financial support to rural communities through the *Scotland Rural Development Programme*, helping to support economic activity and employment in rural areas at the same time as improving the quality of the environment. Additionally, the RAE budget makes an essential contribution to meeting statutory climate reduction targets.

Table 9.01 Spending plans (Level 2)

	2011-12 Budget ¹	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
EU Support and Related Services	139.7	116.4	105.4	103.3
Research, Analysis and Other Services	81.4	77.1	74.2	73.2
Marine and Fisheries	61.3	59.2	58.4	61.7
Environmental and Rural Services	169.6	193.2	190.0	192.8
Climate Change	17.6	19.5	19.5	19.4
Forestry Commission	45.2	42.4	41.3	41.4
Forest Enterprise	25.8	23.1	22.7	21.7
Total Level 2 **	540.6	530.9	511.5	513.5
<i>of which:</i>				
DEL Resource	491.0	495.8	484.3	482.6
DEL Capital	49.6	35.1	27.2	30.9
AME	-	-	-	-

EQUALITY IMPACT

Research has found some distinct and recurring themes in the equality picture of rural areas in Scotland. These include challenging transport conditions and associated access difficulties, especially for older people and disabled people and the risk of isolation for some small populations including ethnic minority groups in rural areas². In this context, from an equality perspective, the *Scotland Rural Development Programme* is an important part of the Rural Affairs and Environment spend given its role in supporting community development and enhancing the quality of life in rural areas.

The *Scotland Rural Development Programme* (SRDP) is a programme of economic, environmental and social measures designed to support rural development in Scotland and delivered by joint funding from the Scottish Government and European Commission on an equal basis. The aims of the proposals in this Spending Review are to protect those elements of the SRDP that support the most vulnerable areas and individuals in Scotland's rural areas. This includes maintaining spend on specific programmes such as *LEADER* and the *Technical Assistance Programme*, elements of which involve dedicated targeting at women and young people.

There are savings proposed in the overall SDRP Scheme which may affect unprotected programmes and may reduce opportunities for some projects. There is little detail as yet on the implications of changes for delivery of the programme, which is subject to potentially radical reform in 2013-14. Detail which will allow us to assess the equality impact is not likely to be known for at least another year.

1 The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12

2 Equalities and Human Rights Commission Scotland (2010) *Significant Inequalities in Scotland: Identifying significant inequalities and priorities for action*, EHRC, Glasgow.
EKOS (2009) *The Experience of Rural Poverty in Scotland*. Scottish Government Social Research.

The cuts to the National Parks budgets will affect their business plan investments and may limit opportunities to promote access to the countryside, for example to people in low income groups or to disabled people.

There are proposals to introduce or increase charges for some services (including some previously delivered free of charge) including fish health inspections and veterinary surveillance services. These charges may disadvantage some small businesses, which carries potential impacts for their workforces and for the remote and rural economy. Lower income groups who use these services may be particularly affected.

The digital economy and infrastructure budget lies in the Rural Affairs and Environment portfolio and will put in place the next generation broadband infrastructure. It will also play a key role in tackling social and rural inequalities by improving connectivity in Scotland's most vulnerable and rural communities. Much of the expenditure of the spending review period relates to new activity that will support delivery of the ambition for next generation broadband to all by 2020, with significant progress by 2015, as set out in *Scotland's Digital Future: A Strategy for Scotland*.

An equality impact assessment was undertaken during the development of the Digital Strategy, and it reported that the strategy may impact negatively on older people, as they are less likely to have access to or have the skills for using the internet. This issue is not directly relevant to the policy initiatives described here, rather they are more relevant for those designing and delivering public services and those designing and implementing digital participation policies. Both these issues will be addressed alongside the delivery of digital economy and digital infrastructure interventions. The assessment also reported a positive impact on disabled people as greater broadband connectivity can reduce the need for navigating what could be difficult transport, and can help people with mental illnesses such as agoraphobia and social anxiety to access services from their own home.

SUMMARY

The overarching aims and objectives of the Rural and Environment portfolio are to support all people living in Scotland's rural communities and to protect and enhance the environment for the benefit of all Scotland's people. The RAE portfolio is committed to equality of outcome across all Scotland's people and is specifically responsible for promoting the sustainability of Scotland's rural communities. Budget reductions are proposed around public bodies and the *Scotland Rural Development Programme* but the portfolio aims to protect the most vulnerable groups within these reductions.

CHAPTER 10
Culture and
External Affairs

SUMMARY OF BUDGET CHANGES

The Culture and External Affairs overall resource budget allocation will reduce by £12.8 million by the financial year 2014-15 compared to the 2011-12 Draft Budget position. The capital budget will reduce by £11.4 million over the same period.

The portfolio remains committed to key priorities, including maintaining Scotland's cultural and heritage assets and widening access to these. Budget reductions will be managed in such a way as to protect the provision of front-line services across the portfolio.

Historic Scotland will manage reductions in its budget through growing its existing income, investigating new income strands and securing efficiencies from its operations.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The Culture and External Affairs portfolio budget supports activity that directly contributes to the Scottish Government's overall purpose of a sustainable economy through cultural and heritage tourism, creative industries growth and our international promotion. The portfolio directly funds public services in the cultural and historic environment and public records; and indirectly funds cultural provision throughout Scotland. The portfolio is concerned with reinforcing the message that Scotland is a creative, diverse nation, with a rich heritage, contributing to the world as a modern dynamic country.

Table 10.01 Detailed Spending Plans (Level 2)

	2011-12 Budget ¹	2012-13 Draft Budget	2013-14 Plans	2014-15 Plans
	£m	£m	£m	£m
Europe and External Affairs	16.1	15.9	15.7	15.5
Culture	154.6	149.2	143.8	143.2
Historic Scotland	47.0	45.3	40.3	35.7
National Records of Scotland	27.9	22.0	20.2	19.5
Young Scots Fund	-	5.4	12.5	7.5
Total Level 2	245.6	237.8	232.5	221.4
<i>of which:</i>				
DEL Resource	225.7	222.9	223.8	212.9
DEL Capital	19.9	14.9	8.7	8.5
AME	-	-	-	-

¹ The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

EQUALITY IMPACT

A key focus for cultural policy in Scotland is to widen access to participation in cultural activity and heritage. Engaging with culture is life enhancing in its own right. Participation in the arts and in cultural activities is also known to bring benefits in learning and education and previous international studies have found significant association between cultural participation and good health, good satisfaction with life and low anxiety and depression scores. There is a role for high quality cultural interventions in reducing reoffending in the justice field as demonstrated by the Inspiring Change programme in Scotland which involved leading creative professionals from across Scotland's major cultural organisations including the National Collections and National Performing Companies. Cultural activity can contribute to community regeneration – the Big Noise Children's Orchestra in Stirling (based on the El Sistema model) aims to achieve long term social transformation in an area that has faced social and economic deprivation. In short, as an intrinsic element of a good quality of life and for the benefits it is known to bring to a host of fields, the Scottish Government is committed to promoting culture and to maximising access to engagement in cultural experiences.

There is evidence from the Scottish Household Survey that engagement in cultural activities is not uniformly enjoyed across different groups in Scotland. For example, in 2009-10 those with a disability, long standing illness or health problem had lower levels of cultural participation and were less likely to attend cultural events or sites than those without. The data also shows a socio-economic patterning to cultural engagement in Scotland: participation in cultural activities and attendance at cultural events/sites increased as area deprivation decreased. Against this background, we have sought to minimise reductions to the National Collections budget as we are committed to the principal of free public access to the collections to mitigate a potential barrier to cultural engagement amongst lower income groups. We are also maintaining small grant schemes for local museums, galleries and libraries supporting access to cultural and learning opportunities throughout Scotland.

Our ongoing work on digital participation as set out in our strategy Scotland's Digital Future aims to ensure that all who wish to can reap the social and economic benefits from digital technology, including internet access and use. This includes groups who traditionally have displayed lower levels of internet use such as older people and those from lower socio-economic backgrounds.

Fulfilling important capital projects will allow continuing work to improve access (and ensure compliance with equality law) to some of Scotland's key cultural venues including Theatre Royal Glasgow, home of Scottish Opera. The V&A at Dundee is intended to be a catalyst for region wide regeneration – the building will be fully accessible and will have distinct areas aimed at learning and outreach, for schools, students, the general public and professional designers.

The New Young Scots Fund will provide £5.4 million in 2012-13 for investment in emerging young talent in creativity, enterprise and sport. This investment in Scotland's young people will provide opportunities for developing, encouraging and building talent.

Savings in the core funding to Creative Scotland carries a potential impact on the level of outreach and education work carried out by Creative Scotland and by organisations it funds, including that specifically aimed at equalities groups in Scotland. Mitigating this, Creative Scotland are committed to the principle of equality. Three cross-cutting themes underpin all of Creative Scotland's objectives:

- Education and a commitment to a generational change in cultural opportunity.
- International partnership to reflect Scotland's global outlook.
- Equality in all areas of their work.

This commitment to equality is mainstreamed throughout all Creative Scotland's activity – as an employer, as a funding organisation and as a key stakeholder in the cultural landscape in Scotland. For example, as evidence shows that disabled people and older people report lower levels of cultural engagement Creative Scotland are actively developing programmes to address this differential cultural engagement. This includes a major new national festival in Scotland to celebrate arts, creativity and ageing.

Maintaining the Youth Music Initiative – a universal musical education opportunity in schools – protects a key opportunity for cultural engagement for younger age groups across Scotland including those from lower socio-economic backgrounds who may otherwise be excluded from music tuition. Evidence shows that people in Scotland who were encouraged to attend and take part in cultural activities as a child are more likely to participate in cultural activities in adulthood, even when other factors such as deprivation are accounted for, and that this effect is strongest when the childhood cultural activity involved performance such as playing a musical instrument.

Savings within the National Performing Companies may have a potential impact on the level of education and outreach work aimed at diverse communities and on the geographic spread of their activity throughout Scotland. Mitigating this, within the proposed budget, Companies should be able to maintain key activities designed to widen access to the arts such as targeted reduced price ticket schemes. These schemes are frequently targeted at younger age groups.

There are possible equality impacts through plans to reduce the overall size of the workforce in public bodies including Historic Scotland. Historic Scotland plans to manage any reduction in staffing levels on a voluntary basis and through natural wastage. Historic Scotland will continue to deliver their outreach and education programmes, including those targeted in areas of multiple deprivation.

We are committed to the ongoing monitoring of evidence on the extent of engagement in cultural activities across different groups in Scotland. Data on cultural participation and attendance will continue to be gathered through the Scottish Household Survey. The ongoing work of National Records of Scotland, not least on analysing and disseminating the results of the 2011 Census, will be vital to understanding the evolving picture of equality across all domains of life in Scotland.

SUMMARY

Culture has a vital role to play in enriching the lives of all Scotland's communities and in promoting Scotland on the international stage as a diverse, modern and dynamic nation. We will work with our public bodies in these challenging times to continually consider the potential impact of resource reductions on different groups and how these can be mitigated so that all communities enjoy the benefits of cultural engagement. In recognition of our responsibilities under the Equality Act 2010, when we issue the allocation letter to public bodies who deliver cultural services we will remind these bodies of the duty to ensure due regard to equality when considering any resource reductions.

CHAPTER 11

Infrastructure and Capital Investment

SUMMARY OF BUDGET CHANGES

The Scottish Government's Infrastructure and Capital Investment budget will rise by £261.7 million to £2,387.8 million by the financial year 2014-15, compared to the Draft Budget of £2,126.1 million in 2011-12.

The Infrastructure and Capital Investment portfolio is responsible for Scottish Water, European Structural Funds, Scottish Futures Trust, procurement, transport, housing and regeneration. The majority of the portfolio spend is focused on investment in transport and water infrastructure, providing affordable housing, tackling homelessness and helping to regenerate communities.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The effective use of the Infrastructure and Capital Investment budget is crucial for Scotland's economy and people. For example, the housing and regeneration budgets provide support to households through investment in good quality, sustainable and affordable housing. There is also a focus on supporting the most disadvantaged through tackling homelessness and the regeneration of Scotland's least resilient communities. Investment in housing and regeneration helps to support economic activity and jobs in the construction and allied industries. Similarly, Scottish Government investment in transport and digital infrastructures helps to ensure that people, business and communities are well connected.

Table 11.01 Detailed Spending Plans (Level 2)

	2011-12 Budget ¹	2012-13 Draft Budget	2013-14 Plans	2014-15 Plans
	£m	£m	£m	£m
Air Services	35.3	34.5	30.4	30.5
Concessionary Fares and Bus Services	255.3	248.6	248.6	248.6
Ferry Services	109.0	107.1	109.0	114.7
Motorways and Trunk Roads	557.6	655.4	664.2	700.2
Other Transport Policy, Projects and Agency Administration	67.1	57.7	66.3	55.9
Rail Services	779.4	780.9	837.6	836.3
Scottish Futures Fund	-	6.5	15.5	37.5
Housing and Regeneration	389.6	300.8	265.0	272.7
Digital Economy	11.6	10.6	4.0	1.0
European Regional Development Fund - 2007-13 Programmes	-	-	-	-
European Social Fund - 2007-13 Programmes	-	-	-	-
Other Expenditure	10.4	10.2	10.0	(15.1)
Scottish Water	(89.2)	12.7	49.7	105.5
Total Level 2	2,126.1	2,225.0	2,300.3	2,387.8
<i>of which:</i>				
DEL Resource	1,120.7	1,168.0	1,233.6	1,296.2
DEL Capital	1,005.4	1,057.0	1,066.7	1,091.6
AME	-	-	-	-
Central Government Grants to Local Authorities	158.8	159.6	148.1	152.1

Notes: The majority of the digital economy spending line has now transferred to the Scottish Futures Fund hence the reduction here. Please refer to the Rural Affairs and Environment chapter for more information.

1 The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

EQUALITY IMPACT

Transport

This portfolio's spend includes the funding of key areas of public transport provision, particularly the subsidy of fares. Train, ferry, air and bus fares are subsidised in order to promote affordable travel and lifeline services, on which some equalities groups, amongst others, rely. Other spend ensures the physical accessibility of the transport network for disabled users and others.

Transport Scotland, in partnership with Network Rail, the Department for Transport and ScotRail, ensures that new, re-developed and existing rail stations are accessible for disabled people, including for those who use wheelchairs. This happens via a number of schemes and range of scale of improvements. Taken together, these investments increase opportunities for disabled people to enjoy access to everyday employment, education and leisure activities through improved public transport.

Table 11.02 Concessionary Fares and Bus Services – More detailed categories of spending (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Smartcard Programme	9.5	2.8	2.8	2.8
Concessionary Fares	185.0	192.0	192.0	192.0
Support for Bus Services	60.8	53.8	53.8	53.8
Total	255.3	248.6	248.6	248.6
<i>of which:</i>				
DEL Resource	245.8	246.6	246.6	246.6
DEL Capital	9.5	2.0	2.0	2.0
AME	-	-	-	-

The National Concessionary Travel Scheme for Older and Disabled People currently provides year-round free bus travel for those who are eligible and, for residents of the Western Isles, Shetland and Orkney, two free return ferry journeys to the mainland each year. The National Concessionary Travel Scheme for Young People also offers subsidised bus and rail travel, and ferry travel for those living on the islands, for people aged 16-18 and full-time volunteers up to the age of 25.

The UK Government reforms of the Disability Living Allowance could affect eligibility, though the scale of this is not yet known. This could have implications for eligibility for a disabled person's travel pass (being in receipt of the higher rate of the mobility component of Disability Living Allowance is currently one of the criteria for eligibility). It is not clear what the impact of these proposed changes to National Concessionary Travel will be.

The funding of bus services is important from an equality perspective and for rural populations. A number of equalities groups – those on low incomes, women, ethnic minority groups, and younger and older people – are more likely to use their local bus services. The funding also contributes to the operation of Community Transport

organisations allowing people who cannot make use of conventional bus services, in particular older and disabled people, to access local services. Taken together, funding for concessionary fares and support for bus services are maintained over the Spending Review period.

In addition, the creation of a Transport Futures fund, as part of the Scottish Futures Fund, which will aim to reduce the impact of transport on the environment, will have positive impacts for those groups reliant on public transport.

Housing and Regeneration

Table 11.03 Housing and Regeneration – More detailed categories of spending (Level 3)

		2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Supporting Economic Growth/Housing Supply*	268.5	155.3	133.5	160.0
Supporting Sustainability	83.9	118.3	114.0	95.0
Supporting Transitions	57.2	32.2	22.5	22.7
Less income	(20.0)	(5.0)	(5.0)	(5.0)
Total	389.6	300.8	265.0	272.7
<i>of which:</i>				
DEL Resource	149.7	101.2	115.0	118.9
DEL Capital	239.9	199.6	150.0	153.8
AME	-	-	-	-

* There is additional spend on Housing Supply through the Local Government budget.

Within housing and regeneration, Supporting Economic Growth/Housing Supply (budgeted to average £150 million over the Spending Review period relative to £269 million in 2011-12) helps to fund the provision of new affordable housing supply as well as regeneration activities. Both are well-targeted at people with equality characteristics, especially those on lower incomes. For example, the SCORE database indicates that around 85 per cent of new lets by housing associations go to applicants whose income is in the lowest three income deciles. Also part of this budget line, the Home Owners Support Fund waives property thresholds in the case of disabled applicants, to allow them to stay in their homes. Around 50 per cent of applicants to the Fund either have children or are over 65.

Given the nature of the spend, the reduction in this budget line is very likely to have some negative equality impacts. However, these negative impacts will be mitigated by ongoing work to ensure that the maximum amount of additional resources is levered in to supplement Scottish Government funds. As a result, with assistance from the sector, the Scottish Government will be able to meet its manifesto commitment of delivering 30,000 affordable houses (a clear majority of which will be for social rent) over the life of the Parliament.

Regeneration – the other major component of Supporting Economic Growth/Housing Supply – is aimed at improving outcomes in Scotland’s most deprived areas, which

contain some of Scotland's most vulnerable people in all equalities groups, but particularly those on low and very low incomes. For example, funding for the Clyde Gateway Urban Regeneration Company will drive the regeneration of the East End of Glasgow, helping to secure an economic and social legacy for the 2014 Commonwealth Games. The Scottish Government is currently in the process of developing a Regeneration Strategy to ensure that scarce government resources are used to best effect.

Supporting Sustainability, which is budgeted to rise to an average £112 million over the spending review relative to £84 million in 2011-12, is primarily focused on funding energy-efficiency measures. This spending, which assists Scotland's transition to a low-carbon economy, is also valuable to reducing energy costs for targeted households. Also, recognising that financial capacity is a key factor in helping those on low incomes manage their resources, Stage 2 of the Energy Assistance Package provides benefits and tax-credit checks as well as advice on low-cost energy tariffs. In addition, Stages 3 and 4 help fund energy-efficiency measures for households which meet certain qualifying criteria, such as receiving a low income or having an older person, child under 16 or a pregnant woman in the household. The extension of the Energy Assistance Package to carers will improve outcomes for older and disabled people by making it easier for their carers to continue to look after them. The Universal Home Insulation Scheme, in contrast, does not have qualifying criteria for assistance, on the grounds that its universal nature helps increase uptake of the measures. However, it is an area-based scheme, and the areas in which it operates are selected depending on the prevalence of fuel poverty. Since older people and disabled people are disproportionately likely to be fuel poor, the UHIS programme is therefore of particular benefit to these groups.

The Warm Homes Fund, supported by the Scottish Futures Fund, will increase the impact already being made through fuel poverty and energy efficiency programmes.

Supporting Transitions, budgeted to average £26 million over the spending review, compared to £57 million in 2011-12, is aimed at improving the use of the existing stock. While the budget is being cut significantly, it should be noted that this is in large part due to transferring new provision for the Home Owners Support Fund and Open Market Shared Equity from this budget line to Supporting Economic Growth/Housing Supply. Furthermore, combining the Supporting Sustainability and Supporting Transitions lines (both of which provide housing-related support services which are well-targeted at those people that have the greatest need), the budget for these two lines will average £135m over the Spending Review period, less than 5 per cent below the 2011-12 level of £141 million.

One of the components of this spend is continued funding for adaptations, which helps older and disabled people to live independently. Since adaptations play a vital role in improving the quality of life of these groups, this spending is important for equality as well as being a clear example of preventative spend. As such, it will be protected relative to the total Housing and Regeneration budget over the Spending Review period but will still face downwards pressure. However, additional funding for adaptations is also available from the Adult Care Change Fund which has been increased by £10 million to £80 million over the next two years.

Other elements of this spending line which support improved equalities outcomes include funding for housing options hubs, which encourage local authorities and their partners to share ways in which they can effectively prevent homelessness. These also fund a range of voluntary sector organisations which help to address housing issues faced by the whole spectrum of equality groups. This support is likely to become increasingly important as the housing benefit reforms of the UK Government take effect.

Continued funding for the Scottish Housing Regulator (which will average £3.8 million over the Spending Review period relative to £4.2 million in 2011-12) also helps to promote equalities outcomes, since the Regulator has a statutory duty to encourage equal opportunities. Since the Regulator's work covers all the social housing stock (around 600,000 tenancies), as well as homelessness applications (of which there are over 50,000 per annum), its efforts to promote equality outcomes have a wide reach, especially since pensioners, people with disabilities or long-term illness are over-represented in social housing compared to the wider population.

SUMMARY

The effective use of this portfolio's budget is crucial for Scotland's economy and people. However, there is a need to operate within the strict financial context that now exists. Maintaining support for those who need it most remains the priority in this portfolio. The budget will continue to support older people and disabled people through concessionary fares and housing adaptations, and those on low incomes through the continued provision of sustainable social housing.

CHAPTER 12
**Administration and
Parliamentary Business and
Government Strategy**

SUMMARY OF BUDGET CHANGES: THE ADMINISTRATION BUDGET

The Scottish Government's Administration budget will reduce by £42.5 million to £193.5 million by the financial year 2014-15 compared to the Draft Budget of £236.0 million in 2011-12.

The Administration portfolio assists 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.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The Administration budget covers the costs of running the core administration required to support the Scottish Government's Purpose and Strategic Objectives. These costs comprise primarily staffing, but also accommodation, information technology, travel and training. The Scottish Government has adopted a Business Strategy to guide the development of the organisation and its working practices, focusing on four key imperatives: supporting the making of choices for Scotland, ensuring effective delivery, promoting creativity and supporting and developing its staff in line with its values.

Table 12.01 Detailed Spending Plans (Level 3)

	2011-12 Budget ¹	2012-13 Draft Budget	2013-14 Plans	2014-15 Plans
	£m	£m	£m	£m
Scottish Government Staff	152.0	139.9	132.9	126.3
Accommodation	17.8	15.1	14.3	13.6
Other Office Overheads ²	38.6	32.8	31.2	29.6
Training	4.9	4.2	4.0	3.8
Office of the Queen's Printer for Scotland	0.1	0.1	0.1	0.1
Capital Charges	15.1	15.1	15.1	15.1
Capital ICT Projects	5.5	5.5	3.7	3.7
Other Capital Expenditure	2.0	2.0	1.3	1.3
Total³	236.0	214.7	202.6	193.5
<i>of which:</i>				
DEL Resource	228.5	207.2	197.6	188.5
DEL Capital	7.5	7.5	5.0	5.0
AME	-	-	-	-

1 The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

2 Includes ICT projects and minor non-pay items e.g. travel, transport, stationery, hospitality, etc

3 The breakdown of spending plans for 2012-13 is subject to change as we seek to reduce overhead costs in favour of minimising the reduction necessary in the number of staff available for deployment to support existing and new priority activities.

EQUALITY IMPACT

The key drivers of spending in the Administration budget are staffing levels and pay: around 70 per cent of the Administration budget is accounted for by salary and related costs, with the remaining 30 per cent spend on buildings, information technology (IT) and travel.

The key proposals in the Administration budget for this Spending Review period – to extend the voluntary exit scheme for Scottish Government staff and a pay freeze for all but the lowest paid – are meant to mitigate against negative impacts on staff overall. The policy of ‘no compulsory redundancies’ has been extended until at least March 2012 and steps are also being undertaken to achieve 15 per cent savings from non-staff budgets in 2012–2013, to minimise reductions in headcount.

The Scottish Government core has a gender balanced workforce. In August 2011 the majority (61 per cent) of the workforce were aged 30–49, with 11 per cent aged under 30, and 28 per cent aged 50 and over. Four per cent of employees state that they are disabled and 1 per cent state that they are from a minority ethnic background. There are no reliable figures on sexual orientation or religious beliefs.

The equality characteristics profile of the organisation as a whole and of leavers under previous voluntary severance schemes provide us with a best estimate of which groups might be most affected by the extension of voluntary severance. A total of 499 staff left the Scottish Government core through voluntary severance in 2010–11. A higher proportion of people over 50 (67 per cent) left compared to the equality profile for the Scottish Government core as a whole (before the scheme). A higher proportion of leavers were disabled (8 per cent) compared to the proportion of disabled people in the organisation as a whole. A slightly higher proportion of leavers were female (54 per cent) than male (46 per cent). Only 1 per cent of leavers declared that they were from an ethnic minority background, which was similar to the organisation profile overall. Following the 2010–11 voluntary severance programme, the full-time and part-time split of the workforce was largely unchanged as was the male/female split in senior posts. The Scottish Government intends to continue to monitor the impact that voluntary uptake of severance schemes has on the equalities profile of the organisation and aims to continue to strive to maintain a positive working environment.

Table 12.02 Scottish Government Staff (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Scottish Government Staff	152.0	139.9	132.9	126.3

The second key proposal in the Administration budget is to continue a pay freeze for all staff in 2012–13, except those earning lower salaries (in 2011–12, a minimum increase in salary of £250 per annum increase was applied to those earning under £21,000 FTE). This is designed to help protect jobs for men and women of all age groups, and to provide some wage protection to low earners. The Scottish Government’s commitment to a living wage for its staff also benefits those on low incomes. Administrative data

(from August 2011) found that among those who earn under £21,000 there are higher proportions of women, disabled people and employees aged 50 and over or under 30, compared to the organisation overall.

The pay freeze should be considered within the context of rising inflation and the UK Government's announced intentions to increase Civil Service pension employee contribution rates from 1 April 2012, which will reduce the real incomes of individuals and households. The overall impact of the pay freeze will also depend on the interaction with the benefits system. Those who are earn over £21,000 and are at the top of their pay scale will face a particular reduction in the real terms value of their take home pay as a result of the pay freeze.

The Administration budget has identified small savings from reducing overtime and reducing the use of agency and contract staff, but notes that there is little scope to deliver significant further savings than have already been achieved from these. Administrative data show that male staff have a moderately higher take-up of overtime compared to female (33 per cent compared to 27 per cent), so a reduction in overtime will affect men more; while a reduction in agency workers will impact more on young people aged under 30.

SUMMARY

The Scottish Government Administration budget is not immune from the spending reductions that are required as a result of the deep cuts being implemented at the UK level. The Scottish Government is committed to protecting front line services, while at the same time protecting core staff from compulsory redundancy. This is being achieved largely through a pay freeze and headcount reduction delivered through voluntary exit schemes and early retirement programmes. The pay freeze has affected the real terms incomes of core staff given relatively high inflation. The negative impacts have been mitigated by increased job security and support to lower earners within the Scottish Government, with the data suggesting that this is a particular benefit to a number of specific equality groups (women, disabled people, employees aged 50 and over, and employees aged under 30). The Scottish Government, as an employer, continues to promote equality and remains committed to being an exemplar in the field of diversity and equality.

SUMMARY OF BUDGET CHANGES: THE PARLIAMENTARY BUSINESS AND GOVERNMENT STRATEGY BUDGET

The Parliamentary Business and Government Strategy portfolio will reduce its budget by 20.7 per cent in 2012-13, and by a total of 26.8 per cent in 2014-15. This will be achieved through efficiencies and prioritising of work, ensuring that key outputs are maintained as pressure on budgets increases.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The Parliamentary Business and Government Strategy budget supports a range of central analytical services and strategic communications activity. These budgets support the alignment of all public sector activity towards the delivery of the Government's Purpose and helps create a strong evidence base and increase understanding for the key strategic, economic and social challenges across the Scottish Government. For equalities, the Office of the Chief Economic Advisor, the Office of the Chief Statistician and the Strategic Research and Analysis Fund all support the commitment to improve the availability and quality of data to better understand equality outcomes for Scotland's citizens. In supporting all 15 National Outcomes, this portfolio also provides support for National Outcome 7, 'we have tackled the significant inequalities in Scottish society'.

Table 12.03 Detailed Spending Plans (Level 3)

	2011-12 Budget £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
Strategic Communications	4.3	3.1	2.9	2.7
Crown Office and Procurator Fiscal Service Inspectorate	0.3	0.3	0.3	0.3
Royal and Constitution	0.3	0.3	0.3	0.3
Office of the Chief Statistician	1.6	1.5	1.5	1.4
Strategic Research and Analysis Fund	1.0	0.9	0.9	0.9
Office of the Chief Economic Adviser	0.7	0.4	0.4	0.4
Total Level 2	8.2	6.5	6.3	6.0
of which:				
DEL Resource	8.2	6.5	6.3	6.0
DEL Capital	-	-	-	-
AME	-	-	-	-

EQUALITY IMPACTS

While the vast majority of Scottish equalities data is collected through portfolio analytical budgets, these central analytical budgets also provide data and related analysis to support and develop the evidence base and increase our understanding of our key equality challenges. The Office of Chief Statistician in particular continues to work to improve the quality and availability of local equality data, and Scottish Neighbourhood Statistics is an effective dissemination tool for these improvements. Recent work with the Equality Budget Advisory Group has involved the Office of the Chief Economic Advisor and Communities Analytical Services analysts working together to explore modelling and data opportunities.

The Strategic Communications budget supports Scottish Ministers to communicate with audiences across Scotland, including those with specific communication needs. The Crown Office and procurator Fiscal Service Inspectorate (COPFSI) reports and is answerable to the Lord Advocate.

SUMMARY

There are expected to be no equality impact of the adjustments proposed in the Parliamentary Business and Government Strategy portfolio spend, given the priority that these areas accord to equalities analysis and support.

CHAPTER 13
Crown Office and
Procurator Fiscal Service

SUMMARY OF BUDGET CHANGES

The Crown Office and Procurator Fiscal Service budget of £108.2 million in 2011-12 is set to stay almost constant in cash terms in the period 2012-13 to 2014-15, with a small decrease in resource budget of £0.5 million and an increase of £0.9 million to the capital budget.

Pressures that COPFS will face over the Spending Review period include:

- continuing to deliver current or improved standards of service with fewer staff;
- pay;
- increasing contracts costs such as post mortems, rents etc;
- potential increases in the number of solemn cases if the law on corroboration alters as a result of the Carloway Review;
- implementing any further changes arising as a result of legislative or case law alterations; and
- responding to changes in police and Scottish Court Service structures and capability.

Dealing with these pressures has demanded, and will continue to demand, tough decisions.

OVERVIEW OF PORTFOLIO RESPONSIBILITIES

The Crown Office and Procurator Fiscal Service (COPFS) is responsible for the investigation and prosecution of crime in Scotland, the investigation of sudden or suspicious deaths, and the investigation of complaints of criminal conduct against the police.

Table 13.01 Detailed Spending Plans (Level 2)

	2011-12 Budget ¹	2012-13 Draft Budget	2013-14 Plans	2014-15 Plans
	£m	£m	£m	£m
The Crown Office and Procurator Fiscal Service	108.2	108.1	108.1	108.7
Total Level 2	108.2	108.1	108.1	108.7
<i>of which:</i>				
DEL Resource	105.5	104.5	104.5	105.1
DEL Capital	2.7	3.6	3.6	3.6
AME	-	-	-	-

1 The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

EQUALITY IMPACT

Decisions that have been made on spending reflect the requirements to secure the confidence of Scotland's diverse communities by improving the delivery of justice through timely, efficient and effective prosecution of crime. This includes giving priority to the prosecution of serious crimes and providing services that meet the information needs of victims, witnesses and next of kin, in co-operation with other agencies.

Difficult decisions have had to be taken in COPFS to meet the savings required. COPFS will be making significant reductions in staff numbers, having stopped recruiting new permanent members of staff in April 2010. There is a risk of this impacting 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.

Crime is concentrated disproportionately in communities that are disadvantaged. Both perpetrators of crime and victims of crime live for the most part in disadvantaged communities. Resources going into the prosecution of crime produce effective prosecutions, providing frontline lawyers and necessary IT systems with real-time links to courts and police. In conjunction with the efforts of other partners in the criminal justice system, this should reduce the impact of crime upon the communities and individuals whose lives are currently afflicted by it. This will help to support stronger, safer communities.

A second focus of COPFS resources will be the pursuit of persistent offenders. Because crime is disproportionately concentrated upon disadvantaged communities, and a high volume of crime is committed by relatively few individuals, a faster clear up rate for persistent criminals will produce noticeable benefits for such communities. In addition, a high proportion of serious crime involves drugs offences. These are also concentrated in disadvantaged communities and their effects can blight the lives of many of the families who live there. COPFS has continued to strengthen its Criminal Confiscation and Civil Recovery Units, which are targeting the proceeds of illegal activities. Monies recovered are being invested by the Scottish Government in community initiatives.

COPFS deals with hate crime robustly and affords it a high priority. Hate crime is crime that is motivated by prejudice relating to the victim's membership of a particular group in society (for example, race, religion, sexual orientation, disability or transgender status). Efforts to target and improve the handling of cases that involve hate crime serve to bolster confidence in the justice system and improve opportunities and life chances for the equality groups affected.

Priority will continue to be given to the most serious crimes, which are prosecuted on indictment. That is cases where, on conviction, a sentence of imprisonment in excess of 12 months would be anticipated. This may mean that less serious offences have fewer resources devoted to them, although it is intended that this will be addressed by greater efficiency and by working together across the criminal justice system to reduce churn in the courts, releasing resources to deal more efficiently with other cases. To the extent that these different types of offences affect different sectors of the community

disproportionately, there may be equality implications. Equality impact assessments will be carried out on all proposed policy adjustments, to mitigate this risk as far as possible.

COPFS will assess the equality implications of the decisions it makes in relation to reducing the workforce. 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.

SUMMARY

Any equality impacts for service users associated with reductions in the COPFS budget in real terms are not expected to be large. As outlined above, COPFS will assess fully the equality implications of the decisions it makes.

CHAPTER 14

Local Government

Local Government

SUMMARY OF BUDGET CHANGES

The Scottish Government's Local Government portfolio budget will rise by £154.3 million to £11,702.3 million by the financial year 2014-15 compared to the Draft Budget of £11,548.0 million in 2011-12.

The capital budget will rise by £67.9 million over the period. The combined resource and annually managed expenditure budgets will rise by £56.6 million.

SUMMARY OF PORTFOLIO RESPONSIBILITIES

The Scottish Government and local government have a crucial and shared role in improving the Scottish economy and outcomes for people. Through partnership and through leadership of community planning partnerships, Local Government makes a substantial contribution to the delivery of the Scottish Government's programme, as set out in *Renewing Scotland: the Government's programme for Scotland 2011-2012* and the *Government Economic Strategy*. Local authorities are best placed to plan and deliver vital services in response to the needs of Scotland's diverse local communities. The key areas of their spend include education, social services, the police, roads and transport, environmental services, planning and development, culture, and housing support.

Table 14.01 Detailed Spending Plans (Level 3)

	2011-12 Budget ¹ £m	2012-13 Draft Budget £m	2013-14 Plans £m	2014-15 Plans £m
General Resource Grant	7,754.8	7,747.6	7,575.6	7,346.6
Non-Domestic Rates (NDR) and other AME Grants	2,179.5	2,272.0	2,444.0	2,673.0
Support for Capital**	520.9	563.0	517.3	759.7
Specific Resource Grants*	599.9	571.2	571.2	571.2
Specific Capital Grants*	170.9	0.0**	0.0**	0.0**
Total Local Government portfolio	11,226.0	11,153.8	11,108.1	11,350.5
Other Local Government*	322.0	323.9	333.8	351.8
Total Local Government Level 3	11,548.0	11,477.7	11,441.9	11,702.3
<i>of which:</i>				
DEL Resource	8,354.7	8,318.8	8,146.8	7,917.8
DEL Capital	691.8	563.0	517.3	759.7
AME	2,179.5	2,272.0	2,444.0	2,673.0

* Held within other portfolio chapters includes both resource and capital specific grants and ring-fenced funding for police numbers and police and fire pensions.

** The split between Support for Capital and Specific Capital Grants to be agreed in discussion between the Scottish Government and COSLA. The split will be shown in the 2012-13 Local Government Finance Circular which will be issued in December 2011. The 2012-15 capital allocations have been reprofiled (-£120m/-£100m/+£120m with the remaining £100m to be added back in 2015-16).

Notes:

1. The Scottish Government guarantees the combined General Resource Grant plus the distributable Non Domestic Rates (NDR) Income figures. The figures above are provisional as the NDR figure cannot be finalised until the September RPI figure is known and a decision taken on whether to increase the non-domestic rates poundage by the full increase in RPI. Any increase in NDR will be matched by the same reduction in General Resource Grant and vice versa.

2. The 2011-12 Draft Budget figures are as published in Scotland's Spending Plans and Draft Budget 2011-12. They do not include the changes between the Draft Budget and the final local government finance settlement of £11,553.4 million. The changes were an additional one-off £5 million for Supporting people and £0.4 million for the Edinburgh Capital City Supplement. There was also a switch of £11.5 million between General Resource Grant and NDR.

3. These figures currently include the funding for the police and fire services which may be removed from the local government finance total if the planned reform proceeds. This would also include funding for police and fire pensions and the cost of funding the additional police officers.

1 The budget figures detailed for 2011-12 in the portfolio chapters are those as published in the Draft Budget 2011-12.

EQUALITY IMPACT

Local government makes a vital contribution towards creating a more equal Scotland. Local authorities, like other public bodies, are covered by the Equality Act 2010 and therefore need to ensure that the decisions they take, as part of efforts to accommodate funding pressures, pay 'due regard' to the impact on equality groups. Additionally, equality of outcome and opportunity – so that all of Scotland's people can flourish – is a shared aspiration for the Scottish Government and local government through the National Performance Framework, and this is reflected in all Single Outcome Agreements. In the Local Government portfolio, the Scottish Government's commitment to creating a more equal Scotland - working jointly in partnership with local government – includes preventative spend measures, the council tax freeze, extending exemption from council tax to articulating² students, and maintaining police numbers.

A new change fund to support preventative spend in the early years has been established, and the existing change fund to enable independent living for older adults has been expanded. These change funds support greater alignment of budgets across the public sector on a preventative and outcomes-focused basis. They also provide an opportunity to secure positive outcomes for some of the most vulnerable and excluded people in society, including older adults, disabled people, people from ethnic minority groups, (including Gypsies/Travellers) young children, and people living in deprived areas. Local government will keep any savings that accrue as a result of the deployment of these funds, which can then be used on other front-line services.

One element of the portfolio's contribution towards tackling inequalities is the continuation of the council tax freeze. This is intended to offer some protection to households, particularly those on lower incomes, from rising living costs. In absolute terms, households in the upper half of the income distribution gain the most from the policy on average, as they generally live in higher banded properties. However, in terms of council tax as a proportion of net household income, households in lower income deciles and pensioner households are estimated to see the greatest benefit on average.

The extension of the council tax exemption to articulating students is likely to have a positive impact on students from more deprived areas. A Scottish Funding Council Consultation Report '*Articulation for All*' (2007) stated that 21 per cent of full-time articulating students came from the most deprived areas, compared to 11 per cent of other full-time entrants. Articulation is entry into year two or three of a degree course using an HNC or HND as entry qualification. At the moment, college students who decide to complete a degree in this way are not eligible for council tax exemption in the period after their HNC/HND has finished but before they have joined the degree course, whereas other degree students are exempt from council tax during the summer breaks.

² Articulation is entry into year two or three of a degree course of a Higher Education Institution using an HNC or HND as entry qualification.

The Scottish Government and local government have a shared role in improving the Scottish economy and outcomes for people. For example, the Scottish Government has committed that the total number of police officers will be maintained at 1,000 more than were in post before this Government came into office. As a result, the police grant will be maintained in 2012-13. The number of police officers has an impact on crime. It is clear that less crime makes communities safer and improves quality of life for all groups, but safety is particularly important for those who could be considered more vulnerable, such as older people, and those who are victims of hate crime and domestic abuse. The commitment to maintain teacher numbers in line with pupil numbers and secure places for all probationers who require one under the teacher induction scheme will largely benefit women who make up the majority of this workforce.

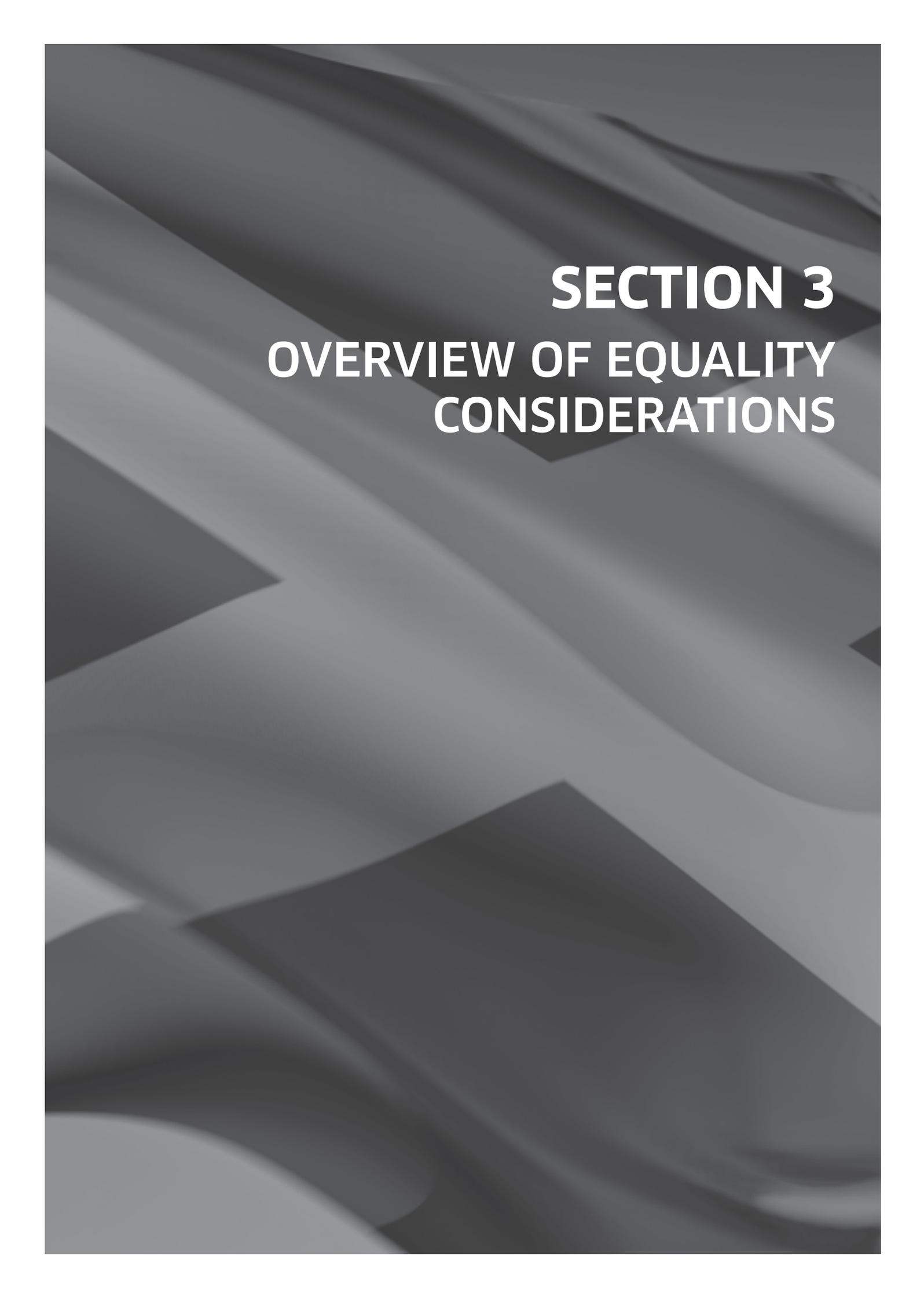
In terms of wider cross-portfolio issues, there is an expectation that local government will contribute to the costs for proposed infrastructure and capital investment programmes, some of which may result in positive outcomes for certain groups. For example, the proposed construction of new council houses could be expected to have a positive impact on people on lower incomes.

Local government has responsibility for pay and workforce policies for its staff. Appropriate equality impact assessments should inform any adjustment that local authorities propose in the workforce or in service delivery, as part of efforts to accommodate the real terms reduction in their overall funding package. They should also monitor the impact that voluntary uptake of severance schemes has on the equalities profile of their organisations³.

SUMMARY

Local government has responsibility for many of the key services that people in Scotland value, such as education, housing and social care. However, they are committed – in partnership – to delivering Scottish Government commitments and protecting front-line services. Within their overall budget, it is for local government to determine how best to take account of equality issues – for both service users and staff – and to assess the potential impacts of decisions they make. The Scottish Government will continue to work collaboratively with local government towards outcome-focused public services, using the framework provided by the Equality Act 2010. This helps public bodies to recognise and reduce negative impacts on equality groups and also helps to promote equality by ensuring that services are responsive to local people's needs.

3 The Equality and Human Rights Commission is currently undertaking initial work that will look to establish tools to help councils (and their Community Planning Partnerships where appropriate) understand how equality outcomes can be better identified, measured and tracked through Single Outcome Agreements, performance management and self evaluation frameworks.



SECTION 3
OVERVIEW OF EQUALITY
CONSIDERATIONS

CHAPTER 15
Assessment by
Characteristic

OVERVIEW OF EQUALITY CONSIDERATIONS

This chapter provides an overview of some of the main equality considerations arising from the Scottish Spending Review 2011 and draft Budget 2012-13. We have looked across the equality characteristics as defined in the Equality Act 2010 but there is very limited information available on the impact of proposals on religion, sexual orientation and gender identity at this stage. Therefore this statement has focused upon gender, disability, age and ethnicity¹. The analytical report accompanying this statement, *The Position of Scotland's Equalities Groups: Revisiting Resilience in 2011* sets out the economic position of these equality groups in Scotland, and demonstrates our awareness that recessions, budgets and opportunity fall upon an uneven landscape.

As noted in 2010, we remain aware of the importance of understanding the intersectionality of equality characteristics that individuals carry². While everyone in Scotland has a number of equality characteristics (age, gender and so on) for some people the combination of discrimination experienced as a result can mean they encounter particular barriers to opportunity, and to achieving their potential. The presentation of assessment for separate equality characteristics in this chapter aims to focus on the cumulative effect of proposals in the Scottish Spending Review 2011 and draft Budget 2012-13 for people in these groups, cognisant that if a person is e.g. female, disabled and from an ethnic minority group, she is likely to experience compounded effects. The final chapter of *The Position of Scotland's Equality Groups: Revisiting Resilience in 2011* illustrates some of these compounded effects.

The sections below set out a qualitative analysis of the proposals in the Scottish Spending Review 2011 and draft Budget 2012-13, assessing probable and differential impacts, as far as we can. 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 at this stage.

Gender

Women's and men's lives very often take different paths which are not equal in terms of their choices, opportunities and outcomes. This is manifest in different economic experiences, caring responsibilities, working patterns, sources of income, patterns of expenditure and dependence on public services. We recognise the significance of this in the decisions we make, and acknowledge the discourse and analysis that emerged following the policy and spending announcements of the UK Government since 2010. Consequently, the public sector cuts arising from the UK Government's spending decisions combined with the emerging welfare reform programme are set to have a particular effect on women's jobs, incomes and services. We focus on women in this section, while acknowledging those decisions that carry male-specific outcomes.

Women's role in Scotland's economy is integral to the success of the nation, whether as earners, carers, consumers or employers. In two fifths of all Scottish households,

¹ With some consideration of 'religion' where matters of ethno-religious identity are relevant

² 'Intersectionality' is a means of understanding how various categories such as gender, race, class, disability, and other axes of identity interact on multiple and often simultaneous levels, contributing to systematic social inequality, emphasising that individuals cannot be analysed through a single identity lens.

the woman has the highest personal income³, and demonstrating how far Scotland and its economy has changed, only 10 per cent of working age women are economically inactive due to 'looking after home or family'⁴.

It remains true that in certain sectors women's economic contribution can be undervalued; assumptions persist about the roles of men and women, contributing to the unfair segregation of certain opportunities and occupations. This manifests in the gender pay gap of 12 per cent⁵ in Scotland and the under-representation of women in decision making and in senior management positions⁶. However, there are positive signs of rebalancing in certain sectors, and it is within the opportunities being created to address youth unemployment, that potential also exists to make progress (such as in Modern Apprenticeships).

As noted in some detail in the 2010 report, women and men have different patterns in terms of where they work, whether they work full or part time and the types of jobs that they do. Thirty eight per cent of working women are employed in the public sector where they account for 64 per cent of the workforce and in some parts of the public sector such as primary school teachers, they account for over 90 per cent of staff. Both within the public and the private sectors women are more likely to work part time than men and are more likely to work in lower paid jobs. It is important to recognise that underpinning these private and public sector roles is the essential contribution women make as the main providers of childcare and family care⁷, and to acknowledge that of the 80,000 people in Scotland who report that they work for a charity, voluntary organisation or trust, two thirds are women⁸.

Since the 2007 spending review, the wider economic landscape has shifted from one characterised by economic recession to an environment of uncertain recovery, retrenchment in public expenditure and UK-driven welfare reform. The welfare reform proposals negatively impact women, most notably in the case of lone parent related benefits given over 90 per cent of the lone parent population are single mothers. The tentative recovery has been evident in signs of improvement in the Scottish labour market which to some extent has been experienced differently by men and women. The general pattern of the last year has been one of men moving out of unemployment and inactivity into employment, while women have moved out of inactivity into employment and unemployment. Scotland's employment rate increased by 1.6 percentage points over the last year: within this male employment rose 1.9 percentage points to 75.6 per cent and female employment rose by 1.3 percentage points to 68.3 per cent⁹.

3 Scottish Government (2011) *Scotland's People Annual Report: Results from the 2009/2010 Scottish Household Survey* Scottish Government: Edinburgh. *Scotland's People Annual Report*

4 Ibid.

5 Perfect, D. (2011) *Gender Pay Gaps: Equality and Human Rights Commission Briefing Paper 2*. EHRG: Manchester. Equality and Human Rights Commission Briefing paper 2: Gender pay gaps

6 Blake Stevenson (2010) *Equality and Diversity Baseline Information on Scotland's Key Economic Sectors*. Scottish Enterprise and Highlands and Islands Enterprise.

<http://www.scottish-enterprise.com/about-us/how-we-work/resources/research/sectors.aspx>

7 2001 Census indicated that 60 per cent of unpaid care is provided by women.

8 Annual Population Survey 2010

9 Labour Force Survey

We remain concerned about the potential impacts of key elements of the proposed UK Welfare Reform programme, which threaten to limit women in Scotland's access to paid work, reduce household income and impinge upon their financial independence. In particular, single mothers stand to be disproportionately affected by the suite of reforms.

Scottish Spending Review 2011 and draft Scottish Budget 2012-13

The commitment to both preventative spend and the protection in real terms of the spending on Health and NHS services further secures positive outcomes for citizens in Scotland, but for women in particular. Protecting public sector jobs and the delivery of public services is beneficial for particular equality groups. Analysis of the effects of the pay policy for 2011-12 indicates that it has been the lower paid, and women in particular who have benefited from the protection of both their wages and their jobs¹⁰.

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 (depending on the services being redesigned) we anticipate that appropriate consideration will be given to equality analysis and assessment by each public authority. The impact of voluntary severance schemes that have been introduced to date upon the gender profile of organisations should inform such assessment moving forward.

A number of commitments made in the Budget will be beneficial for women and for the promotion of gender equality:

- Protection of NHSScotland spend and services.
- Continued support for Free Personal Care.
- Addressing hate crime (including transgender).
- Commission on Women Offenders has been set up to recommend practical measures to reduce female reoffending and the female prisoner population.
- Maintaining free access to Higher Education.
- Teacher numbers maintained in line with pupil numbers.
- Scotland Rural Development Programme 'LEADER' programme maintained.
- The Equality budget maintained to promote gender equality and enabling key frontline support to tackle violence against women and domestic abuse.

It is both as service users and workers that women in Scotland stand to benefit particularly from the range of commitments made as part of the Social Wage and offered in this Budget. While the retention of free prescriptions and the council tax freeze benefit all, more women than men benefit from free personal care, participate in Higher

¹⁰ Scottish Parliament Information Centre (SPICe) (2011) Impact of the Scottish Government Pay Freeze. Scottish Parliament: Edinburgh.

Education and have a Travel Pass and use it frequently. Women make up 64 per cent of the total public sector workforce so the extended public sector pay freeze protects these jobs, while the wage protection offered by the measures in place for those earning less than £21k protect the incomes of more women than men. While we propose to prioritise and sustain our spend in NHSScotland, this again provides protection to the 77¹¹ per cent of NHS jobs held by women. Within this spend, both men and women benefit specifically from services that have been prioritised, such as the cancer focus and in initiatives such as the Family Nurse partnerships which work with vulnerable young mothers.

The emphasis on preventative spend across this spending review period especially in the Adult Social care change fund, particularly benefits carers (the majority of whom are women). Carers also stand to benefit by inclusion in the eligibility for the Energy Assistance Scheme, recognising not only that many of these are women on low incomes, but that their wellbeing and contribution are essential to a flourishing Scotland.

The Equality budget enables a focus on gender equality and investment in key areas such as tackling violence against women. In the Justice, Local Government and COPFS portfolio spending plans we see a continued priority for providing adequate policing to reduce crime that falls primarily on women (such as domestic abuse), transgender (hate crime) and on men (knife crime). The Commission for Female Offenders aims to examine thoroughly the issues surrounding the concerning rise in the female prison population. The adjustments to legal aid arrangements are likely to affect both genders differentially; men seeking assistance for criminal cases and women seeking help in civil cases.

Female students continue to benefit particularly from investment in Further Education and Higher Education, while in plans for the 25,000 Modern Apprenticeships and also investment for energy infrastructure, there is a recognition that occupational segregation should be tackled in these areas of opportunity.

However, this is a challenging Budget in terms of the reductions in the funding available in the public sector. Detailed plans of how workforce efficiencies are to be delivered have not yet been articulated or assessed by our partners, and it is important to monitor the impact of reductions via voluntary severance schemes upon the profile of public sector organisations. The commitment to maintain teacher numbers in ratio with pupil numbers is likely to benefit women more than men as they predominate in this sector. However, acknowledging that women outnumber men across Scotland's public sector, and particularly in administrative and back-office roles where efficiencies are anticipated, it is likely they may be negatively impacted by efficiency reductions in staffing. Men are more likely to be adversely affected by cuts in overtime.

Disability

The range of circumstances affecting Scotland's disabled people is very wide indeed; this is one of the equality characteristics where intersectionality plays a strong role in determining outcomes. Generally however, disabled people and their families are at increased risk of disadvantage and poverty. Around one in five people in Scotland aged

¹¹ ISD Scotland (2010) Workforce Statistics.

16+ report having a 'long term limiting illness, a disability or both'.¹² This proportion increases with age: while 10 per cent of people aged 16-24 report this, almost thirty per cent of those aged 75+ do so.¹³ It is 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 to living independently, often the product of negative assumptions about what disabled people can and cannot do. Disabled people have much lower employment rates (49 per cent) than those without a disability (78 per cent), and have much higher economic inactivity rates¹⁴. Around 1 million adults in Scotland report having work-limiting conditions or disabilities, of these, around 750,000 are of working age. The inactivity rate of working-age disabled adults is 47 per cent, much higher than that for the population as a whole¹⁵. The bottom two income quintiles contain 54 per cent of all disabled individuals compared to 37 per cent of all non-disabled individuals.¹⁶ Disabled people have lower levels of qualifications and are likely to be in lower paid jobs, although the situation varies for different types of disability. Again, intersectionality plays a role, and research in 2008 suggests that the position may be much worse for women than for men¹⁷.

The legacy of the recession has increased competitiveness in the Scottish labour market, and many disabled people feel this has reduced the chances of employment for those seeking work. As the details and implementation of strands of the UK welfare reform programme emerge, the Department of Work and Pension's equality assessments identify disabled people as those most likely to be negatively impacted by the reforms, in advance of Universal Credit being introduced.

Scottish Spending Review 2011 and draft Scottish Budget 2012-13

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. The protection of the spend for health and NHS Scotland is particularly valuable for disabled people.

- National Concessionary Travel Scheme for Disabled People.
- Commitment on Free Personal Care.
- Continued investment and support for self-directed support.
- Roll out of the sensory impairment models of centres of excellence.
- Support for the delivery of Scottish Strategy on Autism.
- Preventative spend funds.

¹² Annual Population Survey 2010

¹³ Annual Population Survey Jan-Dec 2010, ONS

¹⁴ Scottish Government (2011) *Local Area Labour Markets in Scotland: Statistics from the Annual Population Survey 2010*. <http://www.scotland.gov.uk/Publications/2011/08/09172458/17>

¹⁵ Ibid.

¹⁶ Households Below Average Incomes, 2009/10

¹⁷ Longhi, S. and Platt, L. (2008) *Pay Gaps Across Equalities Areas*. Equalities and Human Rights Commission: Manchester.

- Increase in funding to prisons, protecting personalised programmes for prisoners with physical and learning disabilities.
- Energy Assistance Programme providing assistance for households with disabled children and adults.
- Continued work with VisitScotland to promote accessible tourism.
- Continued work on promoting disability equality and supporting independent living.

This Budget prioritises the needs of Scotland's disabled people in a number of initiatives, support funds and sustained commitment. Sustaining the funding of the National Concessionary Travel Scheme is important for disabled people. The equality assessment of the scheme identified how those disabled people who use the scheme benefit from it, as it enables essential access to facilities and opportunities, increases mobility and contributes to disabled people's aspiration of independent living. Sustaining this funding explicitly recognises that many disabled people in Scotland also live on low incomes, so this, along with measures such as Universal Home Insulation and energy assistance schemes combine to reduce the cost of living. The protection of the NHS budget will continue to provide the levels of care, treatment and support required to support wellbeing and independent living, and the focus on preventative spend aims to reduce demand in better co-ordinated service delivery.

Through personalised approaches in key programmes (such as GIRFEC), the needs of disabled children, and those with additional learning needs (and their families) continue to be recognised and met over this spending review period. Recognising that accessing facilities and opportunities for independent living is essential, the continuation of the capital maintenance budget across several portfolios will ensure that Scotland's public buildings continue to improve their access facilities. Combined with specific sectoral effort (such as in VisitScotland's efforts to improve visiting experience for disabled people in Scotland), a commitment to retaining free admission to National Collections and museums, and national projects such as the new V&A in Dundee, this should enable disabled people to more routinely access and experience arts, services and environmental goods.

Whilst there is continued pressure on the housing budget the high beneficial impact of spend on adaptations (to allow disabled or elderly people to remain in their homes) means this spend will be protected, relative to the rest of the portfolio over the spending review period. In delivery, links will be made to additional budgets available elsewhere. While the local government settlement is designed to protect front line services, it will remain essential that appropriate equality impact assessment is conducted upon further delegated spending decisions.

Of particular concern is that as a result of the proposed programme of welfare reforms, based on DWP's own equality assessment disabled people are set to face a period of uncertainty, transition and, very possibly, reducing income. It is therefore even more important to integrate personalised care plans with service redesign, involving the disabled service user.

The focus on the vital role of the third sector is welcome (more disabled people work in this sector than in others) and it is recognised that disabled workers tend to be living on lower incomes. Therefore, the wages protection offered to the lower-paid in the public sector will benefit disabled workers particularly, alongside the protection of jobs that the pay freeze affords.

In light of the possible impact of the current funding pressures on equality groups, including disabled people, we have continued support for the Equality budget. This allow us to maintain a strong focus on disability equality issues and to help advance independent living for disabled people.

Ethnicity

Scotland's ethnic minority population is proportionately smaller than for the UK as a whole, of certain diversity and with particular settlement patterns. It remains true that social and economic outcomes suggest that opportunities and life chances, while very mixed for this broad group, are generally unequal for ethnic minority people when compared with non ethnic minority in Scotland. Scotland's ethnic minority population is around 3 per cent.¹⁸

It is widely acknowledged that data availability remains a key challenge in our efforts to fully understand the unequal outcomes for ethnic minority populations, identify possible causes and potential policy or budgetary responses. We are committed to improvement of available data, especially to understanding the additional equality dimensions within differential outcomes (such as age and gender). We anticipate that the knowledge provided with 2011 Census data will guide our investment in priority areas. We also acknowledge that often the differences between groups *within* the total minority ethnic population (e.g. Higher Education participation rates, labour market outcomes and health outcomes) are greater than the differences *between* the majority and minority ethnic groups, so the complexity of circumstance and outcomes in relation to ethnicity require detailed and sensitive analysis.

Most of Scotland's ethnic minority populations live in large urban areas, particularly in the cities of Glasgow, Edinburgh, Aberdeen and Dundee. Recent migration from A8 nations has resulted in settlement in more rural locations, such as Inverness. Whilst South Asian and Pakistani people have concentrations in both the most and least deprived neighbourhoods, certain groups, for example Indian, are more likely to live in less deprived areas.

Generally, people in ethnic minority groups are less likely to be in employment than the general population, and are concentrated in particular sectors. The overall employment rate for the minority ethnic population is lower than for Scotland as a whole (58 per cent against 72 per cent)¹⁹ and 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.²⁰

18 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. The 2011 Census is expected to report in 2012, but meanwhile recent and consistent data from the Annual population Survey suggest that this figure has increased to around 3 per cent.

19 Scottish Government (2011) *Local Area Labour Markets in Scotland: Statistics from the Annual Population Survey 2010*. <http://www.scotland.gov.uk/Publications/2011/08/09172458/17>

20 Annual Population Survey 2010

The information we have about on income, poverty and ethnic minority households presents a complex situation for Scotland. While minority ethnic groups as a whole have higher poverty rates (those self classifying as Asian have the highest rates)²¹, there is likely to be considerable variation between Scotland's ethnic minority groups, and even within this classification. Minority ethnic households also generally have lower incomes, have larger families and are more likely to have higher numbers of dependent children. For those families with children, patterns of work and childcare vary among and between ethnic minority communities. Economic inactivity rates for women remain high among some groups (especially South Asian women). 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 that are used by minority ethnic communities are delivered by local government and public service delivery partners and they will be aware of the importance of ensuring that changes are considered for their impact on race equality and equalities more generally.

Scottish Spending Review 2011 and draft Scottish Budget 2012-13

- Continued funding and focus on community policing – vitally important in seeking to reduce racist incidents.
- Equality budget maintained – supporting activity to promote race equality and tackle racism.
- Maintain free access to Higher Education.

As service users, people with ethnic minority identities stand to benefit from the sustained investment in Scotland's economy. However, as they are over-represented in the low income groups, they stand to benefit particularly from spend in social policies aimed at improving wellbeing and opportunity. With improvements in equality assessment and diversity approaches across much of the public sector, these essential services are being increasingly delivered in more culturally appropriate ways and with greater appreciation of the needs of communities. With a focus on personalisation, programmes such as *GIRFEC* and the *Curriculum for Excellence* aim to deliver educational support appropriately, for example offering translation support and offering an inclusive and diverse context for the Curriculum. Of particular concern is the Gypsy/Traveller community, who are particularly affected by discrimination and exclusion, and asylum seeker/refugee families, who may have specific needs. These groups may particularly benefit from the preventative spend initiatives, and from support that is specifically delivered within the retained Equality budget.

All ethnic minority groups in Scotland have a younger age profile and generally have lower mortality rates than the general population. It is likely therefore that the priority in this Spending Review given to creating and sustaining a broad range of opportunities for Scotland's young people will particularly improve the life chances of those in ethnic minority communities.

²¹ DWP Family Resource Survey

A high proportion of ethnic minority school leavers go on to further and higher education and the protection of Education Maintenance Allowance is also likely to bring significant positive impact for the lower income students in group.

Issues around ethnicity, faith and identity are recognised specifically within the retained Equality budget. This promotes Interfaith activity especially, and this year within the Justice budget, specifically combats sectarianism. This supports the Scottish Government's commitment to foster good relations as part of its duties under the 2010 UK Equality Act.

The commitment to community justice and adequate policing will offer appropriate support to the focus on tackling Hate Crime in Scotland, with intended improved access to justice and better outcomes for the victims of such crime.

Age

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

Both young people and older people are high users of public services. For younger people their use is heavily concentrated in education services and those aimed at delivering services for children and families, whereas for older people their use is more concentrated on health and social care as well as support and access services such as concessionary travel. The intention for both these groups is to deliver high quality services which improve their life outcomes, recognising the wider societal benefit to improving life chances for Scotland's young people especially. In addition, outcomes for both of these groups can be improved by effective early intervention actions.

As with other countries, youth unemployment is higher than for other age groups. In Scotland, unemployment for 18-24 year olds was 18.9 per cent, indicating a rise of 3.7 percentage points in the past two years.²² 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 workers²³.

Seventeen per cent of Scotland's population is over retirement age²⁴, and 8 per cent are aged 75 and over²⁵. 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 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.

²² Information on employment and unemployment by age in the following section is taken from the Labour Force Survey which is not the recommended source of data for the Scotland level, but does provide more timely estimates. The Annual Population Survey (APS) is the preferred source as the sample size is larger thus reducing volatility of the data.

²³ Annual Population Survey, Jan-Dec 2010, ONS

²⁴ GROS (2011) Mid-2010 Population Estimates Scotland

<http://www.gro-scotland.gov.uk/statistics/theme/population/estimates/mid-year/2010/index.html>

²⁵ Ibid.

Scottish Spending Review 2011 and draft Scottish Budget 2012-13

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

- Protecting the NHS budget.
- Detecting cancer early.
- Council tax freeze.
- National Concessionary Travel Scheme.
- Increased spending on energy assistance.
- Retention of EMAs.
- Preventative spend funds.
- Maintain free access to Higher Education.
- £10 million over 6 years of SRDP funding supporting new entrants and helping young farmers (under 40) setting up farm business for the first time.
- *No knives, better lives* youth engagement campaign extended.
- *CashBack for communities* funding projects seeking to divert young people away from 'at risk' behaviour and support long-term positive outcomes.
- Implementation of the *National Dementia Strategy*.
- Delivery of the *Carers and Young Carers Strategy*.

The government's spending plans continue to prioritise the wellbeing of older people, with the extension of existing provision into the Social Wage which affords particular protection for older people. The council tax freeze benefits married pensioners most (as a proportion of their income) while the public sector pay policy is protecting the jobs of Scotland's public sector workforce, which has an older age profile (33.4 per cent compared to 26.7 per cent)²⁶, and the wages of the third of workers 55 and over, who earned less than £21k.²⁷ Free prescriptions benefit all, but the continuation of free personal care benefits older people (and their carers) particularly. The National Concessionary Travel Scheme benefits several equality groups, including certain groups of younger people, and eligible older and disabled people, and those living in the island communities.

The protection of health services will benefit its many older users, but it is likely that the allocation of preventative spend funds in the Adult Social Care change fund will result in better and healthier life expectancy, less demand on services and increased wellbeing for older people. The continued commitment to the delivery of free personal

²⁶ Annual Population Survey Jan-Dec 2010, ONS

²⁷ Scottish Parliament Information Centre (SPICe) (2011) Impact of the Scottish Government Pay Freeze. Scottish Parliament: Edinburgh

care continues to benefit those older people receiving the care, but also protects the jobs of the older cohort of (largely female) employees who deliver this essential service.

Scotland's older people benefit significantly from the investment in social housing, and the manifesto commitment to create 30,000 new affordable homes over 5 years and the prioritisation of maintaining the fund for adaptations (relative to the portfolio, across the spending review period) should sustain the provision of such housing support. Several of the commitments for energy efficiency, such as the Universal Home Insulation Scheme and Energy Assistance packages, aim to help keep older people out of fuel poverty, especially those on low incomes.

For young adults, the continued commitment to retain the Education Maintenance Allowance in Scotland, and investment in maintaining free access to Higher Education, combine to combat the prevailing and challenging difficult conditions for young people seeking qualifications and work. In addition, specific outreach programmes in Culture (such as the Young Music Initiative) and in the form of the *CashBack for communities* schemes aim to build resilience in young Scots for the future.

Socio-economic

In providing this overview we interpret the term socio-economic as those on the lowest incomes, and as such, the Scottish Government's 'solidarity' target, which we have confirmed our commitment to in the new Government Economic Strategy, remains a useful guide for progress²⁸. In essence, much of Scottish Government spend is targeted at people who are vulnerable to poverty. However, we recognise that it is both the people experiencing poverty and the particular places of high deprivation in Scotland that stand to benefit from sustained support.

Scottish Spending Review 2011 and draft Scottish Budget 2012/13

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

- Free prescriptions.
- Preventative change funds.
- Increasing funding for community justice.
- Protecting the NHS budget.
- Family Nurse Partnership.
- Retention of EMAs.
- Council tax freeze.
- Increased spending on energy assistance measures.
- Commitment to the Scottish Living Wage.

²⁸ To increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017

- Increase in funding to prisons.

As Scotland weathers this period of economic austerity and change, the Social Wage will help households meet the financial challenge, and the poorest in our communities in particular. Those on the lowest incomes and living in areas of highest deprivation also rely most heavily on our public services. Therefore the retention of key universal services, combined with a commitment to protect jobs, will benefit those on lower incomes most.

The frozen council tax benefits, as a proportion of household income, households with the lowest incomes most, while an additional 600,000 people with annual incomes less than £16k have benefited from the abolition of prescription charges. Of those eligible for Travel Passes, it is those on the lowest incomes that are most likely to have a pass and use it frequently. Of the public sector workforce, it is those on salaries of less than £21k whose incomes have been protected (e.g. 37 per cent of NHS staff) and who benefited from the extension of the Scottish Living Wage. Combined with our spending decisions below, which prioritise the protection of services most used by those on the lowest incomes, the Scottish Budget demonstrates its ongoing commitment to tackling poverty.

In terms of prioritising those on the lowest incomes as beneficiaries of the Scottish budget, a number of protected or enhanced programmes are specifically targeted at people living in areas of high deprivation or living on low incomes. The very significant investment across portfolios and in partnership with local authorities to preventative spend reinforces our commitment to tackle the patterns and cycles of poverty that persist in Scotland. Initiatives such as the *Family Nurse Partnerships* demonstrate very well how dedicated, co-ordinated and focused support can improve outcomes. The overall protection of health services will benefit the very many users who live in areas of high deprivation. 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. With the provision of access to free Higher Education based on *ability to learn, not to pay*, this Scottish Spending Review and draft Budget 2012-13 signals a very strong commitment to investing in learning as a route out of poverty.

Recognising the *place* context of some of the challenges associated with low-income, many policies have prioritised delivery in Scotland's areas of highest deprivation. Such areas contain the majority of the victims and perpetrators of crime, and so a strong continued investment in community justice, focusing on crime reduction and victim support benefits many people in these areas.

The challenge of reducing household expenditure (in low income homes) is addressed in the *Energy Assistance Package* and *Universal Home Insulation* scheme, which prioritises 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 meeting of the manifesto commitment to provide 30,000 new affordable homes over 5 years will also benefit those on lower incomes.

It is hoped that landmark commitments such as the 2014 Commonwealth Games are designed and delivered in such a way as there is a legacy of benefit for Scotland's most disadvantaged people. Therefore the continued commitment to regeneration in the Clyde Gateway alongside planned health and environmental legacy work should serve as an investment in that area's future wellbeing and prosperity. Enabling participation for those who can least afford it remains the principle behind the commitment to retaining free admission to the National Collection's museums and galleries, benefiting those on low-incomes, many of who are disabled, ethnic minority and older.



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