

EQUALITY STATEMENT SCOTTISH BUDGET 2019-20



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FOREWORD

CABINET SECRETARY FOR SOCIAL SECURITY AND OLDER PEOPLE

CABINET SECRETARY FOR FINANCE, ECONOMY AND FAIR WORK



Last year, the 2018-19 Programme for Government and subsequent Scottish Budget set a path to address the big challenges faced by Scotland: improving our nation's health, giving all our children and young people the best start, adapting to changing demographics and building a low carbon economy. It also set out our determination to use our revenue raising powers to make Scottish income tax fairer and more progressive.

A golden thread throughout was an over-riding imperative to tackle inequality in Scotland, in all its forms. Together, they presented a vision of a nation leading the world in innovation while staying true to enduring values of social justice.

In the past year, we have shown time and again how we can take a progressive approach that reduces inequality. We have funded commitments to pay the living wage; removed the public sector pay cap; expanded early learning and childcare; and produced a delivery plan to tackle child poverty. We have invested to improve educational attainment for those living in less advantaged communities and maintained concessionary fares and passes on public transport. And we have used our new powers to establish a Social Security Agency and an employability programme that have dignity and respect at their heart while mitigating, where we can, the damaging welfare agenda of the UK government.

That work continues through this year's Programme for Government 'Delivering for Today; Investing for Tomorrow' and is further emphasised in our budget decisions for 2019-20, where we have continued to focus on how our policies and decisions affect different communities. This year's Equality Budget Statement, the tenth in the series, again provides a transparent consideration of how our budget will impact on all groups of the population.

Scotland leads the world in producing a consideration of its Budget that examines effects on so many equality groups, as well as socio-economic impacts, and we are committed to continuing to improve this in future years.



Shirley Ann Somerville

Cabinet Secretary for Social Security and Older People



Derek Mackay MSP

Cabinet Secretary for Finance, Economy and Fair Work

CHAPTER 1

Introduction to Equality, Fairer Scotland and the Scottish Budget 2019-20

INTRODUCTION

Embedding equality, human rights and Fairer Scotland duties when setting a vision, and when designing and delivering policies can be transformative. Equally, the way in which budgets are allocated and their alignment to the vision and priorities of a government has a clear impact on people's lives.

The Scottish Budget is set within a strategic context and financial envelope which means that there is always a difficult balance to find between many, often competing, objectives and legal requirements. Within this reality the Scottish Budget has due regard to its equality and Fairer Scotland duties. It aims, wherever possible, to target spend over time to reduce measurable differences in outcomes by protected characteristics (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) or by socio-economic disadvantage, when compared with the rest of the population.

The Public Sector Equality Duty (PSED) requires public authorities (including the Scottish Government) to have due regard to the need to: eliminate discrimination, harassment, victimisation; advance equality of opportunity; and foster good relations between persons who share a relevant protected characteristic and persons who do not.

The **Fairer Scotland Duty (FSD)** arises from Part 1 of the Equality Act 2010 and came into force in Scotland from 1 April 2018. It sits alongside the PSED, asking public bodies to have due regard to how decisions can reduce inequalities of outcome caused by socioeconomic disadvantage.

The norms and standards contained in **international human rights** treaties guarantee equality and obligate governments not to discriminate against groups or individuals. With regard to the Scottish Budget this means:

1. Revenue-raising policy has differential impacts on different populations. Revenue must be raised in a way that does not discriminate against any specific group on the grounds of protected characteristics or income (unless justification for the differentiation is reasonable and objective).
2. Allocations and expenditures must not be discriminatory and should be implemented in such a way as to enhance equality¹.

¹ Background briefing paper on human rights budgeting and budget analysis by Ann Blyberg for the Scottish Human Rights Commission.

This year's Equality Budget Statement (EBS) sets out how the Scottish Budget 2019-20 invests in the physical and social infrastructure required for a strong, innovative, inclusive economy. This approach, when combined with the provision of high-quality universal services and progressive taxation, means that the Scottish Budget 2019-20 represents a strong social contract between the Scottish Government and the people of Scotland.

STRATEGIC CONTEXT TO THE BUDGET

Continued leadership in approach – At the beginning of this parliamentary term, the First Minister set out a commitment to equality of opportunity, fulfilling rights and tackling inequalities. This message has been repeated through numerous engagements and was further reinforced in the 'Programmes for Government' published in September 2017 and in September 2018. The Scottish Government recognises that equality, social justice and inclusive growth are interconnected, and that action to give effect to international human rights treaties requires concerted action to promote genuine equality of opportunity and esteem for all.

Setting a clear vision and agreed values – In July 2018, the Scottish Government published a revised National Performance Framework (NPF). This new NPF was built from the bottom-up, listening to people's views. It embeds the UN Sustainable Development Goals (SDGs) – 17 goals reflecting the most pressing challenges facing our world. It then identifies a set of aligned outcomes that the people of Scotland want to achieve and values that set the tone for that action. This new NPF drives a shift from a "whole of government" approach to a "whole of Scotland" approach requiring contributions from all parts of society to make the vision set out in the framework a reality. The NPF will be actively monitored through outcome indicators allowing the Scottish Government, the wider public sector, and other partners the opportunity to identify if action is needed. The NPF also allows proper consideration of not just the average position, but the reality for different equality groups. Breakdowns by protected characteristics, socio-economic disadvantage and place are all built into the new framework where data allows.

Building for the future and creating the Scotland we want – The Programme for Government 'Delivering for Today: Investing in Tomorrow' published in September 2018 set out the Scottish Government's plan of action for the year ahead and set the strategic context for the Scottish Budget 2019-20. It lays down ambitious roadmaps for the future of the Scottish economy and workforce, committing to a mission to raise infrastructure spend to internationally competitive levels while continuing the commitment to digitally enabled and low carbon growth.

The Scottish Budget 2019-20 supports these ambitions, by building for the future; funding the economy through investment in infrastructure of roads, housing, rail, buses, digital access, carbon reduction and the Scottish National Investment Bank. Through this investment it prioritises and invests in an innovative and a competitive business environment.

But, with equal importance, the Scottish Budget 2019-20 invests in people demonstrating that sustainable economic growth and prosperity for all can best be achieved by removing barriers to full participation, by supporting high levels of appropriate skills, fair work and a living wage and by harnessing the entrepreneurship, diversity, creativity, productivity and skills of all of Scottish society. Specifically, it invests in expanding the early learning and childcare sector with immediate benefits to children and parents and longer-term benefits to the economy. It increases investment in education and training through the educational attainment funding and investment in colleges, universities and skills agencies. Finally, it invests in employability and fair work through programmes that develop and encourage participation and progression in the economy from across all groups in society.

A healthy, safe and secure population is a vital component of a successful country which requires the provision of first-class public services. This Scottish Budget delivers protection for the NHS in Scotland as part of the broader commitment to increase health funding by £2 billion over the life of the parliament and provides real-terms protection for the resource budget of the Scottish Police Authority, along with support to innovative development of community justice and a fair settlement for local authorities. The development of the Social Security Agency and initial payments of new allowances show that it is possible to provide a Social Security system that treats people with dignity and respect.

The Scottish approach – Involving people in shaping the policy and services that they rely on will continue to be central to taking forward the funded policies laid out in the Scottish Budget. We will continue to actively seek and listen to the views of people with lived experience, alongside our key partners, harnessing their expertise to design appropriate policies.

Responding to Brexit – The negotiations on BREXIT continue to provide a very difficult, incoherent and uncertain context in which to plan a future for Scotland. Referendum results for Scotland showed a clear majority in favour of remaining in the European Union (EU) and recent analysis has estimated that the damage caused to the Scottish economy by leaving the EU will be significant. It is generally the lowest income households that are most severely affected by economic shocks. Once detail on terms and future scenarios are available, we will more closely examine the likely impacts for people on low income and protected characteristics to ensure that damage can be contained where possible.

Responding to UK challenges – The UK Government’s commitment to austerity, welfare reform and tax cuts for higher income households provides a difficult backdrop for the Scottish Budget 2019-20, and requires difficult decisions and choices to be made. The Institute of Fiscal Studies, Resolution Foundation and others continue to project that income and wealth inequality will grow in the UK and that planned welfare reforms will hit lower income households the hardest. Against this backdrop, the Scottish Government continues its progressive tax plans, prioritises spend to mitigate some of the worst impacts of welfare reform – including the Scottish Welfare Fund for crisis intervention, and has passed the new Child Poverty (Scotland) Act 2017, setting very ambitious targets to reduce child poverty by 2030.

Recognising new budget process – In 2017, the Parliament’s Budget Process Review Group was tasked with identifying a new Scottish Budget process that fitted the new asks of the Scottish Budget. They set out over 50 recommendations for a new process involving year-round scrutiny and focus on delivery of outcomes. This new process will take time to reach its full potential. In terms of equality assessment, the review group made two specific recommendations. First, to explore the feasibility of distributional analysis and secondly, to develop further equality assessment prior to Summer recess. Both of these recommendations were accepted and are described further in Chapter 2.

REPORT STRUCTURE

The EBS is a supporting document to the Scottish Budget 2019-20 and should be read alongside the main budget document.

The first six chapters of this year’s statement provide a strategic overview. This includes an introduction to the EBS (Chapter 1); an overview of equality budgeting (Chapter 2); an overview of Scottish Government as an employer (Chapter 3); an overview of equality impacts related to protected characteristics (Chapter 4); an overview of the Fairer Scotland assessment of the budget (Chapter 5) and an overview of the impact of the budget on child poverty targets (Chapter 6).

The remainder of the statement follows a traditional pattern, providing a summary chapter for each of the 12 Ministerial portfolios.

The Scottish Government has changed to a new model for administration costs this year. This new approach means that budget lines include the Total Operating Costs (including staff resource), rather than staffing being accounted for separately in an Administration budget. This approach gives a better picture of budget allocation, however, it does mean that care should be taken in comparing the Scottish Budget 2019-20 with previous budgets.

Alongside the Scottish Budget 2019-20 and the EBS, there will be a separately published distributional analysis of income tax changes across income groups and with respect to age, gender and disabled people.

CHAPTER 2

Evolving Equality Budgeting in the Scottish Government

INTRODUCTION

This is the tenth year that an Equality Budget Statement (EBS) has been published alongside the Scottish Budget highlighting the consistent commitment of the Scottish Government to examining the impact of the Scottish Budget on the diversity of Scotland's population. This approach supports our ambition for a fairer Scotland; an approach which is recognised as progressive and inclusive.

We are not complacent. There is room for improvement in equality and human rights budgeting processes and we are committed to continuing to improve our understanding of inequality of outcome within the limits of technical feasibility and practical resource implications.

THE EQUALITY BUDGET ADVISORY GROUP

The Equality Budget Advisory Group (EBAG) has supported the Scottish Government's efforts to bring equality considerations into budget preparations since the early years of devolution. During 2017, EBAG was represented on the Scottish Parliament's Budget Process Review Group (BPRG), discussing the implications of proposed changes on the equality assessment of the Scottish Budget. In summer 2018, Ministers decided that EBAG would benefit from having an independent external chair who could offer additional challenge. In September 2018, Dr Angela O'Hagan was announced as the chair of the group and a workplan was developed and agreed. EBAG has been tasked with working with the Scottish Government to improve equality assessment and to help them identify the range of products that could be provided to improve articulation of the budget over time. The work of EBAG remains extremely helpful to the Scottish Government in setting out its equality assessment, and we remain grateful to its members for their challenge, time and insight.

THE EQUALITY BUDGET STATEMENT APPROACH FOR 2019-20

This year's EBS marks its tenth anniversary and accordingly, a clear ongoing commitment to putting equality at the heart of the Scottish Budget. At its most basic level, the Scottish Budget takes the strategic policy direction set by government and builds a budget of revenue raising and spend that reflects these key priorities. Understanding that the people of Scotland are diverse, the EBS then analyses the Scottish Budget in relation to its impact on people who live in Scotland, with a particular focus on their protected characteristics and socio-economic circumstances.

The EBS is a continually evolving process and this year's report includes a number of improvements on previous years. However, as with all EBS documents, the basic principles remain the same – it builds on equality assessments taking place throughout the year alongside stakeholders views to help us to make the best decisions about how to target government resources.

Policy development and this year's EBS have made the most of advances in data to articulate more clearly the inequality of outcomes that need to be addressed by different portfolios. Gaps in evidence remain but there is continued effort to make the most of the core sample surveys implemented by the Scottish and UK Government and to investigate data linkage projects. In the last year, we have continued to boost the UK Family Resource Survey by 50 per cent to allow for good analysis of income and poverty in Scotland; we have boosted the Food and Living Costs survey for the first time to improve understanding of costs of living and indirect taxes; we have developed more robust income questions in the Scottish Household Survey along with other data developments such as questions on kindness and social capital and we have seen helpful results from a data linkage project looking at the future employment and earning potential of UK students. Data linkage projects do not have the same sampling issues as surveys and so allow for more fine grained analysis of impacts by protected characteristic.

Data on the full range of protected characteristics in Scotland is made available through the Equality Evidence Finder. Following a user satisfaction survey the Equality Evidence Finder is due to be launched on a new user-friendly website where it will seek to build on the key National Performance Framework indicators, providing additional quantitative and qualitative data to understand inequalities of opportunity and/or outcome for specific equality groups.

Alongside the Scottish Budget and the EBS, there will also be a published distributional analysis of income tax changes across income groups and with respect to disabled people. There is a clear understanding that revenue should be raised in a way that does not discriminate against any specific group and this analysis identifies the findings.

FUTURE APPROACHES TO EQUALITY BUDGETING

The current EBS format has many merits but it is not without criticism. Specific criticisms concern a lack of full transparency on budget options accepted or rejected; a lack of joining up of revenue raising and spend impacts; a lack of consideration of whether the budget was spent in the way anticipated; and a lack of consideration of the cumulative impact of a specific budget over time.

To allow a fuller analysis of equality impacts and in line with the recommendations of the Parliament's BPRG we will be moving to produce future equality budget assessments prior to summer recess. This will allow a more comprehensive approach regarding how the Scottish Government considers equality in the context of the Scottish Budget. It will also help to inform future pre-budget scrutiny by Parliamentary Committees and the Programme for Government.

One additional area that could be explored further is distributional analysis – that is, an analysis of how a given set of policies impact on different groups. Scottish Government already produces distributional analysis for certain individual policies, such as income tax changes. However, to further understand the impact of the Scottish Budget, one approach that can be useful is to analyse cumulative distributional impacts of Scottish policies; adding up direct and indirect taxes, Social Security and spending on public services. An expert seminar held in October 2018 and hosted by the Chair of the EBAG, concluded that despite technical challenges in capturing the entire social contract, there are steps that could be taken to extend and improve the analysis currently performed by the Scottish Government. However, the narrative around such work is highly complex. We need to make sure that analysis does not misrepresent the impact of policies and, to that end, we will further explore distributional analysis during 2019.

A final area where there is room for improvement is in human rights budgeting. This is a relatively new area of work and one in which there are likely to be significant developments over the next six months. The First Minister’s Advisory Group on Human Rights will report later this year and we are also aware that the Scottish Human Rights Commission has been undertaking research on good practice in human rights budgeting. These aspects will be picked up in EBAG’s workplan with the intention to improve analysis for next year.

CHAPTER 3

The Scottish Government as an Employer

The Scottish Government is subject to the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, which require public authorities to mainstream equality across all functions and to set equality outcomes. These aim to bring practical improvements in the life chances of those who experience discrimination and disadvantage. Our progress towards mainstreaming equality and achieving our equality outcomes will be reported in full in April 2019.

This chapter provides a snapshot of the progress the Scottish Government has made and the main priorities for spending over 2019-20 in order to deliver on our equality obligations and the Fairer Scotland Duty as an employer.

OUR VISION AS AN EMPLOYER

The Scottish Government has recently signed a Fair Work agreement with our recognised Trade Unions which sets out our commitment to being a model Fair Work employer. Our ambition is to be a world-leading, diverse employer where people can be themselves at work. We are committed to building a workforce with a wide range of backgrounds, perspectives and experiences, in which employees are valued for their unique contributions in an environment which is respectful and free of discrimination, harassment or bullying.

This is delivered through two equality outcomes. These outcomes were set in April 2017 and developed through extensive consultation with external stakeholders and Ministers:

- Outcome 1 – our workforce increases in diversity to reflect the general Scottish population by 2025.
- Outcome 2 – foster an inclusive workforce culture and value the contribution of employees from all backgrounds.

The Scottish Government developed these outcomes because research evidence shows that a more inclusive workplace is more productive and innovative, and because we believe that increased diversity drives better decision making. In being truly reflective of the society it serves, the Scottish Government as a whole will be better recognised within society – gaining broader insights, engaging more fully with all of our stakeholders and ultimately better supporting Ministers to make decisions that benefit the entire Scottish population.

The spirit of our outcomes is embedded in our vision to be a more open, capable and responsive organisation. This vision is being implemented through a corporate improvement plan by the People Directorate – the People Plan – which aims for the Scottish Government to be “highly regarded as an inclusive employer”. It also sets a challenge for the Scottish Government to take action in making our organisation fully diverse in background and thought, and to demonstrate a supportive, fair and inclusive culture where all employees can thrive and perform at their best. Our People Plan describes a collaborative and inclusive approach to delivering its work streams. It includes a dedicated work stream of “Building a diverse and inclusive culture”, as well as having diversity and inclusion threaded explicitly across all the other priorities, thus demonstrating the interdependencies and collaborative focus required to achieve the outcomes.

WORKFORCE DATA

As of September 2018:

- With respect to gender – our gender balance was 52 per cent women and 48 per cent men, with women comprising 44 per cent of the Senior Civil Service.
- With respect to race – of those reporting, 2 per cent identified as minority ethnic versus 4 per cent of the working-age population.
- With respect to disability – of those reporting, 12 per cent self-declared as disabled versus 19 per cent of the working-age population.
- With respect to sexual orientation – of those reporting, 5 per cent identified as lesbian, gay, bisexual or other versus 2 per cent of the working-age population.
- With respect to age – people aged 16-29 years represent 14 per cent of our workforce versus 28 per cent of the working-age population.
- With respect to religion and belief – of those reporting, 37 per cent identified as Christian, 2 per cent as other and 54 per cent as none versus 44 per cent, 3 per cent and 51 per cent of the working-age population, respectively.

Our annual People Survey gives key data on employees’ experience of inclusion, as measured by the Inclusion and Fair Treatment rate. In 2018, this was 82 per cent – a slight increase on 2017. This is higher than the Civil Service high performing organisations and 4 percentage points above the Civil Service average. However, analysis by protected characteristics shows that experience of inclusion is not uniformly distributed across all equality groups, with disabled employees reporting a poorer experience of inclusion.

In seeking to ensure that its workforce includes people from diverse socio-economic backgrounds, the Scottish Government has initially focused on building our internal evidence base to understand impact and shape decision making. The Scottish Government has been proactive in seeking information from its workforce on their socio-economic background via the inclusion of a question measuring socio-economic background in the People Surveys conducted in 2017 and 2018. The results from this question are reported as part of the Scottish Government’s diversity analysis of the People Survey and are available internally to all staff. The Scottish Government has used this data to help understand whether employees report different experiences in working in the Scottish Government depending on their parent or guardian’s educational attainment.

DIVERSITY AND INCLUSION RESOURCE

The Scottish Government undertook strategic work in 2017-18 to develop the corporate diversity, equality and inclusion strategies within the wider People Strategy Framework and the priorities of SG2020 (our corporate change programme). This led to a refreshed corporate offer on diversity and inclusion, which was approved by the Executive Team in March 2018.

The Scottish Government's refreshed approach focuses on upskilling, empowering and working through internal Diversity and Inclusion Stakeholders across the workforce to effect organisation-wide change that staff will see, hear and experience.

To support the delivery of this work, the resource dedicated to diversity and inclusion has been expanded. Diversity and inclusion data management, analysis and reporting on the Scottish Government as an employer is an important part of the Corporate Analytical Services Team's work and is a priority in its 2018-19 Business Plan. Consequently, in 2018-19, the Scottish Government created a dedicated social science research post on diversity and inclusion for the People Directorate for the first time.

Additionally, we have appointed a lead co-ordinator to focus on the strategic development of the staff Race Equality Network. Commitment to this post was given by Executive Team at the first staff Race Equality Network Conference held in 2017. It is the first full-time post of its kind and we will be evaluating the impact of the role in 2019-20.

WORKFORCE STRATEGY

The Scottish Government has committed to develop and embed workforce planning in our ways of working and to inform all workforce decisions. Significant progress has been made in the quality of our workforce information and analysis, with regular in-year collection of cross-organisation current and projected workforce data, standardised reporting to DG Assurance meetings on workforce numbers and on wellbeing indicators and diversity.

This work will be enhanced in 2019 by a workforce strategy which will articulate high-level principles for decision making. The strategy will provide a stronger basis for workforce planning and drive prioritisation for corporate support functions. The strategy will be operationalised through local decision making, directorate workforce planning, and corporate prioritisation. The strategy will include a diversity and inclusion-specific principle, helping to drive the decisions and actions required to advance equality of opportunity. This will ensure that the equality outcome to increase the diversity of the Scottish Government workforce to reflect the general population is explicit as a driver of the workforce we need for the future. This will shape and influence the policies, procedures (such as recruitment strategy) and actions (local workforce planning and resourcing decisions) needed to operationalise the strategy.

The strategy will be developed in partnership with recognised trade unions and through an inclusive approach with internal stakeholder engagement. This will include staff networks to encourage wider participation of different individuals and groups to ensure voices are heard and can influence the strategy.

SENIOR CIVIL SERVICE (SCS)

The Scottish Government believes that the role of leaders is critical in ensuring that effective policy translates into great practice. Every SCS must agree at least one specific and relevant equality and diversity objective. This objective captures their role in bringing the equality and diversity aspirations of the People Strategy to life across their team, the wider organisation and stakeholders.

To support senior leaders to set meaningful diversity and inclusion objectives, a guided diversity and inclusion improvement challenge has been developed to encourage them, over a four months period, to examine and understand diversity data, engage with colleagues from diverse backgrounds to hear their lived experience and reflect on their own inclusive leadership and decision making. The aim is that by the end of the four-month challenge, senior leaders will be able to craft transparent and accountable diversity and inclusion objectives that reflect local priorities and influence strategic decision making, thereby contributing to the overall delivery of our diversity and inclusion vision.

Diversity in the SCS is improving. Women comprised 43 per cent of the SCS in the Scottish Government core at the end of September 2018, an increase of 4 per cent on the 2014 position. Recent senior female appointments include HM Inspector of Constabulary, HM Chief Inspector of Prisons, Chief Inspector of Education for Scotland, Director for Energy and Climate Change and Director of Performance and Strategic Outcomes. While the Scottish Government has improved diversity over the past few years, we recognise the need for continuous work and vigilance to achieve the gender-balance commitment.

Other key areas where we wish to accelerate diversity improvement relate to disability and ethnicity. Due to low numbers, it is currently not possible to report the proportion of the SCS who have self-declared as disabled. With respect to ethnicity, 3 per cent of the SCS are minority ethnic which is ahead of the overall Scottish Government proportion (2 per cent) but still behind the wider working-age population (4 per cent). Consequently, the Scottish Government has set targets on the flow of minority ethnic and disabled people into the SCS – to have 13 per cent disabled new entrants and 6 per cent minority ethnic new entrants to the SCS by 2025.

RECRUITMENT

Ensuring equality of opportunity is a core aim of our Resourcing Policy and supporting procedures. The Scottish Government aims to employ a diverse workforce that reflects the people of Scotland. Our diversity and inclusion message is set out in all Scottish Government job advertisements.

Increasing the diversity of the Scottish Government workforce was a key success indicator for our 2018 large-scale external campaign to recruit around 150 Band B staff. This focused approach to equality included outreach supported by volunteers from staff diversity networks, regular reviews at each assessment stage to check impact on candidates with protected characteristics, diversity and inclusion-focused panel member training, use of diverse panels and pro-active engagement with candidates regarding reasonable adjustments. The exercise adopted an inclusive approach throughout – engaging with trade unions, staff diversity networks and sharing information on staff

communication platforms to enable diverse perspectives to shape and influence the process at every stage. This approach was encouraged and corporately driven, resulting in a cohort of successful candidates that is representative of the diversity of the wider Scottish population.

To encourage young people to apply for our Modern Apprenticeship posts, we target young unemployed and underemployed people using Skills Development Scotland and related websites. We also have an extensive outreach programme that includes visits to jobs fairs within High Schools, Developing the Young Workforce events and the Scottish Apprenticeship Shows across the country. To ensure diversity within our Modern Apprenticeship intake, we link with umbrella organisations within the lesbian, gay, bisexual, transgender and intersex (LGBTI), disabled, and ethnic minority communities to ensure their awareness of our Modern Apprenticeship Programme and the application process. The Scottish Government has recruited almost 700 Modern Apprentices since our programme started in 2011 and will continue to promote the programme.

Increasing diversity of background – including socio-economic diversity – is at the heart of Social Security Scotland’s ambition to attract, encourage and support applications from candidates from all backgrounds and walks of life, and to employ a workforce reflective of the full spectrum of Scottish society. Stakeholder partners – who represent and support those underrepresented in the workplace – were invited to contribute to the recruitment process through resourcing assurance groups. Recommendations from these groups have been implemented, including ‘statements of encouragement’ added to job adverts and adverts reworded.

Considerable stakeholder engagement has taken place with the Tayside area (the location of the Social Security Scotland agency base) working closely with Dundee City Council, Job Centre Plus and Fair Start Scotland, to promote jobs and ensure candidates are supported. Candidates have been offered one-to-one support on the application and interview process. Engagement with stakeholders and organisations – such as employability partners, local communities and third sector organisations – has been maintained. This allows resourcing teams to obtain continued feedback and retain important connections regarding inclusivity and diversity, thus supporting future recruitment campaigns. Standard qualification requirements have been removed for Social Security Client Advisor roles and replaced with a bespoke skills test assessing candidates’ basic literacy and numeracy abilities. This simple step of removing a qualifications barrier has been a most effective action in ensuring diversity of applicants.

Social Security Scotland is broadening, and will continue to broaden, our stakeholder network to address gaps. As result of feedback received, it has made connections with the Council of Ethnic Minority Voluntary Sector (CEMVO), Positive Prison, Poverty Alliance, Routes to Work and Scottish Union for Supported Employment (SUSE). Outcomes from this engagement are being collated and will help inform how we create a new, more inclusive, process for future recruitment campaigns.

Drawing on the lessons learned from the experiences set out above, the Scottish Government will review our overall recruitment approach in 2019 with the aim of improving diversity and inclusion through every aspect of our practice.

TALENT

The goal of the Talent and SCS Development Team is to build a strong and diverse talent and leadership pipeline. Some examples include:

- Action to increase the diversity of the applicant pool for Graduate Development Programme (GDP) 2019 included our first ever three-day conference in summer 2018. This was aimed at graduates from minority ethnic, disabled and socially or economically disadvantaged backgrounds. The purpose of the event was to provide 'open door' access to the Scottish Government, to provide support with the application process and to develop on-going mentoring relationships with existing Scottish Government staff.
- A 'diversity in the talent pipeline stocktake' pulled together a wide range of data to allow us to assess evidence of individuals with protected characteristics who were not progressing through the organisation as we might expect. This led to a gap analysis of current practice versus aspirations. This will lead to further consultation on the real and perceived barriers facing underrepresented groups and further action to level the playing field (i.e. targeted action on underrepresented groups and systemic changes where barriers become apparent).
- The new Leadership Development Framework, which will set standards for everyone in a leadership position in the Scottish Government, puts a clear emphasis on inclusive leadership.
- Support for the Civil Service Summer Diversity Internship Programme that focuses on supporting and creating opportunities for minority ethnic and disabled students, alongside students from socially or economically disadvantaged backgrounds. This programme has the long-term aim of promoting talented individuals from diverse backgrounds into the SCS. This is currently leading to an increase in target groups who are successful in joining the Fast Stream.

PAY

The Scottish Government is subject to Public Sector Pay Policy, a key feature of which is the expectation to negotiate extensions to No Compulsory Redundancy agreements. The Scottish Government is also an accredited Living Wage employer.

The mean average Scottish Government gender pay gap was 4.63 per cent (as of the 31 March 2018). This is down from 6.3 per cent in 2015. When calculated based on the median, the gender pay gap is 2.68 per cent (as of 31 March 2018).

Analysis demonstrates that average salaries of female and male staff within each grade of the Scottish Government have no gap or minimal gap. This demonstrates that Scottish Government pay arrangements are delivering equal pay for equal work or work of equal value.

We are developing a gender pay gap action plan which include commitments for the Scottish Government as an employer.

INCLUSIVE CULTURE

As an employer, the Scottish Government has been clear that there is no room for any form of discrimination or harassment. The Scottish Government is undertaking a review of our Fairness at Work policy and guidance. Furthermore, we have increased the prominence of our standards of behaviour to all staff, and are reviewing and expanding our pool of investigating, deciding and appeal officers. Training for these officers will focus on sexual harassment and will be developed in consultation with Rape Crisis Scotland. The Scottish Government is developing a pilot in three business areas to introduce an early contact team that will act as a listening ear and signposting service for staff with concerns (e.g. bullying and harassment).

To support the wider Scottish Government commitment to reduce the disability employment gap by half, we will publish a disability recruitment and retention action plan in spring 2019. This will enable the delivery of the targets set on the flow of disabled and minority ethnic people into the SCS. The Scottish Government is also undertaking a programme of innovative work – in collaboration with disabled employees – to refresh our approach to workplace adjustments and ensure that the design and delivery of services empower disabled people and remove unnecessary barriers in the workplace. We have commissioned an external company to carry out a Discovery Service Design project to review and propose a revised approach for delivering a reasonable adjustments service to disabled staff.

The Scottish Government is committed to LGBTI equality and inclusion and is a Stonewall Diversity Champion. We have refreshed our staff transgender policy and guidance which have respect and dignity for all at their core. The Scottish Government will also continue to develop guidance and learning approaches to build knowledge and confidence among staff when engaging on trans issues.

Active and engaged senior leaders and staff networks are hallmarks of progressive, inclusive organisations. The Scottish Government will continue to support our networks to hold events and initiatives that challenge perceptions and connect to lived experience and diverse perspectives to bring about positive change in the workplace. For example, in 2018 the Mental Health network held an event for senior leaders the disability network and race equality networks both held conferences, and the LGBTI network challenged Place Board – one of our corporate governance forums – to explore changes to systems and accommodation which will advance trans inclusion in the workplace.

The Scottish Government will review the role and purpose of diversity networks in our organisation – working closely with the networks, the unions who represent staff and the wider organisation – to ensure that all voices can be heard, and aim to ensure that each network has a clear purpose and support to achieve its goals.

We will take action to deliver the recommendations in the Race Equality Action Plan that are relevant to the Scottish Government as an employer. This will fall within the scope of the newly-created post in the diversity and inclusion team, thereby ensuring alignment between the aims of the Race Equality Network and our corporate ambitions on race equality.

The Scottish Government is developing a Wellbeing strategy and a dedicated Wellbeing team in People Directorate, a corporate mental health first aid system, alongside improved guidance and support for staff and managers to support good mental health. Wellbeing objectives have been embedded in our Permanent Secretary's overall Diversity and Inclusion objectives and we have invested in Mental Health awareness training for the People Advice and Wellbeing team.

CONCLUSION

The Scottish Government remains committed to investing in being highly regarded as a diverse and inclusive employer where employees feel valued for their unique contributions in the workplace and also a sense of belonging in the organisation. The policies, processes and culture aim to make the Scottish Government fully diverse in background and thought, demonstrating that we are a supportive, fair and inclusive employer.

CHAPTER 4

Overview by Protected Characteristics

INTRODUCTION

This chapter provides an overview of how the protected characteristics (age, disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) are affected by the Scottish Budget 2019-20.

This overview is dependent on data being available on which to assess the impacts of the Scottish Budget for each protected characteristic. While assessments for race, religion and belief, and sexual orientation and gender identity have been made, limitations in the available data restrict what can be said about these protected characteristics. Data limitations for gender reassignment, marriage and civil partnership and pregnancy and maternity means that these are not covered in the overview, although specific impacts are identified where appropriate in the full document.

Impact assessments of the Scottish Budget 2019-20 on intersectional outcomes – that is, inequality due to combinations of protected characteristics – are also challenging due to low population numbers with particular intersections and the high number of possible intersections. Greater attention is being paid to developing intersectional data and the linkage of administrative data sets may increase the potential for statistical analysis. However, it is perhaps in the implementation stage through in-depth work with stakeholders where policies can best be tailored to improve intersectional outcomes.

SEX

The Scottish Budget 2019-20 builds on a range of policies and legislation seeking to address inequality between men and women. The Act states sex as the protected characteristic but for any data collection where people are asked to self-identify it tends to be the social construct of 'gender' rather than biological sex that is being collected.

Key developments in the last year have been made in the representation of women in public bodies and in improving the understanding and developing action to tackle lower levels of participation and progression for women in the Scottish economy. The First Minister's Advisory Group on Women and Girls will report soon and a commitment has been made to consider how to assess the gender sensitivity of future Programmes for Government. This Scottish Budget will continue to provide financial support to organisations that work to improve sex and gender equality in Scotland.

A number of programmes in the Scottish Budget 2019-20 will support the ongoing commitment to prevent and tackle violence against women and girls, as outlined in the Equally Safe Strategy.

Evidence shows that reported acts of domestic violence and sexual abuse are most prevalent against women and young people. The Domestic Abuse (Scotland) Act 2018 will be implemented in 2019-20, introducing a new domestic abuse offence. Investments in the Scottish Budget 2019-20 will address inequalities in domestic abuse via the provision of support for victims of domestic violence and specialist training to police officers in relation to the new domestic violence offence. Funding will also support a national awareness campaign to coincide with implementation of the Act. The Scottish Budget 2019-20 will continue to invest in the implementation of the Caledonian Programme, extending it to a further six local authority areas, which provides male perpetrators of domestic violence with access to rehabilitation services. The Caledonian programme is likely to have a positive impact on both perpetrators and victims of domestic violence.

Funding will continue for local domestic violence and sexual assault services for women and children who have experienced gender-based violence, including additional funding for Rape Crisis Centres. Investments in the Crown Office and Procurator Fiscal (COPFS) portfolio are responding to an increase in the number of reported sexual offences by establishing a national specialist High Court Sexual Offences Team and are investing resources in improving arrangements under which evidence from vulnerable witnesses is obtained by progressing the Vulnerable Witnesses Criminal Evidence (Scotland) Bill 2018 through Parliament. Funding within the Social Security and Older People portfolio will also support a pilot accreditation scheme to address gender-based violence in the workforce and a national campaign to challenge sexual harassment and sexism.

Work in relation to the advancement of a Female Genital Mutilation Bill will also be supported by the Scottish Budget 2019-20, which will positively impact on the protection of women and girls in relation to this specific type of gender-based violence.

The Scottish Budget 2019-20 will allow the Education and Skills portfolio to invest in tackling sexual harassment and gender-based violence against women and girls on university campuses. Colleges and universities will be expected to adopt and adapt the Equally Safe in Higher Education Toolkit, a Gendered Analysis, to assess their own policies and practices and put in place measures to keep students safe and engaged with their studies, while meeting the needs and diversity of survivors.

It is known that women are more likely to be inactive in the paid or formal labour market, or working part-time due to caring responsibilities. It is also known that women are paid less per hour on average and that there is gender segregation by employment sector and grade. A Gender Pay Gap action plan is being developed with stakeholders to identify and tackle these structural inequalities. The Gender Pay Gap Action Plan will be published early in 2019. Various investments in the Scottish Budget 2019-20 will also help to address these structural gender inequalities in the economy with continued funding for the women returns programme and a commitment by Scottish Enterprise to build the number of account managed companies led by women.

Funds within the Education and Skills portfolio will allow Skills Development Scotland to advance equality in the labour market by taking forward the measures set out in the Equality Action Plan (EAP) for Modern Apprentices. The EAP set out the scale of the challenge in relation to occupational segregation and inequality in Scotland's

Apprenticeship Programme and the requirement that partners collaborate to tackle gender imbalances. This Scottish Budget will also support the delivery of the Science, Technology, Engineering and Maths (STEM) Education and Training Strategy which will have a positive impact by increasing participation and attainment in STEM among girls and young women.

In last year's Scottish Budget, the Scottish Government removed the cap on public pay policy and continued to promote payment of the Living Wage. A higher proportion of women than men work in delivering public services so developments here will be important. For example, our continued commitment to ensuring that workers engaged in adult social care are paid the real living wage is benefiting around 40,000 staff, many of whom are women. Similarly, the development and regulation of our 200,000 social services workers in Scotland will continue to have a positive impact in ensuring that workers – who are predominantly women – have the necessary skills to undertake their roles and progress.

The Scottish Budget 2019-20 will continue this work by addressing gender pay inequalities within specific sectors. Funding within the Culture, Tourism and External Affairs portfolio, for example, will be used to facilitate partnerships across the tourism sector to increase the number of businesses paying the Living Wage and improve gender-equal pay.

Caring is a particular barrier to employment for many women. The continued investment in the expansion of childcare enables greater universal care provision, enabling women to enter the labour market or undertake other paid or unpaid activity. Investments in the Health and Sport portfolio will also support work to embed the recently established rights for Scotland's unpaid carers.

Several programmes in the Scottish Budget 2019-20 will address gender inequalities in health and wellbeing. Significant investment in the Health and Sport portfolio will provide free tuition and bursary support to nursing and midwifery students, and will support the increased recruitment and training of nurses and health visitors. This will have positive impact in improving the health of pregnant women and infants. Additional investment in specific health facilities – at the Baird Family Hospital and the ANCHOR Centre in Aberdeen – will also have a beneficial impact on the health of women and their children through the provision of maternity, gynaecology and breast-screening services. Investments within the COPFS portfolio will also address female health and wellbeing via the development of a new female custodial estate, women's prison and two innovative community-based custody units in Glasgow and Dundee, which will have a beneficial impact in helping women in custody to address health and wellbeing issues that can drive future offending.

Several actions will be supported to improve health outcomes for men. New funding within the Health and Sport portfolio will implement a range of actions to reduce suicide – which is more prevalent among men – including suicide prevention training for public and private sector workers and the development of digital suicide prevention methods. Significant investment will also advance actions to tackle diabetes and obesity, including improvements to NHS weight management services. This investment is likely to especially benefit men, since men are less likely than women to be a healthy weight. Increased funding for alcohol and drug treatments may also have a particular benefit for men, as evidence shows that men consume more alcohol and have a greater occurrence of drug-related deaths than women.

AGE

This assessment considers how different groups across the age range – in particular children, young people and older people – are affected by the Scottish Budget 2019-20.

Children and Young People

The Scottish Budget 2019-20 funds a number of policy areas linked to the Year of Young People 2018 which aims to improve the life experience and chances of Scotland's young people. This is in addition to actions to tackle child poverty set out in Chapter 6.

Several policy commitments aim to widen skills and improve access to education and opportunities among Scotland's children and young people. Investments will support the continued delivery of the Scottish Attainment Challenge, closing the attainment gap for care-experienced young people, disabled children and young people, and children and young people from Gypsy/Traveller, Polish, Caribbean/Black, African and Arab groups who are over-represented in the most deprived areas. This funding will also have a positive impact in advancing equality of attainment for children with Additional Support Needs by continuing to provide additional resources to promote learning and development.

Increased investment in the Widening Access Programme will also provide financial bursaries for eligible care-experienced students in Further and Higher Education which are in line with the Living Wage.

The Scottish Budget 2019-20 continues to invest in Youth Employment. Investment in the Developing the Young Workforce Programme will allow continued delivery of work-relevant learning to young people and provide skills for the current and future job market.

Continued investment in the Scotrail franchise will also provide reduced fares to job seekers and the newly employed – who are predominantly young people – on all routes in Scotland. Furthermore, sustained funding for the Bus Service Operators Grant could make the bus network more extensive and reduce the cost of fares, benefiting young people as frequent users of bus services.

The Scottish Budget 2019-20 provides funding for several programmes that promote youth engagement in cultural activities. The continuation of funding for the Youth Music Initiative will have a positive impact in helping young people to access opportunities to learn about and enjoy music. Furthermore, the launch of the new Cultural Youth Experience Fund will provide young people from deprived areas with access to cultural opportunities.

The Scottish Budget 2019-20 will increase investment in services to improve the health and wellbeing of children and young people. The Task Force on Children and Young People's Mental Health Improvement will look at how to improve the way children's mental health services are organised, commissioned and provided, which will have a positive impact in improving children and young people's access to mental health support. Significant additional funding will also be provided to recruit increased school nurses and counsellors in schools, further education and higher education; provide Local Authorities mental health first aid training for teachers; and extend the Distress Brief Intervention programme pilots to include people under 18.

In the Justice portfolio, work is being progressed to support initiatives and approaches to reduce unintentional harm, which is more prevalent among young people. Work within the Justice portfolio will also focus on community sentences including greater use of electronic monitoring, and services to reintegrate people leaving prison to reduce reoffending. These investments will help to prevent some of the detrimental impacts of imprisonment which can be particularly acute for younger people, children of people in prison, older people and women.

Continued investment in the Ending Homelessness Together Fund will support prevention initiatives towards transforming temporary accommodation and ending homelessness. This will have a positive impact on younger people who are disproportionately likely to be homeless.

Older People

The publication of an Older People's Framework in March 2019 will pull together a number of programmes in the Scottish Budget 2019-20 which particularly benefit older people.

Many programmes within the Scottish Budget 2019-20 will positively impact on the health and wellbeing of older people. Increased investment in the Chronic Medication Service, for example, will be particularly beneficial for older people and disabled people with long-term conditions by enabling community pharmacists to provide a higher level of personalised care. Furthermore, a new scheme to improve access to dental care among people living in care homes will be introduced, which will have a positive impact on older people and disabled people. Increased funding will support the expansion of the ophthalmology services at the Golden Jubilee National Hospital and NHS Highland's North of Scotland Elective Care Centre which will help to meet the increasing demands for elective surgery.

The Scottish Budget 2019-20 continues to invest significantly in domestic energy efficiency programmes, such as Energy Efficient Scotland pilots, Warmer Homes Scotland and Scottish Government funding for Home Energy Scotland, which help people vulnerable to fuel poverty. These programmes will be particularly beneficial for older people - almost half of older person household are in fuel poverty.

The Scottish Budget 2019-20 also supports Funeral Expense Assistance which is likely to have a particularly positive impact for older people on low incomes by helping with funeral costs for family members and close friends.

The Scottish Budget 2019-20 maintains support for the delivery of 50,000 homes, 70 per cent of which will be for social rent, and will also support ongoing funding of Open Market Shared Equity and Help to Buy (Scotland), in which older people are a priority group.

A Careers Information Advice and Guidance strategy, encompassing the all-age careers sector, will have a positive impact in enabling older people to access careers services and ensuring that careers services are responsive to changes in the labour market and wider economy. The strategy will be published autumn 2019, with development of an action plan on implementation thereafter.

The Scottish Budget 2019-20 retains its commitment to ensuring the long-term sustainability of the Concessionary Travel Scheme, currently providing free bus travel on local or Scottish long-distance buses for Scotland's older people and disabled people. The scheme has documented positive impacts on the physical and mental wellbeing of cardholders, and has a positive impact in reducing social isolation.

Scotland will be one of the first countries in the world to deliver on a national strategy to tackle social isolation and loneliness, issues that affect both older and younger people among others. This strategy will help to raise awareness about what we can all do to reduce social isolation and loneliness, deliver resources to community groups who need a helping hand to foster social connections in their area and ensure that every part of government is focused on how we empower communities to build a connected Scotland.

DISABILITY

The Scottish Budget 2019-20 will support a variety of actions in the Fairer Scotland for Disabled People Action Plan. These policies will improve access to buildings, transport and public spaces, increase access to opportunities, information and services and improve health and wellbeing.

Several programmes will promote physical access for disabled people. In 2019-20, the Scottish Budget will continue to support the Scottish Disability Equality Forum to develop and host the accessible travel hub and engage with disabled people to increase transport accessibility, in line with the Accessible Travel Framework. Investments in the Transport Infrastructure and Connectivity portfolio will also continue to support the development of the Thistle Assistance Card, which has a beneficial impact in notifying transport staff of an individual's disability or additional care need.

Continued investments in the Scotrail fleet will deliver a fully compliant fleet ahead of the 2020 accessibility deadline and will increase the number of accessible rail stations. Funding for the Minor Works budget will further improve facilities across the network. These funding programmes will have a positive impact in removing barriers to travel and promoting confidence in the use of rail by disabled people and those with reduced mobility.

As discussed above, the Scottish Budget 2019-20 will continue to provide free bus travel for disabled and older people. Companion cards will also be introduced for eligible disabled children. In addition to having beneficial impacts on wellbeing, the Concessionary Travel Scheme also helps disabled people to access educational and employment opportunities. In 2019, options to provide free travel to recipients of the new Young Carers Grant will be explored.

Funding will also be maintained for the National Park Authorities which have a beneficial impact in increasing the accessibility of facilities and services. This will include Loch Lomond and The Trossachs and the Cairngorms national parks and will be positive for disabled older people who face accessibility barriers in visiting the outdoors.

Several programmes within the Scottish Budget 2019-20, will increase access to opportunities, information and services among disabled people. Within the Government Business and Constitutional Relations portfolio, for example, funding will be maintained

for the Access to Elected Office Fund which provides support to disabled candidates for by-elections and the 2021 Scottish Parliament election. This fund has previously had a positive impact, successfully supporting disabled candidates to get elected in the Local Government elections 2017.

The Scottish Budget 2019-20 recognises that housing is a key issue for disabled people and aims to address this inequality through a number of investments. The social rented sector is a particularly important tenure for long-term sick and disabled people so the continued investment to build at least 50,000 affordable homes by 2021, of which 70 per cent will be for social rent, will be beneficial. Continued funding will be provided for the Open Market Shared Equity Scheme with priority access given to disabled people, who may otherwise be disadvantaged in accessing home ownership.

Aspects of the Health and Sport portfolio budget will impact positively on disabled people. Significant investment will be made in frontline NHS spending in social care services and integration, and to local authorities in support of social care. This will support a variety of actions, including extending free personal care provision to disabled people under the age of 65 through the Independent Living Fund, and improvements in adult support. Furthermore, the implementation of the Carers (Scotland) Act 2016 will have a beneficial impact on the health of disabled people and older people.

RACE

The Scottish Budget 2019-20 has a range of implications for race equality. It will support the delivery of a range of outcomes and activities as described in the Race Equality Action Plan. This supports the implementation of the Race Equality Framework which sets out a long-term partnership approach for promoting race equality and tackling racism from 2016-30.

This Scottish Budget will support a number of programmes that aim to improve representation, access and human rights. Specific funded programmes in the Education and Skills portfolio, for example, will continue to provide priority access to early learning and childcare for minority ethnic households and will support employment opportunities among members of minority ethnic communities. As discussed above, the Scottish Attainment Challenge aims to close the attainment gap among children and young people from Gypsy/Traveller, Polish, Caribbean/Black, African and Arab groups.

Funding will be provided for activities for Gypsy/Travellers, as set out in the Race Equality Action Plan. This will include establishing the new Gypsy Traveller Women's Voices Project to empower women in the Gypsy/Traveller community to participate in public life, and projects that help children and young people in the Gypsy/Traveller community to overcome barriers to their learning and opportunities.

People of other nationalities make up a large proportion of those who are referred to human trafficking-related services. As part of the ongoing implementation of the Human Trafficking and Exploitation (Scotland) Act 2015 and the actions set out in the Trafficking and Exploitation Strategy, the Scottish Budget 2019-20 will continue to invest in ongoing measures to address human trafficking and exploitation and to support victims of human trafficking.

There will be continued investment in improving access via the provision of translation and interpretation services. For example, COPFS will continue ongoing provision of interpreting services for all Crown witnesses and transcription services to all witnesses and accused persons who require it, which will have a positive impact in ensuring that people whose first language is not English are fully able to participate in the criminal justice process.

RELIGION AND BELIEF

The Scottish Budget 2019-20 will continue to invest in programmes to support equality in religion and belief.

Tackling hate crime remains a key focus. Based on the findings of Lord Bracadale's independent review of hate crime legislation in 2018, the Scottish Budget 2019-20 will support consultation on the development of consolidated hate crime legislation. Ongoing investments by COPFS in support of services for victims of hate crimes and in educational campaigns to increase awareness of individual rights and responsibilities in relation to offensive behaviour will also have a positive impact across the protected characteristics, including in tackling inequalities related to religion and belief.

As part of the Scottish Government's continuing commitment to tackling sectarianism, this Scottish Budget will support ongoing work in relation to sectarianism and take forward the Independent Advisory Group on Tackling Sectarianism in Scotland's recommendations of implementation.

SEXUAL ORIENTATION, GENDER IDENTITY AND INTERSEX

The Scottish Budget 2019-20 will invest in several programmes that help to build on the progress made on equality for lesbian, gay, bisexual, transgender and intersex (LGBTI) people.

The Scottish Government has recently published an independent analysis of consultation responses on reform of the Gender Recognition Act 2004. These are being carefully considered and a response to the consultation will be issued in due course. The most recent Programme for Government committed to continue work to enable us to deliver a Bill on Gender Recognition for next year's legislative programme.

Scotland will become the first country in the world to have LGBTI-inclusive education embedded within the curriculum. Work to implement the recommendations of the LGBTI Inclusive Education Working Group will have a positive impact in improving the learning experience for LGBTI young people. All state schools will be supported to teach themes related to LGBTI equality and inclusion, to effectively tackle prejudice and promote awareness of the history of LGBTI equalities and movements.

Evidence shows that the proportion of people identifying as lesbian, gay, bisexual or other in good or very good general health is lower than the rest of the population and that lesbian, gay and bisexual people have poorer mental wellbeing than heterosexuals, including higher rates of attempted suicide depression, anxiety and self-harm. The Scottish Budget 2019-20 is investing in the introduction of several measures to improve

mental health across the population, including in the expansion of the Distress Brief Intervention programme to include people under the age of 18, trialling improvements to the NHS 24 Breathing Space service and enhanced handling of 111 calls through specialist mental health. This funding will have a positive impact across the protected characteristics, including among LGBTI people.

The Scottish Budget 2019-20 will also support the National Registers of Scotland to test a range of equality questions, including questions on sexual orientation and transgender status/history, which are being proposed to be asked in 2021 on a voluntary basis. This will allow for increased measurement of sexual orientation and the development of baseline data on gender identity.

CONCLUSION

In sum, the Scottish Budget 2019-20 is investing in a range of programmes that address inequalities across the protected characteristics. Further details of the funding programmes discussed in this overview are provided in the portfolio chapters.

CHAPTER 5

Fairer Scotland Duty

INTRODUCTION

Over a million people living in Scotland currently live in poverty, including one in four children. Living in poverty or in less favourable social and economic circumstances than others in the same society is associated with a wide range of adverse outcomes. As a government we are committed to a fairer Scotland and tackling poverty and inequalities, which is why we introduced the new Fairer Scotland Duty.

This Duty, which came into force in April 2018, places a legal responsibility on the Scottish Government and a range of public bodies (including local authorities and NHS Boards) to consider actively how they can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. This chapter provides examples of how Scottish Government strategic decisions, taken as part of the Scottish Budget 2019-20, will help to reduce inequalities of outcome.

Under the Fairer Scotland Duty, those making strategic decisions should identify which groups might experience different outcomes as a result of the aims, actions and outcomes proposed. Relevant evidence should then be gathered and reviewed to understand what inequalities exist for those groups; how the policy decisions might affect these; what alternatives there might be; as well as any gaps in the evidence base. The proposals should be discussed and refined in light of this evidence to further reduce inequalities of outcome and a document of this process published.

The Fairer Scotland Duty is seen as an important complement to the Public Sector Equality Duty. The inclusion of this chapter within the Equality Budget Statement reflects a recognition of the close connections between the protected characteristics and socio-economic disadvantage.

Scotland's Budget 2019-20 comprises strategic funding decisions to enact policies that may affect many disadvantaged groups and individuals, directly or indirectly. This chapter comprises:

- a brief introduction to socio-economic disadvantage in Scotland and resulting inequalities of outcome;
- a summary of the ways in which the Scottish Government is using evidence to inform strategic decisions to address inequalities of outcome; and
- an overview of some of the key policies that will be advanced within the Scottish Budget 2019-20 to address socio-economic disadvantage.

SOCIO-ECONOMIC DISADVANTAGE

The Fairer Scotland Duty guidance¹ defines socio-economic disadvantage in terms of:

- living on a low income compared to others in Scotland;
- having little or no accumulated wealth;
- having a restricted ability to access basic goods and services;
- living in areas of deprivation; and
- coming from a background of socio-economic disadvantage.

Indicators for outcomes in the National Performance Framework² revised this year show that, between 2014 and 2017, 19 per cent of adults in private households in Scotland lived in relative poverty (less than 60 per cent of median income) after housing costs, and for 8 per cent of households that poverty had persisted for three of the previous four years.

Certain types of household exhibit higher rates of socio-economic disadvantage. Using poverty as a measure, lone parents, larger families with three or more children, families with mothers aged under 25 years, single working adults without children and people living in rented housing are all more likely to live in relative poverty after housing costs³.

Higher rates of socioeconomic disadvantage are also experienced in relation to protected characteristics, compounding the inequalities faced. For example, households including a disabled person experience relative poverty after housing costs at higher rates (24 per cent) than the population as a whole, as do minority ethnic groups⁴. Rates are also slightly higher than average in urban locations and lower in rural locations.

INEQUALITIES OF OUTCOME

Disadvantaged groups are more likely to experience negative outcomes in relation to health, education, employment, crime and a wide range of other outcomes. For example:

Health inequalities: People in poverty are more likely to have poor health and die younger. In 2015-16, male healthy life expectancy in Scotland's most deprived 10 per cent of areas was 26 years shorter than in the least deprived areas⁵. Socio-economic disadvantage is associated with ill health due to drug use (17 times higher), alcohol dependence (8.4 times higher) and chronic liver disease (7.2 times higher)⁶. More than a quarter (26 per cent) of those living in the poorest fifth of households reported that their children had less than good health in the first four years of life, compared with 12 per cent of those in the richest fifth⁷.

1 <https://www.gov.scot/publications/fairer-scotland-duty-interim-guidance-public-bodies/>

2 <http://nationalperformance.gov.scot/>

3 <https://www.gov.scot/publications/poverty-income-inequality-scotland-2014-17/> and <https://www2.gov.scot/Topics/Statistics/Browse/Social-Welfare/IncomePoverty/povertytable>

4 Department for Work & Pensions, 'Family Resources Survey: financial year 2016-17', (2018), <https://www.gov.uk/government/collections/family-resources-survey--2>

5 Scottish Government, 'Long-term monitoring of health inequalities: December 2017', (2017)

6 NHS Health Scotland, 'Scottish Burden of Disease Study, 2016: Deprivation Report', (2018), <https://www.scotpho.org.uk/media/1656/sbod2016-deprivation-report-aug18.pdf>

7 Scottish Government, 'Fairer Scotland Duty Results: Health and Care (Staffing) (Scotland) Bill', (2018), <https://www.gov.scot/publications/fairer-scotland-duty/>

Experience of crime: Thirteen per cent of adults in Scotland experienced crime in 2016-2017, rising to 19 per cent among those living in the most deprived 15 per cent of areas⁸. In 2016-17, the Scottish Crime and Justice Survey estimated that 1.1 per cent of adults experience around two thirds of violent crime. Violent crime is becoming more concentrated among particular individuals and communities. Overall, people living in our most deprived areas are at greater risk of being a victim of crime, criminalisation and imprisonment.

Housing and fuel poverty: Low income households spend a higher proportion of their income on housing⁹. They are also more likely to experience fuel poverty. In 2016, 87 per cent of households with weekly 'a' income of less than £200 were in fuel poverty, compared with 26.5 per cent of all households. High and rising energy prices can mean that households on lower incomes experience difficulties in paying their bills – resulting in debt and/or living in under-heated homes, which can impact on their health and wellbeing¹⁰.

EVIDENCE, SOCIO-ECONOMIC DISADVANTAGE AND THE SCOTTISH BUDGET 2019-20

At the heart of the Fairer Scotland Duty is an emphasis on using evidence around socio-economic disadvantage and inequalities of outcome in order to inform strategic decisions. The Scottish Government has drawn on a number of different evidence sources to inform strategic decisions relating to the Scottish Budget 2019-20. Examples are presented in the boxes.

Lived experience of poverty and inequality

The Scottish Government has drawn extensively on lived experience in developing policies for the Scottish Budget 2019-20. Examples include: the Social Security Experience Panels, which involve 2,400 people with experience of receiving benefits in designing Scotland's Social Security system; and our consultation to inform the Fuel Poverty Bill and Draft Strategy¹¹. In addition, the Scottish Government's sponsorship of the Poverty Truth Commission aims to bring decision makers together with those living in poverty, and has been influential in informing policies such as the introduction of the new national School Clothing Grant.

- 8 Scottish Government, 'Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22', (2018), <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>
- 9 Scottish Government, 'Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22', (2018), <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>
- 10 Scottish Government, 'Scottish house condition survey 2016: key findings', (2017), <https://www.gov.scot/publications/child-chance-tackling-child-poverty-delivery-plan-2018-22/>
- 11 Scottish Government, 'Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and Fuel Poverty Strategy: Fairer Scotland duty assessment', (2018), <https://www.gov.scot/publications/fuel-poverty-target-definition-strategy-scotland-bill-fuel-poverty-strategy-9781787810402/pages/1/>

Data on poverty and inequality

The Scottish Government collects high-quality survey and administrative data on poverty and inequality. Data sources such as the Scottish Index of Multiple Deprivation are key to informing decisions regarding the targeting of services to address socio-economic disadvantage. Evidence from the Growing Up in Scotland Survey has shown that all children, especially those experiencing the most disadvantage, benefit from access to high quality Early Learning and Childcare (ELC)¹². This has informed the expansion of ELC – one of the key policy measures designed to help close the poverty-related attainment gap.

Evaluation of policies to address inequalities of outcome

The Scottish Government invests in policy evaluation and information is used to inform decisions in the Scottish Budget 2019-20, such as support for programmes to reduce health inequalities. For example, evidence indicates that the Childsmile programme can have greatest impact on the oral health of the most deprived cohort of children¹³, that there is more equal uptake for Human Papilloma Virus (HPV) vaccination than for screening programmes for cervical cancer¹⁴, and that the extended Minor Ailment and Common Conditions Service can have greatest reach to deprived communities through community pharmacies. Public consultations, such as that carried out in development of the Health and Social Care Staffing Bill¹⁵, are another important means to evaluate likely impacts on inequality.

Evidence reviews and synthesis

Policies to address inequalities of outcome are often based on a synthesis and review of the evidence. For example, major reforms of Scotland's Courts and Tribunals and a continued commitment to robust community disposals reflect evidence that community-based interventions are more effective at reducing reoffending, social exclusion and disadvantage than short-term imprisonment¹⁶. Strong evidence that diet impacts on children's health, their ability to learn and their life chances as they grow up has been used to improve Scotland's health through support to access a healthy diet offered to families on low incomes with young children.

12 Scottish Government, 'Tackling inequalities in the early years: Key messages from 10 years of the Growing Up in Scotland study', (2015), <https://www2.gov.scot/Resource/0048/00486755.pdf>

13 Anopa, Y et al. 'Improving Child Oral Health: Cost Analysis of a National Nursery Toothbrushing Programme', (2015), PLoS One 10(8).

14 Information Services Division, 'HPV Immunisation Statistics Scotland: School Year 2016/17', (2017), <http://www.isdscotland.org/Health-Topics/Child-Health/Publications/2017-11-28/2017-11-28-HPV-Report.pdf>; Information Services Division, 'Scottish Cervical Screening Programme Statistics 2017/18', (2018), <https://www.isdscotland.org/Health-Topics/Cancer/Publications/2018-09-04/2018-09-04-Cervical-Screening-Report.pdf>

15 Scottish Government, 'Fairer Scotland Duty Results: Health and Care (Staffing) (Scotland) Bill', (2018)

16 Scottish Government, 'What works to reduce reoffending: A review of the evidence', (2015), <https://www2.gov.scot/Publications/2015/05/2480/0>

The National Performance Framework

The National Performance Framework sets out a vision for the Scotland we want to see. Wherever possible, data presented within the National Performance Framework is broken down by protected characteristics and measures relating to socio-economic disadvantage. This supports organisations to design better policies and services that appropriately meet the needs of all of Scotland's people.

External scrutiny and challenge

Organisations such as the Poverty and Inequality Commission draw on a range of evidence sources and provide important external scrutiny and challenge to the Scottish Government. These organisations have been influential in informing work relating to the Tackling Child Poverty Delivery Plan 2018-22 and promoting a stronger focus across government (and the broader public sector) on poverty and inequality.

HOW THE SCOTTISH BUDGET 2019-20 ADDRESSES INEQUALITY

The Scottish Budget 2019-20 incorporates a wide range of decisions informed by consideration of the potential to reduce socio-economic inequality. A selection of these are outlined below and illustrate the broad range of work being taken forward as part of the Scottish Budget 2019-20.

Health and Sport

Reducing inequalities in health is one of the key drivers of prioritising spend in health and sport.

Services to address adverse health behaviours supported by the Scottish Budget 2019-20 focus on those communities showing consequential poorer health outcomes, primarily those most deprived. Scotland is singled out by Cancer Research UK as the only part of the UK where our targeted approach to smoking cessation is helping to reduce inequalities, and the most deprived communities benefit from the healthier environments produced across Scotland by preventative measures such as Minimum Unit Pricing for alcohol. Further population health improvements will be achieved through an increase of £20 million per annum to support alcohol and drug treatment.

The Family Nurse Partnership programme has now been rolled out across mainland Scotland for all eligible young women. The focus on young, pregnant women targets families who are likely to be most disadvantaged. Over the past nine years, more than 6,000 families have benefited from this support, many for the full duration of 2.5 years. Levels of vulnerability within this cohort are very high and complex, and the intensive, ongoing support is highly valued.

Key areas of investment as part of the Scottish Budget 2019-20 include ongoing support for breastfeeding, with the latest statistics showing a reduction in inequalities with increased breastfeeding rates in the most deprived areas¹⁷; the forthcoming introduction of Best Start Foods to provide financial support for purchasing specified healthy foods, aimed at pregnant women and families with young children on low incomes; and the full implementation of the Universal Health Visitor Pathway, which includes routine enquiry on household income from health visitors or family nurses allowing families the opportunity to maximise their income and be signposted to appropriate services. To support and maximise the role and impact of Health Visitors, the Scottish Government has made a significant investment of over £42 million of phased funding for recruitment and training.

In 2019-20 we are investing in implementation of the new GP contract and wider primary care reform, which will focus GP time on complex care. Individuals living in deprived communities exhibit higher comorbidity and premature mortality; this focus will mean better management of patients in need of additional clinical support.

Investment and activity by SportScotland in 2019-20 is adding resources and support to Community Sports Hubs with greater targeting to areas of deprivation. This is helping sports governing bodies and local authorities to increase physical activity levels of the least active, who are over-represented among socially disadvantaged communities.

Attracting and retaining the right people, and raising the status of social care as a profession, is key to delivering quality care. Scottish Government funding continues to enable adult social care workers to be paid the Scottish Living Wage, a move that has benefited up to 40,000 care workers – mostly women – and is now being extended to sleepovers.

Education and Skills

The Scottish Government is focused on reducing educational inequalities as a result of socio-economic disadvantage. We are working to give every child the best possible start in life through the Getting it Right for Every Child (GIRFEC) approach, and introducing key policy measures to help close the poverty-related attainment gap.

From August 2020, the Scottish Government will almost double entitlement to funded early learning and childcare to 1,140 hours for all 3 and 4 year olds and for eligible 2 year olds from August 2020. This includes funding to support 435 additional graduate posts in nurseries in Scotland's most deprived areas. The multi-year funding package, agreed with local government, will ensure that childcare workers delivering this are paid at least the Scottish Living Wage. The new national minimum school clothing grant of £100 per child available to low income families in Scotland will increase incomes and reduce living costs. In addition, more than 134,000 P1 to P3 children benefit from free school meals, thus delivering annual savings for families of around £380 per child.

¹⁷ Scottish Government, 'Tackling inequalities in the early years: Key messages from 10 years of the Growing Up in Scotland study', (2015)

The Scottish Attainment Challenge will provide £750 million to make significant progress in closing the attainment gap by the end of this parliament. Every council area and 95 per cent of schools in Scotland will benefit from Pupil Equity Funding.

The Advanced Learning and Science budget helps to ensure that children from every background have an equal chance of going to university. The Scottish Government accepted all the recommendations of the Commission on Widening Access and is leading an evidence-based programme for implementation. In response to the independent review of student support, the Scottish Government will invest over £21 million per year by the end of this parliament to improve the financial support available to students in Further and Higher Education. As part of this, we will improve bursary support, directed towards the lowest income students.

Communities and Local Government

The 2019-20 local government finance settlement is allocated by taking account of factors that will impact on demand for services or the cost of providing them, including indicators of poverty and/or deprivation from data on benefits, free school meals, homelessness and the SIMD. This recognises the greater demands placed on certain services in deprived areas as well as the potential increased cost of service provision and reduced likelihood of cost recovery. Each local authority spends its total available finances according to local needs and priorities, guided by a set of national and local outcomes.

In addition, the Council Tax Reduction scheme, funded in full by the Scottish Government, provides reductions of up to 100 per cent. Council tax reductions depend on individual means, circumstances and need, to the Council Tax liabilities of around 500,000 households in Scotland. It therefore ensures that those households who would otherwise struggle to pay their full Council Tax are instead only required to pay what they can afford. The scheme takes particular account of household circumstances, including unemployment, disability, caring commitments and the number of children, and it does not cap the number of children.

We believe strongly in supporting communities to tackle poverty on their own terms. The Scottish Budget 2019-20 will support Scotland's communities through projects including the Community Choices Fund, allowing people in disadvantaged communities a direct say in how budgets are spent in their localities. Through our Empowering Communities Fund, we are supporting over 300 community organisations to deliver locally identified priorities to tackle poverty and inequality. The fund impacts on thousands of lives across the country, supporting community-led approaches (including money advice, childcare, training and up-skilling, healthy eating initiatives and volunteering opportunities). Scotland's Credit Unions provide affordable lending and savings in the heart of communities and protect people from predatory lenders and unmanageable debt; the Making Places Community-led Design Programme and funding to independent charity PAS will support the engagement of communities in the Scottish planning system.

The third sector plays a vital role in addressing poverty and disadvantage. We will use the European Social Fund programme, matched by our own resources, to invest in and strengthen Scotland's social economy. This will enable organisations to do even more to transform the lives of disadvantaged individuals and families. The Scottish Budget 2019-20 will also help third sector organisations, many of whom work closely with communities of interest and of place, to achieve greater funding stability and longer-term planning to help tackle inequality and tough social issues at source.

The Scottish Government is investing in a range of social justice and regeneration projects to reduce socio-economic deprivation. The Tackling Child Poverty Delivery Plan sets out the range of actions we are taking to reduce child poverty backed by a £50 million Fund. Examples in this plan include a new, intensive Parent Employment Programme to support parents in low-income families to gain employment or progress their careers; support for the Affordable Credit Loan Fund which will help them access finance without resorting to higher interest alternatives; a new Financial Health Check to support families and older people in accessing the best deals on household needs and ensure they are getting all the financial support they are eligible for; and our Fair Food Fund which builds on work to tackle food insecurity, with a focus on pupils in the school holidays. We will also introduce Funeral Expense Assistance to help lower income families in receipt of certain benefits and tax credits pay for a funeral.

We will continue our investment of over £3 billion to deliver 50,000 affordable homes over the five years of this Parliament, 70 per cent of which will be for social rent. The lower rents in this sector play an important role in protecting the after-housing costs income of lower income households. The Affordable Housing Supply Programme will support up to 12,000 full-time equivalent jobs, and therefore also has the potential to reduce poverty by increasing income from employment of low income households. We will also continue to tackle fuel poverty and improve the energy efficiency of Scotland's homes through our Home Energy Efficiency Programmes for Scotland (HEEPS). Proposed changes to the definition of fuel poverty to strengthen the relationship with low income will ensure those households who are most in need are considered fuel poor wherever they live in Scotland, and eligible for help from Scottish Government fuel poverty programmes¹⁸.

In 2019-20, we will make the next tranche of the £50 million Ending Homelessness Together fund available, to drive change and improvement towards ending homelessness in line with the Homelessness and Rough Sleeping Action Group recommendations and action plan as part of our commitment to end rough sleeping and homelessness and transform temporary accommodation.

Justice

In 2019-20 the Scottish Government will continue to deliver reforms to Scotland's justice system to improve access to justice and address the experience and consequences of poverty and socio-economic disadvantage. This includes continuing to support robust and effective community disposals, such as community payback orders and electronic monitoring, alongside the extension of the presumption against short sentences to 12 months.

¹⁸ Scottish Government, 'Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill and Fuel Poverty Strategy: Fairer Scotland Duty Results', (2018)

Disadvantaged communities experience higher rates of crime. We are also establishing a dedicated Victim's Task Force to ensure victims' voices are heard and to streamline their journey through the criminal justice system. The Task Force will be informed by direct evidence from victims. We are also continuing to fund advice services and ensuring that those most in need can access publicly-funded legal assistance.

Crucially, a number of initiatives to reduce violence continue to be funded in 2019-2020 including the Violence Reduction Unit (VRU) and Medics Against Violence (MAV). Addressing the underlying cause of crime by investing in diversionary activities continues to be a priority and investment continues in Cashback for Communities, which focuses on young people aged 10-25. We are also implementing the Serious Organised Crime (SOC) Strategy for Scotland, addressing the presence, visibility and opportunities for SOC in our most deprived communities.

Social Security

The budget for Social Security is focused on the overarching aim of creating a fairer Scotland. We have continued to prioritise funding to support our devolved social security powers; delivering our commitment to increase Carer's Allowance to the level of Jobseekers Allowance supporting over 75,000 Carers; accelerating the support we give to low income families to ensure that every child has the best start in life and increasing payments, eligibility and accessibility for this financial support; and mitigating the worst impacts of the UK Government's welfare cuts. Our number one priority is the safe and secure transfer of powers, thus ensuring that the 1.4 million people who rely on this support will continue to receive their payments on time and at the right amount.

We will provide funding to continue to fully mitigate the 'bedroom tax, support those impacted by high rents through Discretionary Housing Payments and sustain funding for the Scottish Welfare Fund. These measures will help as many people as possible affected by emergencies, financial crises and the effects of the UK Government's welfare cuts.

Through the Carers Allowance Supplement, we will put an extra £452.40 into carers' pockets in 2019-20, an increase of 13 per cent. The forecast expenditure on the Carer's Allowance Supplement is expected to be £37 million in 2019-20 which includes an inflation-level increase.

We have replaced the UK Sure Start Maternity Grant with the Best Start Grant. This will increase the payment to the first child from £500 to £600. It will introduce £300 birth payments for further children and two new grants of £250 per child around the time they start nursery and school.

Rural Economy

The Scottish Government budget supports LEADER – a fund providing support to rural communities for rural development. This funding is distributed on a formula which ensures that areas of greatest disadvantage in rural Scotland receive the highest amounts of support.

We will deliver on the commitments set out in the Islands legislation which requires the Scottish Government and policy makers to consider the specific needs of our island communities when developing policies.

The Scottish Government will ensure that the people of rural Scotland have a voice and can influence policy makers through the Rural Parliament, the National Council of Rural Advisors and the Scottish Rural Network. It will also fund projects that target hard to reach groups through the Rural Cohesion budget helping to create community capacity and reduce inequalities in rural areas.

Culture, Tourism and External Affairs

We are developing a Culture Strategy for Scotland which will commit to long-term change through greater collaboration and integration across culture, communities and policy development. This will ensure that culture's transformative power is experienced by everyone and that culture is positioned as central to progress in reducing poverty and inequality.

By continuing to invest in culture through Historic Environment Scotland, Creative Scotland, the National Collections and the National Performance Companies, we will help to ensure that Scotland's culture reaches a diverse and inclusive audience. The Scottish Government support to the National Museums Scotland, National Galleries of Scotland and National Library of Scotland to provide free public access to the collections will continue in 2019-20 and will be of particular benefit to those on low incomes.

The launch of the Cultural Youth Experience Fund pilots will be focused in areas of deprivation, helping young people to access cultural opportunities and thus ensuring that location is not a barrier to experience the best of Scotland's culture.

Tourism is a key sector for Scotland's economy. We will collaborate with partners to encourage more fair work practices across the tourism sector by increasing the number of businesses paying the Living wage and reducing zero-hours contracts.

The work we support on International Development aids numerous projects directed towards gender, disability and low-income households, covering health, education, renewable energy, civic governance and economic development.

There is mixed evidence on the direct impact of Brexit on different socio-economic groups. However, those with lower resources and fewer transferable skills will be less resilient to any economic shocks arising. Understanding the impact of Brexit, and ensuring a fair deal, is an essential foundation for supporting those in lower socio-economic groups.

Transport Infrastructure and Connectivity

Promoting access to transport for all is a key consideration of our Scottish Budget 2019-20 and will be a key focus of the new National Transport Strategy due for consultation and publication in 2019.

Our investment in City Region Deals provides one good example of how we are seeking to ensure compliance with the Fairer Scotland Duty. In 2019-20 we will be continuing to invest in City Region Deals as part of a longer-term investment commitment totalling over £1 billion. Four City Region Deals have now been agreed (Glasgow City Region, Edinburgh and East of Scotland City Region; Aberdeen and North East; and Inverness and Highlands). Further deals for Stirling and Clackmannanshire, and the Tay Cities (Dundee, Perth, Angus and the north of Fife) have reached the stage of Heads of Terms agreements with the Scottish and UK governments. All City Region Deals are obliged to ensure proposed investments will be geared to the growth and equality outcomes required by people and communities across the region.

Within the Scottish Budget 2019-20, we are maintaining resource for the Bus Service Operators Grant in 2019-20 at £54.2 million which subsidises all services, making the network more extensive and fares lower than would otherwise be the case. We will continue to provide free bus travel to people aged 60 or over and disabled people through the National Concessionary Travel Scheme at a cost of around £200 million in 2019-20. The scheme reduces isolation and helps disabled users to access employment and educational opportunities. In 2019, we will also develop a pilot scheme of free bus travel for young modern apprentices and will consider options to provide free bus travel to recipients of the new Young Carers Grant.

Through our funding of the Scotrail franchise, we will continue to deliver a range of fare offers to rail customers, including reduced fares for job seekers and the newly employed.

In 2019-20, we are maintaining our commitment to invest £80 million annually in a range of measures to build an active nation. This investment will create safe, segregated walking and cycling routes in towns and cities. In addition, interest free e-bike trials and loans, subsidised bike hire and cycle training underpin our responsibility to make active travel a viable alternative for communities across Scotland and ensure that cheaper, healthier and greener forms of travel are available to more people.

People on low incomes and with low educational attainment are more likely to be digitally excluded. In 2019-20, we are continuing to support community digital inclusion projects and expand Scotland's Digital Participation Charter. This will enable community projects to assist people to improve their job prospects or reduce social isolation by developing essential digital skills.

Environment, Climate Change and Land Reform

Access to quality greenspaces can help people live active lives and have a positive impact on mental health, yet people from deprived socio-economic backgrounds are less likely to visit the outdoors. We will provide funding for the Woods In and Around Towns initiative to help tackle the barriers to people accessing and benefiting from woodlands. The Scottish Government funds Scottish Natural Heritage (SNH). The Green Health Partnerships which SNH is progressing to support biodiversity and health improvements aims to benefit communities in more deprived areas, aiming to show how greater use of the outdoors can help tackle physical inactivity, mental health issues and health inequalities. Scotland's two National Park Authorities are funded to support activity

which includes work to ensure that facilities, services and communications are made more accessible so that people from all backgrounds are able to enjoy the benefits.

Through the Scottish Budget 2019-20, the Scottish Government will provide funding to the Scottish Environment Protection Agency (SEPA) who, through its joint partnership working with the Scottish Land Commission and a number of other partners, is supporting local authorities to rejuvenate vacant and derelict land, much of which is in areas of social deprivation. This will help to unlock growth, revive the communities, increase community empowerment, reduce inequalities and inspire local pride and activities.

The Sustainable Action Fund includes the Climate Justice Fund and Climate Challenge Fund, which supports communities in Scotland and in some of our African partner countries to take action on climate change. Within the fund there is a greater focus on targeting disadvantaged and often under-represented groups in society and young people. The 'Communities for Conservation' project is one such project helping minority ethnic communities in Edinburgh and Lothian to reduce energy consumption at home and helping reduce levels of fuel poverty.

We know that people from deprived socio-economic backgrounds are more vulnerable to the impacts of flooding. The Natural Assets and Flooding budget supports work with partner organisations to reduce and raise awareness of flood risk. The budget also helps the Scottish Flood Forum to work with communities to reduce the impacts of flooding by providing immediate support and establishing a network of community resilience groups in areas at risk from flooding.

Zero Waste Scotland provides support to 27 local authorities. Equal access to recycling services for all households continues to be a challenge. It is known that households in lower socio-economic groups have poorer access to recycling services, and they will continue to be a key focus for Zero Waste Scotland in 2019-20.

Finance, Economy and Fair Work

The Scotland Act 2016 gave the Scottish Parliament powers to set the rates and bands for income tax paid by Scottish taxpayers. The Scottish Government will continue to use its additional powers over income tax in a progressive way that protects low-income taxpayers.

Investment activity in 2019-20 is guided by the Scottish Government's Economic Strategy and new Economic Action Plan. By focusing on inclusive growth, the Scottish Government is sending a clear signal that national wealth and prosperity is pursued in order that all of Scotland's people can benefit.

In 2019-20, we will progress legislation to create a new agency to meet the enterprise and skills needs of the South of Scotland. In addition, we will continue to support the work of the South of Scotland Economic Partnership and invest in the strategic activities of Scottish Enterprise and Highlands and Islands Enterprise to drive inclusive growth. We will support the establishment of the National Investment Bank whose investment decisions will reflect wider social and ethical interests. We will also continue to promote

the Scottish Business Pledge to encourage progressive business practices among businesses operating in Scotland, including paying the Living Wage.

Scotland's new employability service, Fair Start Scotland, was launched in April 2018 and has been designed to take a person-centred approach to supporting those further removed from the labour market into better employment outcomes. Based on public consultation, including those who use services, Fair Start Scotland builds on the approach of the Scottish Government transitional employability services, Work First Scotland and Work Able Scotland, in working with individuals to provide pre- and in-work support with principles of dignity and respect embedded within the service. This service targets disadvantaged groups including people in the 15 per cent most deprived Scottish Index of Multiple Deprivation (SIMD) areas.

The Scottish Government will also address socio-economic inequality through its procurement. The Procurement Reform (Scotland) Act 2014 established a national legislative framework for sustainable public procurement that supports inclusive growth by delivering social, economic and environmental benefits. This means our approach to procurement is socially responsible and delivers value that goes well beyond financial savings and benefits.

CONCLUSION: EVIDENCING A FAIRER SCOTLAND

This chapter has provided a brief overview of socio-economic disadvantage and resulting inequalities of outcome, a summary of the ways in which the Scottish Government is using evidence to inform strategic decisions and an overview of some of the key policies which will be advanced within the Scottish Budget 2019-20 to address socio-economic disadvantage. It has highlighted examples which demonstrate the breadth of activity that the Scottish Government is supporting within the Scottish Budget 2019-20 to reduce socio-economic disadvantage. This includes initiatives:

- **targeting particular population groups** (e.g. ending homelessness; supporting victims of crime) or specific issues (e.g. food insecurity; fuel poverty; low income families);
- **addressing financial insecurity and increasing income** (e.g. publicly-funded legal assistance; Affordable Credit Loan Fund; School Clothing Grant, Financial Health Check);
- **focusing on communities or specific geographies** (e.g. community sports hubs; LEADER);
- **focusing on service (re)design** to ensure services are better tailored and targeted to address socio-economic inequalities (e.g. targeted approach to smoking cessation; reforms in courts and tribunals);
- **supporting good employment practices** (e.g. adult social care workers and Scottish Living Wage; Scottish Business Pledge);
- **using legislative powers, new powers, national strategies and charters** to reduce socio-economic inequalities in outcomes (e.g. minimum unit pricing for alcohol; digital participation charter; national transport strategy).

In 2018, the Scottish Government introduced two major changes which will lead to improvements in the ways in which we consider poverty and inequality in the decisions we take:

- In April 2018, the Fairer Scotland Duty came into force. The duty offers the potential to transform decision-making in Scotland, ensuring that organisations actively consider approaches to reducing inequalities of outcome as part of the decision-making process.
- In June 2018, the refreshed National Performance Framework (NPF) was launched. Within the NPF there is a cross-cutting emphasis across all of the National Outcomes and Indicators on closing the inequality gap.

Collectively, these two changes have the potential to support a much stronger focus on socio-economic inequality. To date, a limited number of Fairer Scotland Duty assessments have been published. By the time of the 2020-21 Equality Budget Statement, it will be possible to provide a range of examples of where the Scottish Government has actively considered approaches to reducing inequalities of outcome as part of the decision-making process based upon published Fairer Scotland Duty assessments.

CHAPTER 6

Child Poverty Overview

INTRODUCTION

The Child Poverty (Scotland) Act 2017 is a landmark piece of legislation, which positions Scotland as leading in the UK on tackling child poverty. In a clear statement of the Scottish Government's commitment to ending child poverty, it set the following ambitious targets that are to be met by 2030:

- Less than 10 per cent of children in Scotland are in relative poverty ('relative poverty' measures whether the incomes of the poorest households are keeping up with growth in average incomes in the current year).
- Less than 5 per cent of children in Scotland are in absolute poverty ('absolute poverty' measures whether the incomes of the poorest households are keeping up with inflation).
- Less than 5 per cent of children in Scotland are in combined low income and material deprivation (children are in 'material deprivation' if their family is unable to afford items that most people think are essential – such as a warm winter coat and money to replace worn-out furniture).
- Less than 5 per cent of children in Scotland are in persistent poverty ('persistent poverty' is defined as being in relative poverty for at least three out of four consecutive years).

The Scottish Government published 'Every Child, Every Chance: the Tackling Child Poverty Delivery Plan 2018-22' in March 2018. It sets out a range of actions, from policy areas across the Scottish Government. These actions aim to impact on the three key drivers of child poverty reduction: increasing income from work and earnings; reducing households costs; and maximising income from social security.

This chapter provides a qualitative assessment of the impact of the Scottish Budget 2019-20 on each of these drivers of child poverty. It addresses a recommendation made by the Poverty and Inequality Commission that the Scottish Government should provide analysis of the likely impact of annual budget decisions on the child poverty targets.

The Tackling Child Poverty Delivery Plan has a strong equality emphasis through its focus on 'priority families' at higher risk of poverty. These include lone parents (the majority of whom are women), mothers aged under 25, minority ethnic families, families with a disabled adult or child, as well as families in which there is a child aged under 1

and larger families (with three or more children). Actions to reduce poverty among these groups are crucial to ensuring we meet the targets. The portfolio chapters of the Equality Budget Statement examine the impacts of the Scottish Budget 2019-20 in relation to protected characteristics.

WORK AND EARNINGS

Children whose parents are not in paid work are much more likely to be in poverty, but the majority of children in poverty do have at least one parent in paid work. The two main reasons for this 'in-work poverty' are low hourly pay and parents not having enough hours of paid work to keep the family out of poverty.

People with higher qualification levels and skills are much more likely to be in employment and have higher earnings. But the number and type of jobs available in the labour market is also crucial to ensuring they have good employment opportunities.

The Communities and Local Government portfolio, through the £50 million Child Poverty Fund, is investing in a new, intensive Parent Employment Programme. This will support low income parents already in work to build skills, progress through their careers and earn more. It will also support parents who are unemployed to move into work.

This new initiative is being developed alongside Fair Start Scotland, our national devolved employment support service, funded by the Finance, Economy and Fair Work portfolio. Fair Start Scotland focuses on helping people with particular challenges in finding work to gain sustained employment. Priority groups include disabled people, lone parents, minority ethnic groups and people who live in the 15 per cent most deprived areas. It aims to support at least 38,000 people over three years, with positive impacts on around 7,000 children.

The Finance, Economy and Fair Work portfolio also plays a central role in ensuring that high-quality jobs are available that offer parents decent rates of pay, good training and support, opportunities to progress, a flexible work environment, and enough hours in work to provide a weekly or monthly pay packet that, as a minimum, meets basic family needs. For example, it provides funding to Scottish Enterprise, Highlands and Islands Enterprise and the South of Scotland Economic Partnership to drive inclusive economic growth. It also provides funding to the Poverty Alliance to build a Living Wage Nation, and supports employers to deliver innovative solutions to overcome workforce inequalities faced by women, minority ethnic people and disabled people.

The Education and Skills portfolio invests in a wide range of policies to strengthen the skills of today's children and young people. This should lead to an improvement in work prospects for those who may become parents before 2030 - as well as for the next generation of parents and children beyond 2030.

Increasing the availability of affordable and accessible childcare and transport also plays an important role in increasing opportunities for paid employment. The impacts of the Scottish Budget 2019-20 on childcare and transport affordability are discussed in the next section, Costs of Living.

COSTS OF LIVING

The Scottish Budget 2019-20 will continue to invest in the expansion of funded early learning and childcare, with the intention of increasing entitlement by August 2020 to 1,140 hours for all 3 and 4 year olds and eligible 2 year olds (including those on certain income-related benefits). Increased local authority revenue funding in 2019-20 will support 435 additional graduate posts in nurseries located in Scotland's most deprived areas.

The Transport, Infrastructure and Connectivity portfolio will maintain its budget for the Bus Service Operators Grant in 2019-20, subsidising all services. This will make the network more extensive and fares lower than would otherwise be the case. It will continue to fund free bus travel for older people aged 60 or over and disabled people through the National Concessionary Travel Scheme. It will also introduce companion cards for eligible disabled children aged under 5, develop a pilot scheme of free bus travel for young modern apprentices and work with stakeholders to consider the options to provide free bus travel to recipients of the new Young Carers Grant. Funding of the Scotrail franchise will continue to deliver reduced fares for job seekers and the newly employed.

In 2015-16, an extra 170,000 people were below the relative poverty threshold once housing costs were taken into account. The lowest income households spent, on average, 48 per cent of their income on housing compared with 9 per cent for middle income households. Low income households renting privately spend an especially high proportion of their income on housing. In 2019-20, funding in the Communities and Local Government portfolio will be maintained for the delivery 50,000 affordable homes over the five years of this Parliament, 35,000 of which will be for social rent.

The Communities and Local Government portfolio will also continue to fund the Council Tax Reduction Scheme, ensuring that around half-a-million households who would otherwise struggle to pay their full council tax are instead required to pay only what they can afford. Over three-quarters of those who get Council Tax Reduction (CTR) get a 100 per cent reduction and so pay no council tax. On average, CTR recipients save over £685 per year.

Households with the lowest incomes are more likely to experience fuel poverty than others. In 2016, 87 per cent of households with a weekly income of less than £200 were in fuel poverty compared with 26.5 per cent of all households. This can mean that households on lower incomes experience difficulties in paying their bills resulting either in debts or in people living in under-heated homes. In 2019-20, the Communities and Local Government portfolio will continue to tackle fuel poverty and improve the energy efficiency of Scotland's homes by maintaining funding for the Home Energy Efficiency Programmes for Scotland (HEEPS).

There will be additional investment by the Communities and Local Government portfolio in 2019-20 to tackle food insecurity, including specific funding to develop practical support that aims to reduce food insecurity during school holidays. This portfolio will also provide funding to ensure continued access to free sanitary products for those attending schools, colleges and universities, and for those on low incomes.

The Health and Sport portfolio will continue to deliver Scotland's Baby Box, offering essential items for a child's first weeks to the families of all babies born and living in Scotland. From summer 2019, the UK Healthy Start Voucher scheme will be replaced in Scotland by a Best Start Foods smartcard to help reduce the stigma of using paper vouchers, and to provide greater flexibility for retailers and families. Payments will increase from £3.10 to £4.25 a week.

Costs associated with school have also been identified as putting pressure on family finances. The Scottish Budget 2019-20 will continue to ensure that families benefit from a £100 minimum school clothing grant and that free school meals are provided, the latter saving families around £380 per child per year. The introduction of universal free school meals in P1-3 has removed stigma associated with means testing, and led to increased take up among the most disadvantaged pupils, even where they were already entitled to a free meal. The Scottish Budget 2019-20 continues to support pupils from low income families to access free school meals from P4 onwards. School clothing grants and free school meals are funded jointly from budget in the Education and Skills portfolio and the core local government finance settlement.

Families on low incomes often end up paying an unfair 'poverty premium' for essentials – for example, because they have a pre-payment energy meter or are paying over the odds to a rent-to-own scheme to replace broken white goods. The Communities and Local Government portfolio's support to not-for-profit lenders, including Credit Unions and Community Development Finance Institutions, will continue in 2019-20. This includes match funding for the Carnegie UK Trust's Affordable Credit Fund. This will help more parents to access affordable credit when they need it, protecting them from predatory lenders and unmanageable debt, and acting as a buffer against unexpected costs and fluctuations in income.

The Communities and Local Government portfolio will also continue investment in the new Financial Health Check service. This service offers low income families with children personalised advice on money matters to make sure they are not paying more for essential goods and services than they need to. It also helps them to access all of the support they are entitled to, such as free school meals, Council Tax Reduction and the financial assistance covered in the next section, Social Security.

SOCIAL SECURITY

Social security has an important role in tackling child poverty. Child poverty rates in the UK fell in the early 2000s, in part because of new benefits that were introduced for families. Recent UK Governments have cut social security very deeply, which has led to rising child poverty across the UK.

'Every Child, Every Chance: the Tackling Child Poverty Delivery Plan 2018-22' commits the Scottish Government to work towards introducing a new income supplement by 2022, thus providing additional financial support to low income families. The income supplement will be developed through close engagement with stakeholders and will aim to target support where it can have the greatest impact. Resources will be considered as it is developed, within the usual approach to the setting of the Scottish Budget.

The Best Start Grant is replacing the UK Sure Start Maternity Grant, supporting low income families during pregnancy and the early years up to school age. From December 2018, payment to the first child will increase from £500 to £600 and £300 birth payments for further children will be introduced. From summer 2019, two new payments of £250 per child will be introduced – the first around the time a child starts nursery and the second when they start school.

The Scottish Budget 2019-20 will continue to ensure that recipients of the UK Carer's Allowance receive the Scottish Carer's Allowance Supplement to bring their payments up to an equivalent level to Jobseeker's Allowance. A Young Carer Grant will also be introduced from autumn 2019 to provide a payment of £300 annually to all 16-17 year olds (and 18 year olds if still at school) who are caring for a person entitled to a qualifying disability benefit for an average of 16 or more hours a week, and who are not in receipt of Carer's Allowance.

To mitigate the effects of the 'benefits cap' and frozen Local Housing Allowances, the Scottish Government has increased investment in Discretionary Housing Payments (DHPs). DHPs provide further assistance with housing costs for those entitled to Housing Benefit or the housing element of Universal Credit. DHPs are also used to compensate local authorities for the cost of fully mitigating the 'bedroom tax' (cuts to housing benefit in the social rented sector introduced by the UK Government in April 2013).

Funding for the Scottish Welfare Fund (SWF) will be maintained in 2019-20 to provide a safety net for vulnerable people on low incomes. The SWF provides Crisis Grants, which help those facing disaster or emergency situations, and Community Care Grants, which provide help to establish or maintain a settled home or support individuals and families facing exceptional pressure. From April 2013 to June 2018, 306,305 households were supported, including 101,270 households with children.

CROSS-CUTTING

The Communities and Local Government portfolio will continue to contribute to the Innovation Fund that was established in partnership with the Hunter Foundation, with specific funding to trial and scale up innovative approaches to reducing child poverty.

This portfolio will also continue to invest in regeneration activities targeted at Scotland's most disadvantaged areas. The Empowering Communities Fund supports community organisations to deliver locally identified priorities to tackle poverty in a responsive way (including money advice, childcare, training and up-skilling). Match funding of the European Social Fund Programme will be continued in 2019-20 through the Aspiring Communities Fund, Social Economy Growth Fund and Social Innovation Fund. These funds help third sector, community bodies and social economy organisations to deliver long-term local solutions that address local priorities and needs to reduce poverty and enable inclusive growth.

CONCLUSION

This chapter has provided an overview of the impact of the Scottish Budget 2019-20 on the three key drivers of child poverty reduction: increasing income from work and earnings; reducing households costs; and maximising income from social security. It demonstrates the significant financial investment, from a range of portfolio areas, that support the Scottish Government's commitment to meeting the ambitious targets set by the Child Poverty (Scotland) Act 2017.

CHAPTER 7

Finance, Economy and Fair Work

INTRODUCTION

The Finance, Economy and Fair Work portfolio plays a critical role in fulfilling the ambitions of Scotland's Economic Strategy and in helping to deliver on Scotland's purpose, as defined in the National Performance Framework:

'To focus on creating a more successful country, with opportunities for all of Scotland to flourish, through increased wellbeing, and sustainable and inclusive economic growth.'

This portfolio covers a range of areas including employability and training, fair work, digital, enterprise and trade and the implementation of the powers over taxation that are provided for in the Scotland Act 2012 and 2016.

This chapter concentrates on the spend element of the portfolio and the principles rather than the details of revenue generation. As discussed earlier in Chapter 2, future years will see changes to the Equality Budget Statement with additional analyses of spend and revenue generation published before summer recess. Distributional analysis of income tax changes will be published alongside the Scottish Budget but further work is needed to consider the longer-term impact of income tax changes and the equality impact of other taxes lying within the Scottish Government competence.

KEY INEQUALITIES OF OUTCOME

Scotland has strong economic fundamentals and has made significant achievements in terms of inclusive growth. For example, Scotland currently outperforms the UK on women's employment and has lower women's unemployment rates. However, there is considerable variation in economic performance geographically across Scotland and between different groups. For example, women are still paid less than men and the proportion of employed women aged 18 years and above earning less than the living wage is higher than it is for males. The gender employment gap (which measures the difference between the employment rates for men and women) has decreased from 10.6 percentage points in 2007 to 6.9 percentage points in 2017¹. The full-time gender pay gap has decreased from 11.9 per cent in 2007 to 5.7 per cent in 2018. The full-time gender pay gap varies across sectors; it is at 17.2 per cent in the private sector versus 5.3 per cent in the public sector. It is 21.1 per cent for managers, directors and senior officials and the pay gap is highest in Financial and Insurance sectors (31.0 per cent) and in Professional Scientific and Technical sectors (30.1 per cent)².

1 Scottish Government (2018), Regional employment patterns in Scotland: statistics from the Annual Population Survey 2017

2 Annual Survey of Hours and Earnings 2018, Office for National Statistics.

Disabled and minority ethnic people are also less likely to be in employment. Those who are in work earn less on average or are more likely to live in low income households than non-disabled people and white people. The disability employment gap in Scotland was 35.8 percentage points in 2017³.

In the year ending June 2018⁴, the employment gap for minority ethnic people was 17.5 percentage points. There is a particular disadvantage for women from minority ethnic groups in the labour market. Employment rates for minority ethnic women are typically around 22.7 percentage points lower than employment rates for minority ethnic men. This is over 3 times higher than the gap of around 7 percentage points between the employment rates for men and women of white ethnicity living in Scotland.

KEY STRATEGIC BUDGET PRIORITIES

This portfolio plays a central role in supporting the ambitions set out in Scotland's Economic Strategy – delivering increased competitiveness and tackling inequality. The [Scottish Government's Economic Action Plan](#) – published in October 2018 – sets out how the Scottish Government is taking action to support Scotland's Economy Strategy across all portfolios in a way that reflects our unwavering commitment to delivering inclusive growth across all of Scotland.

The strategic priorities for spending in this portfolio include commitments to:

- Maintain a stable and competitive tax regime as part of a supportive business environment;
- Introduce legislation to pave the way for the Scottish National Investment Bank;
- Deliver a new ring-fenced capital £50 million Town Centre Fund for 2019-20 to drive local economic activity and to stimulate and support place-based economic improvements to town centres;
- Support for business research and development by continuing our three year commitment to increase grant support for research and development from £22 million to £37 million per annum;
- Publish a Fair Work Action Plan that will set out the next steps we will take to embed fair work practices in Scottish workplaces by 2025. Further publications include a Gender Pay Gap Action Plan; A Fairer Scotland for Disabled People – Employment Action Plan; and a Review of Employability Services that will shape the future employability system to ensure it delivers for all our people, founded on our core values of fairness, dignity and respect.

3 Scottish Government (2018), Regional employment patterns in Scotland: statistics from the Annual Population Survey 2017

4 Scottish Government Analysis (2018) of Annual Population Survey results for year to June 2018

EQUALITIES IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Employability and Training

Employability and Training Programme budgets play an essential role in delivering the Scottish Government's aims of tackling poverty; promoting inclusion and social justice; and creating a fair and prosperous Scotland.

The employment rate in Scotland remains among the highest on record and the unemployment rate is low. In almost all months in the last year, the youth unemployment rate has been lower and employment for women has been higher in Scotland compared with the UK.

However, those facing the greatest barriers to employment will still require more individualised support which is better integrated with other services. There is a slight reduction in the programme budget for employability and training, as our Integration and Innovation pilots have come to an end. The learning from these pilots will be factored into the development of a new approach to funding employability services. It also reflects a reduction in the developmental costs associated with Fair Start Scotland. Our commitments to front-line delivery through Fair Start Scotland and other services will continue in 2019-20 as we develop our joint partnership with local authorities and other partners. This will better align funding and deliver stronger outcomes for people seeking work.

Key contributions made by this portfolio to improving equality outcomes include:

- Supporting parents to address barriers to work, providing in-work support to help low income parents remain in the workplace and gain progression while helping meet our child poverty target.
- Publishing action plans on reducing the disability employment gap by at least half and closing the gender pay gap.
- Successfully delivering our new devolved employment support service – Fair Start Scotland – which is designed to give individualised support to 38,000 individuals who are furthest from the labour market.
- Providing £1 million per year to support up to 150 people on very low, or no income to retrain and gain employment in the digital economy.

Employability plays an essential role in delivering the Scottish Government's aims of tackling poverty; promoting inclusion and social justice; and creating a fair and prosperous Scotland.

Fair Start Scotland is an employability support service that provides support to disabled people and those at risk of becoming long-term unemployed to find and retain work. It commenced on 3 April 2018. This service provides support for individuals with disabilities and/or health conditions (under the Equality Act 2014 definition); those with convictions; care leavers; lone parents; refugees; minority ethnic people; people in the 15 per cent most deprived Scottish Index of Multiple Deprivation (SIMD) areas; people with health-related barriers to employment; and those reaching two years of unemployment.

As the service was designed from the start with active consideration of protected groups, it should have a significant impact on tackling inequalities in Scotland. For instance, the service plays an important role in the Scottish Government's ambition of halving the disability employment gap.

Funding for Fair Work and Workforce Development will build on the work of the Fair Work Convention and other related activity to promote fair work, including the implementation of actions from the Fair Work Action Plan. This focuses on promoting Fair Work for example, the Scottish Government will adopt a new default position – termed 'Fair Work First' – that will see criteria, including the living wage, extended to more contracts and government support grant.

The Gender Pay Gap Action Plan and A Fairer Scotland for Disabled People: Employment Action Plan are other priorities of this portfolio. Both will be published in the next few months and will set out recommended future actions. We will invest £5 million over the next three years to support around 2,000 women to return to work following a career break, particularly in sectors where there continues to be a gender pay gap. We will also support employers to deliver innovative solutions to workforce inequalities faced by older people, women, minority ethnic and disabled people, including helping them to identify and close their pay gaps.

Enterprise and Trade

The Enterprise and Trade budget funds Scottish Enterprise and other enterprise-related activities; invests in the development and application of research, innovation and technology; supports entrepreneurial activity and a range of detailed actions in 'A Trading Nation: Our Plan for Growing Scotland's Exports'. This is supported by funding of £20 million over three years, which aims to build our capacity and presence on trade, international markets, exports and global investment flows, all in line with the Programme for Government.

The Enterprise budget supports sustainable and inclusive growth. This is focused in particular on growth companies, growth sectors and growth markets.

The priorities of the enterprise agencies for 2019-20 are to enable sustainable and inclusive economic growth in line with Scotland's National Performance Framework. An example of this is their commitment to consider all aspects of the Scottish Business Pledge in assessing applications for business support.

A key priority in this area is legislation to pave the way for the Scottish National Investment Bank (SNIB). Furthermore, in advance of the Scottish National Investment Bank's establishment, the Building Scotland Fund will provide debt and equity support to non-public sector organisations such as businesses, housing associations and universities. This will support the development of housing across all tenures; develop modern industrial and commercial space; and support business-led research and development. This will see the largest increase in funding within the Enterprise and Trade area, with £130 million of funding in 2019-20. An Equality Impact Assessment is being developed alongside the development of SNIB to ensure that the different requirements of equality groups are taken into consideration.

We will introduce legislation early in 2019 to support the establishment and capitalisation of the SNIB such that from 2020 the SNIB will be investing in our businesses and communities.

The SNIB will be supported with £2 billion of capital over the next decade – enabling it to provide patient finance to ambitious companies and important infrastructure projects. It has the potential to be transformational and to become a cornerstone of Scotland’s economy in the medium to long term. While operating commercially, the SNIB’s investment decisions will reflect wider social and ethical interests in order for it to contribute to inclusive growth and have the societal impact envisaged.

The Fairer Scotland Duty will be considered throughout the development of the SNIB and will be applied, in particular, to development of the missions for the SNIB and the Advisory Group that will support Scottish Ministers. Given the anticipated Parliamentary and stakeholder interest in the ethical and sustainable aspects of the SNIB’s investments, we are developing an Equalities Impact Assessment in relation to the establishment of the SNIB as well as the provisions in the Bill.

The overall budget for Scottish Enterprise (SE) reflects a £3.5 million saving (1.5 per cent) and is primarily expected to be met from efficiencies. Similar to previous years, at this stage it is not possible to know how SE will use this or to assess what the equality impact of budget for SE will be. SE budget will, however, allow the agency to continue to meet its legal requirements and to continue current activities which promote equality outcomes. This includes commitments to build the number of account-managed companies led by women, minority ethnic people, young and disabled people; improve equal pay; and address occupational segregation profiles for gender, ethnicity and disability. It also includes a commitment to add criteria on fair work practices including the Living Wage, being transparent on gender-equal pay and the exclusion of exploitative zero-hours contracts to business support grants through Regional Selective Assistance and other large SE job-related grants – starting with grants offered in 2019-20. Any additional activity associated with the increase will require equality impact assessment by SE.

The enterprise and skills agencies will, for the first time this year, receive formal strategic direction from the Enterprise and Skills Strategic Board. The Board published its Strategic Plan on 17 October and the Scottish Government supports its aims, which includes supporting women and minority groups in business. The Plan’s actions include establishing a campaign to foster entrepreneurship and ambition across society, with a particular focus on inclusivity (including women, minority ethnic groups, rural considerations etc.).

Another key priority is the new ring-fenced capital £50 million Town Centre Fund for 2019-20 that will be delivered through the local authority settlement. This will enable local authorities to stimulate and support a wide range of investments which encourage town centres to diversify and flourish and become successful and sustainable places for local communities and visitors to live, work and enjoy. The Scottish Government wants our towns and town centres to be vibrant, creative, enterprising and accessible, as set out in the Town Centre Action Plan and Town Centre First Principle. Town centres are facing challenges as retail patterns change and evolve. This portfolio is supporting town centres to become more diverse and sustainable, creating footfall through local improvements and partnerships including Scotland’s Towns Partnership and Scotland’s Improvement Districts.

Our shared Women in Enterprise Action Framework seeks to realise untapped economic potential by tackling the gender gap across start-ups and growth companies. This is achieved through support for initiatives such as Investing Women, the Business Women Scotland's Live Events programme, the Women's Enterprise Scotland Ambassadors Programme and the Scottish Chambers of Commerce 'Future Female Business Leaders' programme. Similarly, we are supporting Young Enterprise Scotland to deliver 'Scotland's Enterprising Schools' to ensure a future involving enterprising activity is valid and viable for all young Scots.

Other key priorities within Enterprise and Trade include commitments to drive productivity; ensure that Scotland makes a positive contribution internationally; and address geographical inequalities across Scotland. Specifically, these are to:

- Target up to £18 million in European funds to establish an Advanced Manufacturing Challenge Fund. This will ensure all parts of Scotland benefit from developments in advanced manufacturing.
- Work with business to pilot two 'Productivity Clubs' to support businesses to help each other to improve managerial capability and the diffusion of technology and innovation.
- Expand the role of the Can Do Business Innovation Forum to take action on the economic opportunities and challenges of new technologies.
- Publish Scotland's 'A Trading Nation- A Plan to Grow Scotland's Exports' in spring 2019, with clear actions and a 3-year budgetary commitment of £20 million.

Tax

The Scottish Approach to Taxation is founded on four principles of efficiency, convenience, certainty and proportionality to the ability to pay. The Scottish Government has applied these principles to implementing and developing tax policy.

In the case of residential Land and Buildings Transaction Tax (LBTT), while equality data is limited, a progressive approach ensures that higher value properties are taxed at a higher rate than lower value properties, with some 49 per cent (2017-18) of tax payers kept out of the tax entirely.

The Scotland Act 2016 gave the Scottish Parliament powers to set the rates and bands for Non-Savings, Non-Dividend (NSND) income tax paid by Scottish taxpayers. The Scottish Government will continue to use its additional powers over income tax in a progressive way, such that it protects low income taxpayers and provides additional revenue to invest in high-quality public services. An analytical paper⁵ was published alongside the Scottish Budget 2018-19, setting out the impacts of the tax policy on different equalities groups. Similar analysis is produced alongside this year's Scottish Budget. However, the impact of income tax policy is limited to those who are in receipt of a taxable income. In Scotland, there were almost two million adults in 2018-19 with no income tax liabilities as their income was below the Personal Allowance of

⁵ Scottish Government 2017, The Scottish Government's Income Tax Policy (Stage 11): Analytical Note on Impacts on Income Levels and Equality

£11,850 – this is over 40 per cent of the 16+ population. This percentage is likely to increase slightly following the UK Chancellor’s decision to raise the Personal Allowance significantly to £12,500 in 2019-20. Even with further new income tax powers, the Scottish Government has limited powers to define the tax base or adjust tax reliefs, and National Insurance remains reserved to the UK Government.

Procurement Shared Services

Public procurement policy and legislation is fundamentally non-discriminatory and requires public bodies to treat all bidders equally, without discrimination. The Procurement Reform (Scotland) Act 2014 established a national legislative framework for public procurement. This supports sustainable and inclusive economic growth by delivering social, economic and environmental benefits. This means our approach to procurement is socially responsible and delivers value that goes well beyond financial savings and benefits.

The Sustainable Procurement Duty is an important element of the 2014 Act and we use it as a means of identifying opportunities to promote equality through public procurement. It requires public bodies to think about how the procurement process can enable small and medium-sized enterprises (SMEs), supported businesses and the third sector, to access contract opportunities, as well as delivering greater community benefits which can have positive impacts for equality outcomes.

CONCLUSION

Spending supported within the Finance, Economy and Fair Work portfolio – which is strongly aligned with both Scotland’s Economic Strategy and with the new National Performance Framework – should have benefits for people with protected characteristics across all of Scotland and ensure that spending commitments tackle existing inequalities. Over the course of 2019-20, significant investment will also be made in producing – as well as delivering on – action plans that directly address worse outcomes faced by groups, such as women and disabled people, and in promoting fair work.

CHAPTER 8

Health and Sport

INTRODUCTION

The Health and Sport portfolio is responsible for ensuring that the people of Scotland get the right care and support, in the right place, and at the right time through the NHS and wider health and social care services.

The Health and Sport portfolio strives to improve the health of the nation, so that people live longer, healthier lives and experience lower levels of health inequalities throughout Scotland.

While progress continues to be made, Scotland still experiences lower levels of life expectancy than most other countries in Western Europe and health inequalities between the most and least deprived communities in Scotland persist.

KEY INEQUALITIES OF OUTCOME

The portfolio is crucial in delivering the following key National Outcomes:

- We are healthy and active.
- We live in communities that are inclusive, empowered, resilient and safe.

Recent evidence shows that health inequalities exist across the protected characteristics in Scotland:

- In 2017, older people were less likely to report being in good or very good health (52 per cent) than younger people (86 per cent).
- The proportion of girls reporting 'good' or 'very good' health decreased slightly between 2016 (96 per cent) and 2017 (93 per cent) while most boys (94 per cent) continued to report their health as 'good' or 'very good'.
- In 2017, men, younger people and people living in relatively affluent areas were most likely to meet the guidelines for moderate or vigorous physical activity.
- In 2017, men were less likely to be in the healthy weight category (31 per cent) compared with women (35 per cent) and a higher proportion of men were overweight (40 per cent) compared with women (33 per cent).

- With respect to children, 12 per cent of boys and 15 per cent of girls were at risk of obesity. The proportion of boys at risk of obesity has fallen in recent years, from a peak of 20 per cent in 2011.
- In 2016, a lower proportion of people with a disability or long-term limiting condition reported having good or very good general health (29.3 per cent) compared with the rest of the population (87.8 per cent).
- In 2016, individuals with a disability or a long-term condition reported lower levels of mental wellbeing than the rest of the population.
- In 2014, a higher percentage of individuals in the “Asian” and “All other ethnic groups” groups reported good or very good general health compared to the White: Scottish group after age-standardisation (80.4 per cent and 81.5 per cent versus 71.5 per cent, respectively).
- In 2016, the proportion of people identifying as lesbian, gay, bisexual (LGB) or other reporting good or very good general health was significantly lower than the rest of the population (64.0 per cent vs. 73.8 per cent, respectively).
- People identifying as LGB or other reported slightly lower average mental wellbeing than heterosexuals.
- The decline in activity levels by age among both men and women corresponded to increasing levels of very low activity (less than half an hour a week of moderate activity or the equivalent level of vigorous activity) as age increased.

In addition to the health inequalities discussed above, there are known health inequalities between people living in the most and least deprived areas of Scotland. Among those living in the most deprived areas the prevalence of cardiovascular conditions, diabetes, heart disease and strokes is higher, along with experience of problems with drugs and alcohol misuse. Mental wellbeing is also significantly lower.

Unpaid caring affects women more than men. Evidence¹ shows that unpaid carers are more likely to be women (59 per cent women: 41 per cent men) and that working age women are much more likely to be carers than men.

Caring is also linked to poverty. Evidence² shows that there is a direct correlation between hours spent caring and living in Scotland’s most deprived areas with 47 per cent of carers living in the most deprived areas caring for 35 hours a week or more compared with 24 per cent of carers living in the least deprived areas.

In addition to tackling general health inequalities in the population, the investment detailed across the priorities discussed below will address equalities issues for specific groups such as older people, women and infants, children and young people, young males, Lesbian, Gay, Bisexual and Transgender people and those living with poor mental health and/or disabilities.

1 Scottish Health Survey 2012- 2013

2 Scotland 2011 Census

KEY STRATEGIC BUDGET PRIORITIES

The key priorities of the health and sport portfolio are:

- To improve access to health and care services including reducing waiting times and supporting the overall workforce to deliver effective services including in specialist skills such as radiotherapy.
- To improve mental health services including a five year priority for adolescents and young people's mental health services.
- Provide integrated community-based health and social care including our commitment to fund personal care and to ensure social care workers are paid a living wage.
- Support community based health care through a modernised GP service contract, pharmacy, dental and optician services.
- Improve patient care to ensure that people receive appropriate and beneficial care that is evidence-based and aligned with their personal preferences.
- To focus all public services on improving the health of our population.
- To reduce physical inactivity in adults and children.

EQUALITIES IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

The investments and actions outlined in the Scottish Budget are expected to have a positive impact on the health of several social groups who possess protected characteristics.

The budget for the portfolio is set out in the Scottish Budget document showing that around 80 per cent of the funding is directed to NHS general or specialist Boards. As public bodies, NHS Boards are subject to the Public Sector Equality Duty and its Scottish specific duties. They are required to produce a mainstreaming report which explains how they will ensure that as an organisation they value diversity and promote equality. Mainstreaming is a long term approach that aims to make sure that decisions made are fully sensitive to the diverse needs and experiences of patients, carers and staff and that equality is mainstreamed into working practices, policies and representation.

Access to Health Care Priorities

The Waiting Times Improvement Plan sets out the aim that by spring 2021, 95 per cent of outpatients and 100 per cent of inpatients and day cases will wait less than 12 weeks to be treated. It will:

- Increase capacity by expanding facilities;
- Increase clinical effectiveness and efficiency by implementing targeted action plans for key specialities and clinical areas; and

- Design and implement new models of care by accelerating whole-system design of local patient pathways through health and social care integration and regional service reconfiguration.

Over the next three years, the Improvement Plan will be supported by directing £535 million of resource funding, and £320 million of capital investment. This includes the £200 million that has been previously outlined to deliver the new elective centres.

This work will be supported by our £100 million cancer strategy. We will invest £50 million over five years in radiotherapy equipment, staff and training to ensure the provision of advanced radiotherapy services. We will also continue to invest up to £2.5 million to enable the Managed Service Network for Children and Young People with Cancer to lead and deliver the improvements set out in their second Cancer Plan, with a particular focus on improving services for teenagers and young adults.

Mental Health Priorities

We are introducing a comprehensive package of measures to improve mental health services. We are investing an additional £250 million over the next five years to support measures for children and young people, and the work of the Task Force on Children and Young People's Mental Health Improvement.

Actions include:

- creating around 350 counsellors in school education across Scotland;
- putting an additional 250 school nurses in place by 2022;
- ensuring that, by the end of academic year 2019-20, every local authority will be offered training for teachers in mental health first aid;
- providing more than 80 additional counsellors in further and higher education over the next four years;
- putting in place systems to fast-track those with serious mental illness to specialist treatment;
- developing services for community mental wellbeing for 5-24 year olds and their parents;
- improving training and awareness of people working with vulnerable families;
- expanding the Distress Brief Intervention programme to include people under 18; and
- expanding the range of perinatal support available to women.

Action is also planned to tackle adult mental health issues, including:

- trialing improvements to the NHS 24 Breathing Space service;
- more widespread online access to cognitive behavioural therapy;
- strengthening self-help platforms through NHS Inform;
- improving access to psychological assessment/therapies in rural areas; and
- enhancing the handling of 111 calls through specialist mental health training.

This funding will support a range of actions that will improve the mental health of the population, including among LGBT people who often experience higher rates of mental health problems. Significant investments are being made to improve the mental health of children and young people including the announcement of the Task Force on Children and Young People's Mental Health Improvement in June 2018. Additional commitments to promoting children and young people's mental health include: investing in 350 counsellors in school education; offering all local authorities mental health first aid training for teachers; and extending the Distress Brief Intervention (DBI) programme pilots to include people under 18. The DBI programme aims to support individuals experiencing distress by providing a range of time-limited supports including signposting, community-based problem solving and wellness and distress management planning.

Plans have been set out to further reduce Scotland's suicide rate by 20 per cent by 2022. Backed by a new £3 million innovation fund, we will:

- Implement refreshed mental health and suicide prevention training for Scotland's public and private sectors;
- Develop reviews of all deaths by suicide ensuring lessons are shared and acted on; and
- Develop innovative ways to use digital technology to prevent suicide.

These actions will be of particular importance to improving men's health, as just under three-quarters of suicides in Scotland are completed by men. Moreover, just under three-quarters of completed suicides in Scotland occur among persons who are unmarried or not partnered, and so increased suicide prevention investments will also help to improve the health of this population.

Workforce Priorities

Ensuring we have a health and social care workforce in place to respond to these challenges is crucial to these ambitions, and provision has been made for:

- 800 more GPs (headcount) over the next 10 years;
- 100 more medical undergraduate places by 2021;

- 2,600 extra nurse and midwifery training places by the end of this Parliament;
- an increase in GP Specialty Training posts from 300 to 400 per year;
- 50 more radiology specialty training posts over the next five years, supported by an additional £3 million investment;
- 500 more advanced nurse practitioner posts by the end of this Parliament;
- 1,000 additional paramedics by 2021.

Health and Social Care Integration and Social Care Priorities

The integration of health and social care remains one of the most significant reforms that Scotland's public services have seen. In 2019-20 we are increasing our package of investment in social care and integration to exceed £700 million, underlining our commitment to support older people and people with disabilities and recognise the vital role unpaid carers play.

Social care provides vital support for thousands of people in Scotland. To ensure the growing demand for social care and support is met, and to maintain its crucial role for many in being able to live independently and participate in society, we will:

- implement our commitment to extend free personal care to all those under 65 who are assessed as needing it supported by our investment of £30 million;
- reform the Independent Living Fund (ILF) Scotland charging policy to improve the disposable incomes of disabled people;
- continue to support delivery of the Living Wage for social care staff working in adult services;
- work with key partners, including COSLA, to support workforce planning for integrated social care services;
- continue to work to embed the recently established rights for Scotland's unpaid carers with an additional £10.5 million;
- improve access to support for survivors of abuse experienced while growing up in care;
- support improvements in adult support and protection;
- deliver the provision of communication equipment and support to children and adults who have lost their voice or have difficulty speaking; and
- consider evidence for and views on a potential new national scheme to provide extra financial support to people with the highest social care needs.

Continuing investments in social care and integration, including the Independent Living Fund, extending free personal care to all those under 65 who need it, and

implementation of the Carers (Scotland) Act 2016, will help to improve the health of individuals living with disabilities and support an aging population. Moreover, funding to support the delivery of dental services within care homes will further help to maintain and improve the oral health of older people.

Our investment in community pharmacy demonstrates our commitment to the valuable core services that the network of pharmacies across Scotland provide in our communities. This includes services such as the Minor Ailment and Chronic Medication Services, and the Public Health Service which provides, for example, easy walk-in access to support and advice for smoking cessation. Past Audit Scotland analysis has indicated that the distribution of community pharmacies across Scotland varies by deprivation levels, with the highest number of pharmacies in the most deprived areas.

Community Health Services Priorities

Primary care is supported with an investment of £941 million. The first entirely Scottish GP contract came into effect on 1 April 2018 and focuses the role of Scotland's GPs on being clinical leaders in the community, leading enhanced, integrated community teams. The reform will reduce unnecessary workload for GPs, ensuring that GPs can spend more time with the patients who need to see them the most, and will make General Practice a more attractive career.

To enable more people to use their community pharmacy, we will invest £192 million to both deliver and support enhancements to core pharmacy services. Crucially, the main focus is to build on the learning from the extended Minor Ailment Service pilot in Inverclyde and the rollout of the Pharmacy First initiative by implementing a redesigned minor ailment/common conditions service available to all. We are also strengthening the Chronic Medication Service to enable community pharmacists to provide personalised care for people with stable long-term conditions.

On dental care, a new scheme to ensure people in care homes receive appropriate dental care will be introduced, and over time, expanded to include those being cared for at home. We will take forward new approaches to reduce inequalities by supporting communities and families to take positive action through our £2.5 million Community Challenge Fund over three years.

Funding for the construction of the Golden Jubilee National Hospital's ophthalmology expansion and NHS Highland's North of Scotland Elective Care Centre will help to meet the increasing demands for elective surgery as the population ages, and will therefore help to improve the health of older people in particular.

We are also supporting nursing and midwifery students by providing free tuition and investing £11.1 million to increase the level of bursary support in 2019-20, with a further £25.4 million in 2020-21 to increase the level of support further. We are investing £3 million to train more Advanced Nurse Practitioners by 2021, £20 million per annum to recruit and train additional health visitors, and £6.9 million over three years for the training and education of General Practice Nurses and District Nurses.

This investment will support the health of pregnant women and infants who will be supported through the provision of an additional 2,600 extra nurse and midwifery training places and increased investment in domestic and international recruitment of health professionals across a range of disciplines, including midwifery. In addition, we will be investing in the Baird Family Hospital and the ANCHOR Centre in Aberdeen. The Baird Family Hospital will contribute to improving the health of women and pregnant women and their children, through the provision of maternity, gynaecology and breast screening services.

Reforming Health Services and Digital Health and Care Priorities

Services need to adapt to meet the needs of a changing population and address the challenges that are currently facing our health and social care services. NHS Boards and their partners will identify which services would better provide for patients if delivered at regional and national level. We will support NHS Boards to collaborate in service design and delivery to ensure that redesigned services bring real change in immediate priorities, such as access to care, as well as achieve longer-term sustainability and reform.

Digital technology helps us to realise the integration of our health and care services as we build person-centred services for the people of Scotland. The new Digital Health and Care Strategy, published in 2018, sets out how we will work collaboratively across health and social care to use and develop technology to deliver more joined up, integrated, and effective services.

Realistic Medicine Priorities

The aim of Realistic Medicine is to improve patient care, ensuring that people receive appropriate and beneficial care that is evidence-based and in tune with their personal preferences. Scotland's shared vision is that 'by 2025, everyone who provides healthcare in Scotland will demonstrate their professionalism through the approaches, behaviours and attitudes of Realistic Medicine'. Survey and stakeholder feedback gathered in 2018 has identified the biggest barriers and challenges to practising Realistic Medicine as:

- insufficient staff time;
- lack of formal training on Realistic Medicine and Value Based Healthcare; and
- lack of local leadership on Realistic Medicine.

From April 2019, we will build on the good progress already made and begin to implement a new three-year Implementation Plan that will support the public, health and care professionals to overcome the perceived barriers and challenges to practising Realistic Medicine. The new Implementation Plan has been informed by survey and stakeholder feedback and sets out a vital value-based programme of work that will focus on delivering the priorities to help create a sustainable NHS, underpinned by a culture of stewardship with people as equal partners in their care.

Public Health Priorities

To focus all public services on improving the health of our population, together with COSLA, we have set out our Public Health Priorities for the next decade. They are shaping our actions over the coming year, including:

- creating Public Health Scotland, to lead progress against our priorities;
- supporting key strategies on preventing and treating tobacco, alcohol and drug harm;
- progressing action to address adverse childhood experiences;
- improving collaborative working between public services to improve health outcomes for people in contact with the justice system;
- consulting on restricting the promotion and marketing of targeted food and drink high in fat, sugar or salt; and
- providing practical support to SMEs to help them reformulate their products, making them healthier.

Tackling diabetes and obesity will be a critical area of action. In the coming year we will continue to progress the five-year plan to invest an additional £42 million to improve the range of weight management services offered by our NHS as a core part of treatment services for people with, or at risk of, type-2 diabetes.

The further investment of £20 million per annum to support alcohol and drug treatment will also continue. This will help to improve the health of men in particular, who consume more alcohol on average than women in Scotland and account for a higher percentage of alcohol-related general acute and psychiatric hospital admissions. Improvements in the health of the middle-aged would also be expected: among men, alcohol-related general acute hospital admissions are highest among those aged 55-64, and for women among those aged 45-54. This will also contribute to improving the health of those living in the most deprived areas of Scotland, where a higher proportion of the population are admitted to both general acute hospitals and psychiatric care for alcohol-related causes.

Moreover, investments in drug treatments will also help to improve the health of those social groups that account for disproportionately higher proportions of drug-related deaths in Scotland, including men, those aged 35-44 and people living in the most deprived neighbourhoods.

We will also increase our support for children and families affected by Fetal Alcohol Spectrum Disorder (FASD) with investment of £0.3 million. Over the next year, we will work to set up a third sector hub that will focus on both preventing instances of FASD arising in the first place and supporting families following diagnosis.

We will also:

- increase our investment in improving maternity services by funding implementation of the Best Start review recommendations;
- continue to deliver a Baby Box offering essential items for a child's first weeks to the families of all newborn babies in Scotland;
- establish a National Hub for the Prevention of Child Deaths;
- establish Best Start Foods which will provide support for low income families to access a healthy diet; and
- publish a 10-year Children and Adolescent Health and Wellbeing Action Plan, focusing on both the physical health and wider wellbeing of children and young people.

This will generate further improvements in the health of infants, pregnant women and children and young people.

Priorities for a More Active Nation

Scotland is one of the first countries in the world to set out what we are doing to address the range of priorities in the World Health Organization's Global Action Plan, which put forward a target of a 15 per cent relative reduction in the global prevalence of physical inactivity in adults and young people by 2030. In the coming year our work will include:

- expanding the Care About Physical Activity programme supporting older people in a care setting to be more active;
- continuing to support the Scottish Women and Girls in Sport Advisory board to examine ways to increase female participation;
- investing in the Changing Lives Through Sport and Physical Activity programme to help transform lives;
- providing £1.2 million to support walking groups throughout Scotland as it is the easiest and most effective way to be active;
- promoting female golf to ensure a legacy from the Solheim Cup;
- expanding activity to increase participation of under-represented groups in sport and physical activity; and
- increasing support to Community Sports Hubs within our 5 per cent most deprived communities.

We will work with **sportscotland** to protect sport investment and mitigate the impact of continued reductions in lottery income. We will again underwrite the potential shortfall in funding of up to £3.4 million for **sportscotland** in 2019-20 and will continue to encourage the UK Government to take the appropriate action required to address lottery reductions.

Promoting physical activity is a key strategy for population health improvement, and the actions above are designed to enable individuals to be more active. These actions will have a particularly significant impact on the health of those groups who are less likely to currently meet the recommended amount of physical activity in Scotland, including women. The expansion of the Care About Physical Activity programme, aims to help older people in a care setting become more active. In addition, there is increasing support for Community Sports Hubs within the most deprived neighbourhoods of Scotland.

CONCLUSION

The Health budget helps the people of Scotland to live longer and healthier lives, to help reduce health inequalities and provide sustainable, high-quality and continually improving health and care services. It supports the triple aim of better care, better health and better value.

The Sport budget supports the people of Scotland to become more physically active as part of our efforts to prevent ill health and improve our wellbeing.

CHAPTER 9

Education and Skills

INTRODUCTION

The Education and Skills portfolio has a crucial role in ensuring that all children and young people, whatever their background, are able to reach their full potential. Improving the education and life chances of Scotland's children and young people is the defining mission of the Scottish Government. The work of the Education and Skills portfolio is focused on transforming young lives, in and beyond educational settings. This wide-ranging support spans early learning and childcare provision; support for children and families, with specific focus on those in greatest need; school education; further and higher education; university research, knowledge exchange and innovation; science; the promotion of Gaelic; community and adult learning and development; expanding the opportunities to move into sustained employment; and developing the skills of our current and future workforce.

All children and young people, whatever their background or circumstances, deserve the same chance to reach their full potential. That is why improving outcomes for children, young people and their families continues to feature prominently at the heart of the Scottish Government's agenda and spending plans.

KEY INEQUALITIES OF OUTCOME

The key equalities issues and barriers being tackled by the Education and Skills portfolio are characterised by differences in attainment levels for individuals with particular characteristics.

While the attainment gap has narrowed over the past three years, there remains an attainment gap between several groups and their peers. We know, for example, that certain minority ethnic groups, children with additional support needs and those living in the most deprived areas have lower attainment than their peers. Gypsy/Traveller pupils continue to have the lowest educational attainment rates of all ethnic groups. There also remains an attainment gap between looked-after children and their peers¹.

The reported exclusion figures remain high for Gypsy/Traveller children, boys and children and young people with additional support needs (ASN). Figures also show that women and disabled people are more likely to leave education with no qualifications².

¹ Is Scotland Fairer? EHRC, October 2018

² *ibid.*

Bullying is highlighted as an issue for some children and young people who share particular protected characteristics. The reasons why children and young people experience bullying include physical appearance, sex, presence of an additional support need or learning disability, sexual orientation, race or faith³.

Tackling the number of young people (16-19 years) not participating in education, employment or training remains a challenge. Whilst the annual participation measure for 16-19 year olds increased slightly between 2016 and 2018 from 90.4 per cent to 91.8 per cent (an increase of 1.4 percentage points)⁴, this is not the entire picture and participation has an equalities dimension. For example, young people from the most deprived backgrounds are less likely to be participating than those from the least deprived⁵.

KEY STRATEGIC BUDGET PRIORITIES

The key strategic priorities of the Education and Skills portfolio are closely linked to the Scottish Government's objective to ensure that all children and young people are equipped to succeed in life.

Our top strategic spending priorities are:

- Helping to close the attainment gap and contributing to our preventative actions to reduce child poverty.
- Commitment to the expansion of early learning and childcare and increasing access to high-quality learning for children aged under five years.
- Strengthening the role that the further and higher education sectors, community learning and training play in providing an educated and skilled workforce and supporting inclusive economic growth. Developing strong links with the business community, recognising and responding to skills shortages in the labour market and ensuring that training and skills provision is tailored to allow individuals to fulfil their potential in the workforce.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Early Learning and Childcare

From August 2020, we are committed to almost doubling entitlement to funded early learning and childcare to 1,140 hours for all 3 and 4 year olds and for eligible 2 year olds. We reached agreement with COSLA in April 2018 on a multi-year revenue and capital funding package to fully fund this expansion. In 2019-20 we are providing local authorities with £307 million revenue (an additional £210 million compared with 2018-19) to support the expansion in funded early learning and childcare entitlement to 1,140 hours by August 2020. This includes funding to support 435 additional graduate posts in nurseries in Scotland's most deprived areas.

3 Scottish Parliament, 2017

4 Annual Participation Measure for 16-19 year olds in Scotland 2018. SDS, August and November 2018.

5 *ibid.*

To support the creation of additional capacity in the sector, total capital funding of £476 million has been provided to local authorities over the period 2017-18 to 2020-21.

We estimate that a quarter of two year olds will benefit from the early learning and childcare (ELC) expansion and the eligibility criteria is aimed at those who will benefit the most and includes families on disability-related benefits as well as income-related benefits and support under part V1 of the Immigration and Asylum Act 1999. Evidence shows that minority ethnic households are more likely to experience poverty, which suggests that minority ethnic groups are more likely to benefit from the expanded provision.

As part of our ongoing work to recruit up to 11,000 new staff into the ELC workforce to deliver the 1,140 hours from 2020, we are providing £62,780 of funding to the Council of Ethnic Minority Voluntary Sector Organisations – Scotland (CEMVO) in 2019-20 to raise awareness of and promote the increased ELC employment opportunities among members of Mixed Ethnic Group communities across Scotland. Our aim here is to use the opportunity of the increase in hours and the staffing required to deliver that commitment, to diversify the ELC workforce so that it is more representative of the Scottish population. Our ongoing national recruitment campaign will also include activity to target under-represented groups in the ELC workforce including males and disabled people.

Children and Families

The Children, Young People, Families and Early Intervention/Adult Learning and Empowering Communities (CYPFEI/ALEC) Fund has contributed £14 million per annum over four years to the third sector. The funding is aimed at early intervention/support and increasing the sustainability of the third sector through the provision of core funding.

It has been estimated that there have been 1.8 million beneficiaries in relation to children and young people and the interim evaluation shows a positive impact on the way organisations integrate equality issues into the delivery of their core services. We will continue to provide £14 million core funding during 2019-20.

Additional, time-limited project funding of £1 million per annum also ran for 2017-18 and 2018-19. This project funding was introduced to complement core funding to support new innovative projects and to support organisations to sustainably improve the way they work with a view to rolling out interventions. The additional project funding is coming to an end as planned. However, due to the time-limited nature of this project funding, many of the funded organisations have created resources that will go on to support children and families in future years. For example, a resource pack supporting parents caring for a disabled child during the transition from child to adult services.

On 23 October 2018, it was announced that the Scottish Government accepted the main recommendations from the InterAction Action Plan Review Group on the issue of financial redress/compensation for victims/survivors of abuse in care in Scotland. The provision of financial redress to survivors of historical child abuse in care is designed to address an existing inequality, whereby children were harmed by those who were

trusted to care for them, with traumatic impacts throughout their childhood and adult life. A redress scheme will be open to all survivors of in care child abuse, regardless of age, disability, religion or other protected characteristics.

Learning

The Scottish Attainment Challenge, which is focused on improving numeracy, literacy and health and wellbeing, will continue to push forward the Scottish Government's defining mission of improving the life chances of all of our children. Investment through the £750 million Attainment Scotland Fund, including Pupil Equity Funding, is vital in helping schools address the poverty-related attainment gap, thus helping children overcome barriers so that no child is left behind. We will continue to invest £120 million in 2019-20 directly to schools, matching the investment in 2018-19. In addition, almost £33 million has been made available until the end of the Parliament to local authorities through the Scottish Attainment Challenge to help close the attainment gap for care-experienced young people from birth to the age of 26 years.

Work to close the poverty-related attainment gap will have a positive impact on school-age children and young people, including disabled children and young people and those from Gypsy/Traveller, Polish, Caribbean/Black, African and Arab groups who are over-represented in the most deprived areas. The funding will also have a positive effect on advancing equality of attainment for children with Additional Support Needs by continuing to provide important resources, such as speech and language development; additional support for speakers of English as an additional language; and support from educational psychologists and counsellors. Funding will also provide a school clothing grant to those who are eligible.

An investment of over £60 million from the Health and Sport budget in school nursing and counselling services will enable the recruitment of 350 counsellors in school education across Scotland, and an additional 250 school nurses by 2022. This will ensure that schools are supported to deal with wellbeing concerns, and that children and young people in schools have the support they need at the earliest possible stage. Based on the Scottish Schools Adolescent Lifestyle and Substance Use Survey (SALSUS) in 2015, students living in more deprived areas, who had caring responsibilities, and/or were female students around the age of 15 had lower wellbeing scores than the average, so are more likely to benefit from this investment.

Scotland will become the first country in the world to have the teaching of lesbian, gay, bisexual, transgender and intersex (LGBTI) inclusive education embedded in the curriculum. All state schools will be supported to teach LGBTI equality and inclusion across different age groups and subjects, grouped under various themes. The themes will include LGBTI terminology and identities; tackling homophobia, biphobia and transphobia; prejudice in relation to the LGBTI community; and promoting awareness of the history of LGBTI equalities and movements. All 33 recommendations by the LGBTI Inclusive Education Working Group, created to improve the learning experience for LGBTI young people, have been accepted in full by the Scottish Government. Work to implement the recommendations will start immediately.

During 2019-20, we will continue to support the delivery of our Science, Technology, Engineering and Maths (STEM) Education and Training Strategy. Equity is a key theme of

the strategy, which contains specific actions aimed at closing gaps in participation and attainment in STEM so that everyone has the opportunity to fulfil their potential and contribute to Scotland's economic prosperity. Actions relating to STEM learning will be delivered in early years learning, schools and community settings, colleges, universities, apprenticeships and through public science engagement activities. Through our delivery arrangements we will also monitor how equality in STEM learning and participation is being promoted by all the actions in the Strategy, not just those in the equity theme.

As a key equality issue for STEM, there will be a primary focus on gender but issues relating to all protected characteristics, deprivation and rurality will also be considered. One of the actions we are taking through the Strategy is to support the recruitment of six Gender and Equality Officers at Education Scotland to address gender stereotyping and bias in schools. The team will deliver gender and equality training and develop a gender champion network and gender kitemarking to grow and spread best practice. They will focus on gender initially but, over the five-year lifetime of the Strategy, they will also work with schools to address additional equalities issues.

Advanced Learning and Science

We will continue to drive forward our widening access programme, which supports our ambition that a child born today in one of our most deprived communities will have the same chance of attending university as those from our least deprived communities. One of the recommendations made by the Commission on Widening Access was that the Commissioner for Fair Access should consider what further work is required to support equal access for other groups of learners, and within specific degree subjects. The Commissioner has indicated that as part of his workplan he will look at students with a disability.

In 2019-20, we will provide investment for improvements to financial support for students in further (FE) and higher education (HE) in response to the recommendations made by the independent review of student support. This will ensure that eligible care-experienced students under the age of 26 years in both FE and HE will receive a bursary of £8,100 per year. Further to that, improvements will be made to both FE and HE bursaries to ensure that students with the lowest incomes receive increased bursary support and increased access to bursaries through improvements to the HE bursary threshold and the introduction of the FE 'bursary guarantee'. The FE 'bursary guarantee' will ensure that all eligible students receive a bursary award and remove previous inconsistencies for students aged 18 or 19 years.

Through Developing the Young Workforce (DYW), we are committed to improving outcomes for those who experience difficulty engaging with education and with the labour market, such as those from care-experienced backgrounds and disabled young people. DYW utilises existing funding arrangements to advance equality throughout the education system and embed equality within the Curriculum for Excellence. This is being progressed through a clear communication of career options, with significant involvement from employers, schools and colleges. This work is actively targeting equality groups to promote diverse participation across gender, ethnicity, disabled young people and care leavers.

There is evidence of positive impact through DYW for these cohorts of learners. For example, the employment rate for disabled young people has increased from 35.6 per cent in January–December 2016 to 43.2 per cent for the same period in 2017. This is an increase of 8.0 percentage points compared with the baseline figure of 35.2 per cent in 2014. We have also seen the proportion of looked-after children in positive destinations increase by 6.7 per cent. This figure sits at 76.0 per cent as of 2016-17. This is an increase of 4.8 percentage points since 2015-16, and an increase of 6.7 percentage points since the baseline figures were recorded in 2012-13.

A clear direction of travel is also in place in relation to gender – in a range of school clusters, learners have benefited from improved resources, academic research and whole school approaches to promoting gender equality in STEM subjects.

We also have a clearer understanding of what activity works with young people at risk of disengaging/already disengaged and as we move into year four of the DYW programme, the challenge will be ensuring that we prioritise those young people aged 3-18 years who continue to face barriers in an improving labour market, and to enable them to achieve within an evolving employability and apprenticeship landscape.

We also look to support holistic approaches to access. As part of the wider Tackling Child Poverty Action Plan, we are providing £175,000 of funding over academic years 2018-19 and 2019-20 to Fife College. This project will work with prisoners to develop life skills and encourage positive life-style choices. This is expected to positively impact the children of prisoners, helping to maintain family relationships, aid integration back to the community and reduce negative effects on their children's development and mental health.

Colleges and universities should be places where students can live, study and research free of sexual harassment and gender-based violence (GBV). In 2019-20, we will commit £204,453 to promote the implementation of the Equally Safe in Higher Education (ESHE) Toolkit in Scottish Higher Education Institutions (HEIs); adapt the ESHE Toolkit for use in colleges as Equally Safe in Colleges and Universities in collaboration with the sector; and create an Implementation Plan for the new ESHE Toolkit. This investment will ensure that colleges and universities are supported to adopt and adapt the ESHE Toolkit – a Gendered Analysis - to assess their own policies and practices against the toolkit and put in place measures to keep students safe and engaged with their studies while meeting the needs and diversity of survivors. The Outcome Agreement Guidance, developed by the Scottish Funding Council for 2019-20 in response to the Ministerial Letter of Guidance, takes forward our expectations that institutions adopt, adapt and work with the Toolkit and that this is reflected in institutional Gender Action Plans.

The Programme for Government 2018-19 underscored the Government's commitment to student mental health with provision for more than 80 additional counsellors in Further and Higher Education over the next four years, with an investment of around £20 million. The Programme for Government, in a linked commitment, also committed to wrap-around support for students from day one of their studies to qualification and graduation. The Scottish Funding Council and Scottish Government are considering a financial allocation, from the funding committed in the Programme for Government, to both sectors as part of

the Academic Year 2019-20 funding allocations, to enable a first tranche of counsellors to be in place by the start of the term commencing September 2019.

The directorate will also actively contribute to the action plan to tackle the Disability Employment gap, which is referenced in the Economy, Finance and Fair Work portfolio chapter.

Youth Employment and Skills

Every young person has to have real choices about their education and skills and be sure that they are making the right decisions.

We will continue funding for the Education Maintenance Allowance (EMA) programme. The budget for 2019-20 is £25 million, matching that of 2018-19. EMA provides financial support for young people from low income households to overcome financial barriers to participate in appropriate school or college courses or Activity Agreements. In 2016-17, the proportion of EMA recipients living in Scotland's 20 per cent most deprived areas increased to 36.8 per cent (up from 35 per cent in 2015-16).

As part of the DYW programme, we have fulfilled our commitment to reduce youth unemployment by 40 per cent, four years ahead of schedule (2021). We will deliver more work-relevant learning to young people in school, giving them appropriate skills for the current and future jobs market, including creating new vocational learning options in our colleges; enabling young people to learn in a range of settings in their senior phase of school; and embedding employer engagement in education.

In 2019-20, we will continue to ensure that apprenticeship opportunities are open to all by investing over £214 million to support Skills Development Scotland (SDS), an increase of £22 million from 2018-19. SDS will continue to work with partners to take forward the measures set out in the Equality Action Plan (EAP) for Apprentices in order to better advance equality in relation to the labour market. The EAP sets out the scale of the challenge relating to occupational segregation and inequality in Scotland's Apprenticeship Programme, and the requirement for all partners to work in collaboration to tackle culturally ingrained challenges. It includes specific improvement targets for Apprenticeship participation by disabled people, minority ethnic groups and care leavers, and aims to tackle apprenticeship areas where there are gender imbalances.

We will continue to build on the successful expansion of our Apprenticeship Programme, which for the first time now includes Graduate Apprenticeships (GA) as we work towards our ambition to provide 30,000 Apprenticeship starts each year by 2020. In line with the skills alignment work stream of the Strategic Board for Enterprise and Skills, we will look to maximise the collective capacity of our skills system as we continue to deliver our commitment to the expansion of apprenticeships in 2019-20. As part of the work to strengthen pathways into and from Modern Apprenticeships, we will also continue to support Foundation and Graduate Apprenticeships in the next academic year. This underpins our youth employment strategy and is a key feature of our ambitions to enhance the learner journey and embed STEM in our education and skills system.

We are developing a new Careers Information Advice and Guidance strategy, ensuring a lifelong careers service that is responsive to labour market change and ensures an equity of access to high-quality services across the sector. In doing so, we will reinforce our commitment to user needs driving the services they receive, enabling all individuals, including those with additional barriers, to fulfil their potential. The strategy will be published in autumn 2019, with development of an action plan on implementation thereafter.

We will build on the delivery of the Flexible Workforce Development Fund (FWDF), as detailed in the Finance, Economy and Fair Work portfolio chapter, and will use this learning to inform future investment to upskill and reskill the existing workforce.

CONCLUSION

Investing in the learning and development of Scotland's children and young people so that they can achieve the most that they can in life and removing barriers to that achievement is of utmost importance to the Scottish Government. From the early stages of a child's life, there is a strong commitment to positive change, exemplified by the expansion of free, high-quality early learning and childcare, which is a crucial foundation to giving Scotland's children the best start in life. An ongoing and wide-reaching commitment to close the attainment gap will ensure that all children, whatever their circumstances or background, will have the same chance to reach their full potential. Realising our priorities for schools and the workforce will allow children and young people to gain the skills that they need to take forward their ambitions and through support, overcoming any barriers in their way. The tertiary education system remains a priority for the Scottish Government, providing a range of opportunities for learners of all ages and backgrounds to increase their skills, develop new skills and to take up job opportunities when they are ready to enter the workplace and in the future.

CHAPTER 10

Communities and Local Government

INTRODUCTION

The Communities and Local Government portfolio aims to deliver better outcomes for people through the places in which they live, to engender community empowerment and participation, and to promote social justice.

This portfolio also incorporates the Scottish Government's funding for local authorities in Scotland, allowing them to deliver the full range of services, from education and social care to transport and planning.

KEY EQUALITIES OF OUTCOME

This portfolio is primarily concerned with improving local communities and tackling poverty. Disabled people, including people with mental health conditions, and people from minority ethnic groups are more likely to live in poverty. Disabled people are also three times more likely to experience severe material deprivation. Women are more likely to experience severe material deprivation than men (16 per cent compared with 13 per cent). Wealth inequality is increasing, with single-adult households (which includes lone-parent families) accounting for the majority of those living in low wealth (60 per cent).

There are clear links between housing and inequality. People from minority ethnic groups, households with a disabled adult and lone parents are more likely to rent in the social or private sectors and live in deprived areas; whereas some groups, such as those who are older and/or identify as White Scottish, are more likely to own their home and live in more affluent communities. For example, 81 per cent of adults who owned their home identified as White Scottish compared with just 58 per cent of adults in the private rented sector who recorded their ethnicity as White Scottish.

Housing costs are a driver of poverty, especially among single adults and families with children. Poor housing conditions may also have a negative impact on people's health, wellbeing and life chances, especially for children. Similarly, those living in a deprived area or living in social housing are more at risk of exclusion from digital services.

KEY STRATEGIC BUDGET PRIORITIES

This portfolio is at the heart of improving outcomes for all. Community-led solutions deliver projects and services specific to local needs and aspirations through collaborative partnerships and are the route through which improved economic, social

and environmental outcomes can be achieved. Scottish Government funding through this portfolio also represents the vast majority of local authority income, paying for a wide range of services that are co-ordinated and delivered at a local level to meet locally agreed outcomes.

This portfolio aims to expand affordable housing by delivering more homes, the majority of which will be for social rent, as well as supporting home ownership. We will continue to improve the energy efficiency of homes, especially for those in fuel poverty, in support of our climate change targets. We will work to eradicate homelessness and rough sleeping, putting into action the recommendations from the Homelessness and Rough Sleeping Action Group.

This portfolio aims to promote social justice and tackle poverty. We will support a number of initiatives to reduce child poverty, such as encouraging parental employment and investing in innovative solutions. We will continue to develop sustainable solutions to food poverty and will do more to tackle food insecurity experienced by families. We will also expand access to free sanitary products for those who need them. We will continue to invest capital regeneration funds to deliver inclusive growth and create opportunities in disadvantaged communities.

Finally, this portfolio will invest in the third sector and social enterprise; working with communities to tackle tough social issues at source. We will work to provide the third sector with greater stability of funding and the opportunity for longer-term planning and development.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Local Government and Public Services

Local government provides a wide range of services and plays a major role in local Community Planning Partnerships (CPPs) that are essential to the delivery of the outcomes that matter to the people of Scotland.

The funding provided by the Scottish Government represents the vast majority of local authorities' income, and is allocated using a needs-based formula. This methodology takes account of demographics, disadvantage and various other considerations and allocates resources based on relative need, including age, disability and levels of deprivation. However, each local authority decides how to spend its total available finances based on its understanding of local needs and priorities, guided by a set of national and local outcomes. The Equality Act 2010 and associated specific duties published in May 2012 provides a framework to help local authorities pay due regard to equality issues.

In addition, the Scottish Government will continue to work as part of the Open Government Partnership – a multilateral organisation of over 90 governments worldwide committed to openness, transparency and citizen participation – to increase the use of Participatory Budgeting which is recognised internationally as a way for local people to have a direct say in how and where public funds are spent. Our commitment in Programme for Government is to focus on, and strengthen, local decision making in ways that engage communities and improve outcomes. Supporting allocation of public money

in this way is anticipated to ensure it is directed where it is needed most, impacting positively on equality outcomes.

Local government equality considerations focus on general expenditure by Scotland's 32 local authorities, funded through the local government settlement and policies around council tax, non-domestic rates and other locally-generated income. Other portfolios are responsible for assessing the impacts of any changes in grants that are ring-fenced for spending on a particular type of activity.

In 2019-20, the Scottish Government will continue to support spending on health and social care by providing £355 million from the NHS Boards to Integration Authorities. Within the overall local government finance settlement total, an additional £40 million is included to support a range of financial pressures facing local authorities in 2019-20. These include support for the continued implementation of the Carers (Scotland) Act 2016, and extending free personal care to under 65s as set out in the Programme for Government. This funding will be supplemented by a further £120 million for social care that will be transferred to the local government settlement in-year and paid directly to local authorities for investment in integration. This includes £12 million for investment in school counselling services.

£88 million will continue to be made available to local authorities to support both maintaining the national pupil/teacher ratio at national levels, and ensuring places are provided for all probationers who require one under the teacher induction scheme.

In addition, £120 million of Pupil Equity Funding will continue in 2019-20 as part of the local government settlement. Money from the Attainment Scotland Fund will continue to provide authorities and schools with additional means to provide targeted literacy, numeracy and health and wellbeing support for children and young people in greatest need.

The Scottish Government will also allocate an additional £210 million revenue and £25 million of capital funding to local authorities in 2019-20 to support the expansion in funded Early Learning and Childcare (ELC) entitlement to 1,140 hours from August 2020. The ELC funding will create additional capacity in ELC settings, support the increase to the ELC workforce and provide additional training opportunities for existing staff, ensuring a high-quality ELC service that provides every child with the best possible start in life.

The Scottish Government believes that the package of measures set out in the Scottish Budget provides local authorities with the necessary resources and fiscal flexibility that they need to protect key priorities around investment in education and health and social care.

The Scottish Government's reforms to Council Tax, introduced from April 2017, make local taxation fairer by reducing the amount lower banded properties pay, as a proportion of property value, relative to households in bands E to H. The Council Tax Reduction Scheme will continue to ensure that low income households are not required to meet Council Tax liabilities they cannot afford.

In 2017-18, a 25 per cent increase in the child allowance of this relief benefited up to 77,000 households. This relief is being maintained in 2019-20. The Scottish Government has not introduced the two child cap (which now applies to many UK benefits) to the scheme, and has excluded income and lump-sum payments made under the new Bereavement Support Payment.

From April 2018, to support care-experienced young adults as they adapt to life in independent accommodation, we have made all care leavers exempt from Council Tax.

The Local Government portfolio includes overall policy for non-domestic rates, including the small business bonus scheme. As this generally relates to taxes on businesses, it is not straightforward to identify direct equality impacts; however, they are an important part of the Scottish Government's commitment to driving economic recovery.

Housing

The Scottish Government's More Homes Scotland approach supports our bold and ambitious target to deliver at least 50,000 affordable homes over the five years to March 2021, backed with investment of over £3 billion. Based on the most recently published multiplier, this investment is estimated to support between 10,000 and 12,000 full-time equivalent jobs in the construction and related industries in Scotland, leveraging economic output in the region of £1.4 billion per year.

We are also committed to preserving and expanding our social housing stock as part of creating a fairer society, and 70 per cent of the 50,000 affordable homes target will be for social rent. The social rented sector is a particularly important tenure for lone parent households and long-term sick and disabled people among others. The lower rents in this sector play an important role in protecting the after-housing costs income of lower income households. There will continue to be a correspondingly higher proportion of capital grant funding (rather than loan funding) of £685 million in 2019-20 to reflect this need for social rented housing. In addition to supporting Housing for Varying Needs, we will also provide support for the construction of purpose-built wheelchair housing for disabled people, where local authorities have identified this as a priority.

The Places for People (PfP) scheme, which aims to deliver 1,000 affordable mid-market rent homes across Scotland, is being supported by loan funding of £47.5 million. This will help to create a public/private funding platform of around £150 million. The Mid Market Rent (MMR) Fund was launched on 19 June 2018. Equalities duties will be subject to regular review as part of the reporting process by PfP to the Scottish Government. PfP have committed to meeting the following equalities duties; eliminating unlawful discrimination, advancing equality of opportunity and encouraging and fostering good relations between people who share a protected characteristic and those who do not. These duties will be met through acquisition policy and allocation of tenancies, and will be reviewed regularly.

We will continue to support people to purchase their own house with the support of an equity stake from the Scottish Government. This includes ongoing funding of £80 million for the Open Market Shared Equity (OMSE) Scheme in 2019-20. OMSE is available to help all first-time buyers – who tend to be younger than existing home-movers, with around three quarters of OMSE purchasers aged 35 or under – and priority access to

the scheme is given to those who may otherwise be disadvantaged in accessing home ownership. The OMSE priority groups include disabled people, older people (those aged 60 and over), armed forces personnel and those currently living in the social rented sector. Marketing activity is targeted at these groups including newsletter articles, attendance at conferences and media advertising, as well as working closely with local authorities, and there has been a general increase in the number of applications overall.

The Help to Buy (Scotland): Affordable New Build and Smaller Developers Schemes also provide shared equity to people looking to own a new home and a total of £50 million will be available for these schemes each year until 2021. Since October 2017, the Help to Buy (Scotland) has provided additional support for older people by removing the requirement for those aged over 60 to take out a mortgage. As older people often find it more difficult than other groups to secure a mortgage, removing this requirement will allow them to access the scheme more easily and increase their chances of finding a home suitable for their needs. Since the launch there have only been a handful of applications from this group, the majority of which resulted in sales.

We have made more than £116 million available for fuel poverty and domestic energy efficiency during 2018-19. In 2019-20, the overall budget has been maintained at £116 million. Within this, we are continuing partnerships with related energy funding programmes to support Energy Efficient Scotland pilots and meet the commitment in the 2016 Programme for Government to provide £0.5 billion for energy efficiency over four years.

Some key equality groups are more likely than other groups to experience fuel poverty at present (41 per cent of older households and 87 per cent of households with weekly income of less than £200 were in fuel poverty in 2016¹). The eligibility criteria for Warmer Homes Scotland has been particularly designed to target help at people in receipt of certain benefits, including older people and disabled people. We expect to help around 3,500 households through preservation of funding for this scheme to make their house warmer and more comfortable by installing a range of energy-saving measures.

Scottish Government funding for Home Energy Scotland (HES) has been maintained for 2019-20, enabling continuing links with national partners targeting groups experiencing or at risk of fuel poverty, including older people and disabled people. We will continue to fund the HES Homecare scheme that provides face-to-face advice for people with health conditions affected by cold weather and damp in two rural areas: Moray, and Annandale and Eskdale.

During 2019-20, funding provided to Registered Social Landlords to carry out housing adaptations that will help older and disabled tenants live safely and independently at home will be maintained at £10 million.

Homelessness disproportionately affects young people: 58 per cent of homelessness applicants were aged 34 or under in 2017-18. Other groups are also particularly at risk of homelessness: women aged 34 and under, households with children, lone parents (the majority of whom are women) and people with at least one support need (such as a mental health condition, physical impairment or learning disability). We have created an

¹ Fuel poverty rates for 2017 will be published 4 December 2018.

Ending Homelessness Together Fund of £50 million over 2018-23 to support prevention initiatives and to support our objectives of eradicating rough sleeping, transforming temporary accommodation and ending homelessness.

The Housing Voluntary Grant Scheme funding has been maintained, providing funding to national voluntary housing and homelessness organisations to help vulnerable people and to provide training to those that provide these services. The bids received are assessed on the basis of the approach taken to consideration of equality issues (among other criteria). Groups who benefit include homeless people and those at risk of homelessness, disabled people, older people, refugees, asylum seekers and minority ethnic communities, as well as women and children who are victims of domestic abuse.

Regeneration

We will continue to invest in regeneration activity to help build physically, economically and socially sustainable communities. Regeneration activities are targeted at Scotland's most disadvantaged and fragile areas. Deprived areas tend to have a higher than average proportion of residents from some minority ethnic groups (African and Caribbean or Black) and people who are disabled, so investment in regeneration activity may especially benefit these groups. There is also evidence that children living in areas of deprivation perform less well than the general school population, and so investment in regeneration could also have indirect benefits in closing the attainment gap for these children.

Specific regeneration activity includes the delivery of our annual Regeneration Capital Grant Fund (RCGF) in partnership with local government. In 2019-20 RCGF will be maintained and we will continue to support regeneration through the SPRUCE infrastructure investment loan fund, the Vacant and Derelict Land Fund and through our sponsorship of Clyde Gateway.

We believe strongly in supporting communities to tackle poverty on their own terms. Through our Empowering Communities Fund of £20 million (£4 million of which comes from the Health and Sport portfolio), we are supporting over 300 community organisations to deliver locally identified priorities to tackle poverty and inequality in a responsive way. The fund impacts on thousands of lives across the country, supporting community-led approaches (including money advice, childcare, training and upskilling, healthy eating initiatives and volunteering opportunities).

Scottish Government is extending its match funding of the European Social Fund Programme for another year in 2019-20 – totalling £35.3 million over three years (previously £29 million over two years) – through the Aspiring Communities Fund, Social Economy Growth Fund and Social Innovation Fund. These funds are helping third sector, community bodies and social economy organisations deliver long-term local solutions that address local priorities and needs to reduce poverty, enable inclusive growth and promote social inclusion. The Social Innovation Fund aims to stimulate and test new and innovative approaches to tackle poverty and inequality, supporting partnerships between third sector, academia and other agencies.

Social Justice

We know that some protected characteristics have a much higher risk of poverty, including minority ethnic households and households with a disabled adult or child. There is also strong evidence that poverty and gender are inextricably linked, for example, in inequalities in earnings and access to other resources. Young mothers and lone parents (the majority of whom are women) are other groups with a high risk of poverty. New data also shows that younger people, households with children and those with a limiting long-term illness are at higher risk of food insecurity.

Building a fairer and more equal country is at the heart of the Scottish Government's ambitions, and the Social Justice budget is key to this. In 2019-20, the Social Justice budget is £25 million, a decrease of £2.5 million (from £27.5 million in 2018-19). Additional evidence has been generated throughout 2018-19 on need, costs and routes to deliver access to free sanitary products, resulting in a decrease in planned expenditure in this area while at the same time scaling up our ambitions. This budget invests in key priorities emerging from 'Every Child, Every Chance', the first Tackling Child Poverty Delivery Plan and in taking forward the Fairer Scotland Action Plan. It also continues to support work to reduce poverty and maximise household incomes, and makes substantial investments to tackle inequalities, including in resource for affordable credit and to extend access to free sanitary products.

Every Child, Every Chance, published in March 2018, set out a range of new policies and proposals to help make progress towards the targets in the Child Poverty (Scotland) Act 2017. Details of the equalities impact of the Scottish Budget 2019-20 on the drivers of child poverty are provided in Chapter 6 – Child Poverty Overview.

Third Sector

Scotland has a strong and dynamic third sector, which plays a crucial role in the drive for social justice and inclusive economic growth. It is also essential to the reform of public services and to the wellbeing of our communities. The sector plays a vital role in helping to advance equality, and in supporting communities most impacted by discrimination and disadvantage. The third sector budget of £24.0 million (excluding Total Operating Costs) for 2019-20 is complemented by other funding to the third sector across portfolio budgets.

£15.7 million of this budget helps to support third sector organisations in their work with individuals and communities across Scotland. Many of these organisations work closely with communities of interest and of place to tackle inequality and tough social issues at source, recognising that poverty and economic disadvantage are more prevalent among some protected characteristic groups. The Scottish Budget 2019-20 will also support work to provide the third sector with greater funding stability and the opportunity for longer-term planning and development of its role in supporting communities and tackling inequality.

We are ambitious in our plans to realise our vision for volunteering and the role volunteers can play in shaping the lives of their communities. However, volunteers are more likely to be women, from rural areas and from less deprived areas. There is an underrepresentation of disadvantaged groups, including people from the most deprived areas and disabled people. We are maintaining our investment through the Volunteering Support Fund to support third sector organisations to engage with those who experience disadvantage or who face barriers to volunteering participation. Investment will also support the development and delivery of the National Volunteering Outcomes Framework that will set out a coherent and compelling vision for volunteering and identify the key evidence and data to drive an increase in participation for all.

Investment of £8.0 million will help to deliver on the co-produced ten year social enterprise strategy by implementing the 92 specific actions identified by 'building a Sustainable Social Enterprise Sector in Scotland: 2017-2020'. It will also help to realise the full potential of the innovative social enterprise sector where profits made are reinvested into specific social objectives, for example, delivering local community projects or services, creating employment for disadvantaged people or protecting the environment. Recognising the third sector's important role in addressing poverty and disadvantage, we will use the European Social Fund programme, matched by our own resources, to invest in and strengthen Scotland's social economy. This will enable organisations to do even more to transform the lives of disadvantaged individuals and families.

We will continue to work with Scotland's Credit Unions as they carry out their vital role in providing affordable lending and savings in the heart of communities, protecting people from predatory lenders and unmanageable debt.

CONCLUSION

Overall, the Communities and Local Government portfolio budget has the potential for significant positive impacts for equality groups, as well as to mitigate against existing inequalities. Local authority budgets continue to offer resource and fiscal flexibility, as well as reflecting key priorities of health and social care and educational attainment. Spend on affordable housing programmes has been maintained, along with commitments to provide more housing for social rent. Third sector and regeneration spend has been protected on the whole, along with social justice funding, ensuring that organisations in the field can continue to tackle poverty and remove barriers for equality groups.

CHAPTER 11

Justice

INTRODUCTION

The Justice portfolio is responsible for keeping our communities safe and administering justice in its various forms: civil, criminal and administrative. This includes Scotland's prisons, courts, tribunals, police, fire and rescue services, the legal aid system and criminal justice social work services. The most pressing demands for this portfolio include the changing nature of recorded crime which has seen increasing levels of sexual offences and domestic abuse-related prosecutions and convictions. It also includes our cross-government focus on mainstreaming resilience and improving Scotland's ability to anticipate, prevent, prepare, respond and recover from emergencies and disruptive events on an all-risks basis.

KEY INEQUALITIES OF OUTCOME

While overall recorded crime is at its second lowest level since 1974, 4.3 per cent of adults in Scotland are estimated to have experienced 61 per cent of all crime. People living in more deprived areas and younger people are more likely to experience crime. For example, the likelihood of experiencing violent crime is higher for people living in the most deprived areas of Scotland (4.8 per cent) compared with people living in the rest of Scotland (2.5 per cent). The economic and social costs of crime in Scotland are estimated at around £4.5 billion, and these costs disproportionately affect communities that are more deprived.

In 2017, just over one in 20 adults reported that they had experienced either discrimination (7 per cent) or harassment (6 per cent) in Scotland at some point over the last three years. Of those that had experienced discrimination, around a third (31 per cent) believed the reason behind this was their ethnic origin. Aside from 'other' reasons, the next most common motivating factors were said to be the respondent's age, gender or disability.

People in prison experience multiple disadvantages, with women in the criminal justice system particularly at risk. While there have been significant positive developments in youth justice with a fall in the number of under 18s being prosecuted in court and a decrease in under 18s in custody, the number of older people in prison has been increasing steadily over the last 10 years. We also know that some people, for example those living with disabilities, are more likely than others to experience civil justice problems.

The Justice portfolio plays a key role in promoting equality by, for example, tackling the causes of crime, which are often rooted in inequality, through an increased emphasis on prevention and rehabilitation. It is also crucial for targeting specific types of crime, such as violence against women and girls, and all forms of hate crime.

KEY STRATEGIC BUDGET PRIORITIES

The Vision for Justice in Scotland published in July 2017 sets out the way in which we will work towards a safe, just and resilient Scotland. It seeks to build on recent success and progress across the Justice portfolio, identifies current and emerging challenges and sets out our priorities to tackle these challenges.

There are a number of strategic priorities that are key to promoting greater equality. These include penal reform where there is a fundamental shift towards prevention and rehabilitation, informed by evidence that community-based interventions are more effective at reducing reoffending than short-term imprisonment. In line with this evidence, we are committed to extending the presumption against short periods of imprisonment to include sentences of 12 months or less once provisions within the Domestic Abuse (Scotland) Act are fully in force early next year.

There is also a strong focus on tackling violence against women and girls and we are implementing Equally Safe, Scotland's Strategy to tackle and eradicate violence of this nature. We continue to work with justice agencies to find ways to reduce the trauma and improve the experience of victims of gender-based violence within the justice system.

The Domestic Abuse (Scotland) Act 2018 introduced a specific offence of domestic abuse covering both physical and psychological abuse. This reflects our modern understanding of this behaviour, providing the police, prosecutors and courts with new powers to bring perpetrators of abuse to justice. The Act will enhance the safety of those at risk of domestic abuse and ensure that courts consider the harmful impact on children when sentencing for this offence.

Work is being progressed to better support victims and witnesses of crime, in particular child witnesses, and a Bill has been introduced to Parliament in 2018 to help further expand the taking of pre-recorded evidence from child and vulnerable adult witnesses. These reforms will help to move our criminal justice system closer to achieving our vision that children, wherever possible, should not have to give evidence in court during a criminal trial.

The Scottish Government, with the Scottish Prison Service and other key agencies, will progress with developing a new custodial estate model for females in custody. This will provide women with intensive support to address the specific needs of female offenders and prevent further reoffending.

Some groups in the population are more likely to experience civil law problems than the general population. For example, an estimated 36 per cent of disabled people experienced a civil law problem compared with 27 per cent of non-disabled people.

The most common problems experienced by adults are issues with home, family or living arrangements, but they also include unfair treatment. We will continue to maintain access to justice for individuals by reforming Scotland's system of legal aid and progress work to modernise and strengthen family justice. This year's Programme for Government confirmed there will be a Family Law Bill in 2018-19. Key aims of this Bill are to ensure that children are fully heard in family cases and that domestic abuse victims are protected.

EQUALITIES IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

To reduce reoffending and inequality, it is essential that we address the underlying causes of offending. These underlying causes can involve multiple inequalities and risk factors, including deprivation, adverse childhood experiences and health problems. Community Justice Scotland, the national body launched in 2017, supports this holistic approach to prevent and reduce further offending and will report on local Community Justice Outcome Improvement Plans early in 2019. Funding for our approach to community justice and reducing reoffending is provided through the Community Justice Services budget, as well as central grants to local authorities for criminal justice social work services.

A central element of our vision for reducing reoffending is that our criminal justice system uses prison less and has an even stronger emphasis on robust community sentences, including greater use of electronic monitoring. Evidence shows that community sentences are more effective at reducing reoffending than short prison sentences. They can also help to prevent some of the detrimental impacts of prison. These detrimental impacts can be particularly acute for marginalised groups, such as women, young people, older prisoners and children of people in prison. We will extend the presumption against short periods of imprisonment to cover sentences of 12 months or less and keep a continued focus on community sentences and services to support the reintegration of people leaving prison, such as mentoring services.

An additional £2.8 million (2018-20) has been invested to expand the innovative Caledonian programme to provide specific rehabilitation services to male perpetrators of domestic abuse, which will target the underlying causes of their actions. Nineteen local authorities will now deliver the Caledonian programme.

We know that many women who offend have multiple disadvantages, including experience of trauma and abuse. The Scottish Government will invest in development work for a new female custodial estate, including a smaller national women's prison and two innovative community-based custody units in Glasgow and Dundee by the end of 2020. These facilities will help women in custody to overcome issues such as alcohol and drug abuse, mental health and trauma, which evidence shows can drive offending behaviour. Through the Health and Justice Collaboration Board we will work with partners to provide more effective health and social care services in our prisons, in order to address the widespread health inequalities of people in the justice system.

The Justice portfolio's continuing investment to tackle violence against women and girls (VAWG) will have an ongoing and positive impact on women and young people. In 2019-20, we will implement the Domestic Abuse (Scotland) Act 2018 and will support the training requirements for police officers on the new domestic abuse offence. In addition, we will develop a national awareness raising campaign with funding from 2018-19, in collaboration with victim support and advocacy services, on the new domestic abuse offence to coincide with implementation of the Act.

There will also be investment in measures to improve the experience of victims of rape and other forms of sexual offending of the justice system. In line with our commitment in the Equally Safe Delivery Plan, we will explore how the Barnahus concept for providing a trauma-informed response to child victims of sexual abuse and other traumatic crimes could operate in Scotland. We will build on learning from the European Barnahus Movement, drawing from the original model in Iceland and its development in other countries.

Scotland has seen dramatic changes in the youth justice sector following the shift towards a preventative agenda in 2008 and the roll out of a whole system approach (WSA) to offending by young people across Scotland in 2011. For example, the proportion of 16-24 year olds experiencing violent crime has more than halved since 2008-09, falling from 12.0 per cent to 5.3 per cent while, in contrast, the prevalence rates for all other age groups have shown no significant change over this period. The Scottish Government has provided a two year commitment until April 2020 to support all local authorities in Scotland to re-energise the WSA for children up to the age of 18 and extend this support, where appropriate to 21 and up to 26 for care experienced young people. This commitment is supported through both Justice and Children and Families portfolios.

People of other nationalities make up a large proportion of those who are referred to human trafficking-related services. Support services must therefore take account of a wide variety of cultural and social factors, as well as providing psychological trauma support. We will continue to invest in measures to address human trafficking and exploitation and support its victims. This will include ongoing implementation of the Human Trafficking and Exploitation (Scotland) Act 2015 and taking forward the actions set out in the Trafficking and Exploitation Strategy.

Legal aid is a key part of providing access to justice and tackling inequality. It helps people to defend or pursue their rights if they cannot afford to do so and resolve disputes and problems in their lives. We have considered the report of an independent review received in February 2018 and discussed the recommendations with stakeholders. The Scottish Government response to that report was issued in November 2018. Future reforms of the legal aid system will further improve access to justice and will be the subject of consultation.

We are continuing to focus and align our efforts to reduce the inequality gap through our ambition to Build Safer Communities. We are investing in programmes that address the underlying cause of crime and reduce opportunities for reoffending through investment in diversionary recreational activities. This includes £6 million for Cashback for Communities, which is focused on young people.

We know that families living in deprived areas, young children and older people are more likely to experience unintentional harm. We are working with key partners including the Scottish Fire and Rescue Service, Royal Society for the Prevention of Accidents (RoSPA), Child Accident Prevention Trust (CAPT), the Scottish Community Safety Network, as well as COSLA and local partnership networks to collectively share messages and support initiatives and approaches that focus on reducing unintentional harm. As part of this, we will develop and deliver an unintentional harm online hub that will gather and share examples of local activity that is directly reducing unintentional harm. This online tool will be launched in 2019 and will provide a number of examples to help support the key groups disproportionately affected.

Investment of over £17 million in violence prevention measures and programmes since 2008 includes £12 million invested in the Scottish Violence Reduction Unit (VRU) and £400,000 for Medics Against Violence. We will continue to invest in preventative approaches; working to prevent violence among at risk groups in some of Scotland's most deprived communities.

Risks to safety, such as fire, vary by socio-demographic factors, including deprivation and disability. We will continue to invest in the Scottish Fire and Rescue Service to support its plans to modernise and redesign services to achieve a transformational shift to prevention and collaboration where the need of local communities is greatest. Transformation will include an enhanced role for firefighters to ensure that they are trained and equipped to prevent harm to individuals and communities along with having the flexibility to meet new and emerging risks. This includes, for example, the Scottish Fire and Rescue Service home fire safety visits that target vulnerable people in the community and assess various aspects of risk within the home beyond fire safety. This preventative and collaborative approach helps to build community capacity to respond to the changing risk profiles of our communities, such as positively recognising the ageing population.

For policing, resource will support Police Scotland and the Scottish Police Authority to implement Policing 2026, the long-term transformational strategy for policing in Scotland. The strategy, which builds on the Scottish Government's Strategic Police Priorities, is a direct response to the changing demands policing is facing, with efforts increasingly focused towards addressing vulnerability and the consequences of inequality. It will support efforts to ensure that the police workforce is properly reflective of the people it serves and that Scotland continues to benefit from a modern and responsive police service that is fit for the future.

Tackling hate crime remains a key focus. We will continue to work closely with the Connected Communities portfolio to prevent and address all forms of hate crime at both community level and through legislation. This includes undertaking a consultation on the development of consolidated hate crime legislation that will be fit for the 21st century based on the findings of Lord Bracadale's independent review of hate crime legislation.

The hate crime consultation will also look at the merits of establishing a legal definition of sectarianism based on the findings of the Working Group on Defining Sectarianism in Scots Law. This is part of our continuing commitment to tackling sectarianism. We remain committed to tackling sectarianism and to taking forward the recommendations of Professor Duncan Morrow's review in 2017 of the implementation of the independent

Advisory Group on Tackling Sectarianism in Scotland. This commitment has been backed by investment of £13.5 million since 2012 to support a wide variety of organisations to deliver a range of community-based approaches to tackle sectarianism. We will continue to take a stand against sectarianism wherever it exists and will use the findings from the consultation to inform the development of our work in this area.

CONCLUSION

The Justice portfolio remains committed to advancing equality. We are taking forward a range of measures to prevent offending and to protect and support various equality groups, including women, children and older people, from the detrimental effects of crime and accidental harm. Taken together, these investments and reforms provide an opportunity to maintain and develop an accessible and effective justice system that can meet our wider ambitions to tackle inequality.

CHAPTER 12

Social Security and Older People

INTRODUCTION

The Social Security and Older People portfolio is focused on the objectives in the Scottish Government's National Performance Framework to “tackle poverty by sharing opportunities, wealth and power more equally” and to “respect, protect and fulfil human rights and live free from discrimination”. We will continue to prioritise funding to support the development, design and implementation of our devolved social security powers and the new Executive Agency – Social Security Scotland. We will also develop and implement new entitlements and flexibilities to tackle poverty, accelerating the help we give to new families to ensure that every child has the best start in life, and to mitigate the worst impacts of the UK Government's welfare cuts.

This portfolio supports work to prevent discrimination. It promotes equality and human rights, builds more cohesive communities, ensures we support and harness the skills and talents of all people, and reduces barriers for all to contribute to building thriving, resilient communities. This portfolio will continue to support strategic and frontline projects to address inequality and discrimination across the protected characteristics, delivering on our commitment to security through three-year funding streams. This portfolio will also support the mainstreaming of equality and improvement of public sector delivery on equality, the advancement of human rights, and work to prevent violent extremism.

We wish to tackle the structural inequalities in our society, and this portfolio will invest in organisations that promote equality, including the progression of human rights. The empowerment of groups with lived experience of inequality is a key component of this work.

KEY INEQUALITIES OF OUTCOME

The opportunities and outcomes that we expect for each member of our society are not equally distributed across Scotland. While this can play out in different ways, and no single indicator tells the complete story, we can look at people's experience of discrimination¹ as an exemplar of how “fair” they believe societal outcomes are. Those who identify as having a protected characteristic, tend to be more likely to report the experience of discrimination in their daily lives than those who do not share the characteristic. This is true of disabled people (9 per cent versus 6 per cent of non-disabled people), minority ethnic groups (19 per cent versus 6 per cent white), those of a non-Christian religion (16 per cent versus 9 per cent of Roman Catholics and 4 per cent of Church of Scotland members) and LGB adults (20 per cent versus 6 per cent of heterosexual/straight).

1 Scottish Household Survey 2017: Neighbourhoods and Communities

In the delivery of social security, we are committed to make our system and processes fair, dignified and respectful. Social security primarily provides support to low-income households and those with a disabled adult or child. Relative poverty rates in 2014-17, after housing costs², are higher in households with a disabled adult (24 per cent versus 16 per cent non-disabled), for those in minority ethnic groups (30 per cent versus 16 per cent white), for single working-age women (30 per cent versus 26 per cent for men) and for children (24 per cent versus 19 per cent of all ages). Intersectionality, whereby an individual is in more than one disadvantaged group, can be a compounding factor. Where a child is in a household with a disabled adult, the poverty rate is 31 per cent. For families headed by a single parent, the rate is 41 per cent. Finally, for members of a minority ethnic group, the rate of relative poverty for children is 36 per cent.

KEY STRATEGIC BUDGET PRIORITIES

In the Scottish Budget 2019-20, the Social Security Directorate's spending plans will be set out separately from the Scotland Act implementation costs. In 2018-19, we continued to support the Scottish Welfare Fund and the Discretionary Housing Payments, and also introduced Carer's Allowance Supplement and Best Start Grant Pregnancy and Baby Payment. Funeral Expense Assistance, Best Start Grant Early Learning and School Payments and Young Carer Grant will commence during 2019-20. We will also consult and continue development activity on the remaining benefits to be devolved under the Scotland Act 2016, including Disability Living Allowance, Personal Independence Payments and Attendance Allowance.

EQUALITIES IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Social Security

From September 2018, the Scottish Government has paid the Carer's Allowance Supplement to recipients of Carer's Allowance currently administered by the UK Government. Carer's Allowance is available to people aged over 16 who: undertake more than 35 hours per week caring for a person in receipt of a qualifying disability benefit, earn less than £120 per week, and are not in full-time education. When first introduced in 2018-19, the supplement brought recipient's payments up to the level equivalent to Jobseeker's Allowance. Future uprating to the supplement will increase it above the level of Jobseeker's Allowance. The forecast expenditure on the Carer's Allowance Supplement is expected to be £37 million in 2019-20. This includes an inflation-level increase. The Carer's Income Supplement will be more likely to help women, who comprise 69 per cent of the recipients of Carer's Allowance in Scotland. While people are eligible for Carer's Allowance from the age of 16, the Scottish Government will also bring in a Young Carer Grant from autumn 2019. This grant will be paid on a non-discretionary basis to young carers who are not in receipt of Carer's Allowance. Specifically, £300 will be paid annually to all 16-17 year olds (and 18 year olds still in school) who are caring for a person entitled to a qualifying disability benefit for an average of 16 or more hours a week (subject to consultation, and regulations being passed by the Scottish Parliament). This will help young people improve their quality of life, health and education outcomes.

² Poverty and Income Inequality in Scotland 2014-17

From December 2018, the Best Start Grant Pregnancy and Baby Payment – £600 for the first child and £300 for all subsequent children – replaces the UK Government Sure Start Maternity Grant. The Best Start Early Learning and School Payments of £250 will be paid when a child reaches the age of 2 or 3 and again around the time they start school. This will be introduced by summer 2019. The total forecast expenditure on the Best Start Grant is expected to be £12.4 million in 2019-20. These payments will support lower income families during the early years of a child's life up through to school age. In making the process for application simpler and extending eligibility and the application window, this benefit will be easier to access, thus encouraging take-up. As there is no cap on the number of children who can qualify, this will especially benefit larger families, which are more prevalent in some minority ethnic groups.

Funeral Expense Assistance (FEA) will replace the current Funeral Expenses Payment by summer 2019. It will provide a contribution towards funeral costs for people on lower incomes who are in receipt of certain benefits and tax credits. The benefit is structured in three parts that provide support towards: burial or cremation, certain transport costs, and a flat-rate payment for any other funeral costs. Forecast expenditure on FEA is expected to be £6.2 million in 2019-20. FEA is more likely to be paid to older people and women. Forty-six per cent of applicants are spouses of the deceased, and women are more likely to survive their partners. The development process for the design of the new benefit will explore the needs of disabled people, thus helping to ensure that they have appropriate access. There will also be considerations of the needs of different religious groups and their funeral practices.

The Scottish Welfare Fund (SWF) acts as a safety net for people on low incomes by providing Crisis Grants which help those facing disaster or emergency situations, and Community Care Grants which provide help to establish or maintain a settled home or support individuals and families facing exceptional pressure. From April 2013 to June 2018, 306,305 households have been supported, including 101,270 households with children. Twenty-two per cent of the households receiving support have been headed by lone parents, which are in the majority women.

Expenditure has included mitigating housing costs for 18-21 year olds. In April 2017, the UK Government withdrew entitlement to housing costs under Universal Credit for this age group. Believing this to be unfair, the Scottish Government mitigated the costs. The policy was reversed by the UK Government from 31 December 2018. Similarly the SWF is also the delivery mechanism used to pay Family Reunion Crisis Grants, introduced by the Scottish Government in May 2018. Both are funded separately from the main SWF. The SWF has benefited from consistent investment levels for the last five years. Funding for the SWF (including administration) will be sustained in 2019-20 at £38 million.

Discretionary Housing Payments (DHPs) provide further assistance with housing costs for those entitled to Housing Benefit or the housing element of Universal Credit. DHPs are delivered through local authorities. In order to help mitigate the effects of the UK Government's benefits cap and Local Housing Allowance rates which remain frozen, the Scottish Government has invested £10.9 million in DHPs. DHPs are also used as a means of ensuring we fully mitigate the 'bedroom tax' (cuts to housing benefit in the social rented sector introduced by the UK Government in April 2013) until it can be

formally abolished in Scotland through Universal Credit flexibilities. It is estimated that 80 per cent of Scottish households affected by the bedroom tax contain someone with a disability, so this investment will have a particularly positive impact for disabled people. The total budget for DHPs (including administration) will be £64.4 million.

Equalities

Support for equalities and fairness is at the heart of this budget and demonstrates the Scottish Government's continued commitment to preventing discrimination, promoting equality and human rights and building more cohesive and thriving communities.

The Scottish Government recognises that equality, social justice and inclusive growth are interconnected, and that action to give effect to international human rights treaties requires concerted action to promote genuine equality of opportunity and esteem for all. We will continue to build on Scotland's reputation as one of Europe's most progressive and inclusive national jurisdictions.

In recognition of the challenges annual funding cycles present to third sector organisations, in 2017 the Scottish Government moved to provide three-year funding to directly support frontline services and activity to address discrimination and inequality. Therefore, a significant proportion (approximately £17 million) of this budget is allocated through these funding streams. Multi-year funding enables organisations to better plan services and evidence progress made against outcomes. The five funding streams combined give greater alignment to key Scottish Government priorities and publications.

As we live longer and healthier lives, the way we support and harness the skills and talents of our older people needs to change. We recognise the contribution they have made, but many older people have much more that they want to do. We will therefore deliver improved equality outcomes for older people through our Older People's Framework. We will identify and work to reduce barriers that older people face in making contributions to society, whether in work or in their communities. Establishing this Framework will ensure that there is clear strategic ownership of Scotland's approach to our ageing population. This will be informed directly by the voices of older people, and ensure that there is consistent messaging across the public sector on the positives of ageing and addressing the negative perceptions that older people face.

We will also deliver on a national strategy to tackle social isolation and loneliness. We are one of the first countries in the world to develop a strategic approach to one of the crucial social issues our society faces. This strategy will help to raise awareness about what we can all do to reduce social isolation and loneliness, deliver resources to community groups who need a helping hand to foster social connections in their area and ensure that every part of government is focused on how we empower communities to build a connected Scotland.

The Scottish Government's approach to disability equality – specifically 'A Fairer Scotland for Disabled People', our 'Accessible Travel Framework', and the manner in which engagement with disabled people was taken forward in the process of creating a new social security system – has achieved UN recognition. We will continue to work closely with disabled people, including £1.24 million of continued funding to intermediary organisations representing disabled people, to deliver on that plan and make a real, positive difference to disabled people's lives.

In line with our commitment to improve access to information and services for our citizens whose first or preferred language is British Sign Language (BSL), the Scottish Government took a highly consultative approach to the development of the BSL National Plan following the introduction of the British Sign Language (Scotland) Act 2015. In this financial year, alongside the implementation of a number of national actions, we will continue to support public bodies with £160,000 for their duties with regards to the British Sign Language (Scotland) Act.

Scotland is proud of our progressive approach to human rights, equality and inclusion for lesbian, gay, bisexual, transgender and intersex (LGBTI) people. Continued investment (including £894,000 for intermediary organisations working with LGBTI people) will support activity to make education, public services and wider society more inclusive of LGBTI people so that Scotland continues to be one of the best places for people of any sexual orientation or gender identity to live.

The Equality budget will continue to support delivery of the Scottish Government's ambitions for women's equality, with targeted financial support to organisations working to ensure that women's experiences are reflected in policy making, to close the gender pay gap, and to improve the recruitment, retention and progression of women. The Equality budget also supports the First Minister's Advisory Council on Women and Girls, and will deliver a comprehensive response to their first report. The Advisory Council will raise awareness of gender inequality, champion the rights of women and girls, and act as a catalyst for change.

This budget supports our ongoing commitment to address all forms of violence against women and girls (VAWG) by providing continued investment for frontline services as well as advancing the strategic priorities within 'Equally Safe', our strategy to prevent and eradicate VAWG. Combined resource from across the Justice and Equality Budgets provides broader support across sectors to help address gendered attitudes and inequalities through the implementation of our Equally Safe Delivery Plan. £5.8 million will be given to organisations working on VAWG in 2019-20 as part of their three-year funding allocation.

Funding will also support a major national campaign to challenge sexual harassment and sexism, a pilot accreditation scheme for employers to support efforts to tackle gender-based violence in their workforces, and the development of a whole-school approach to tackling gender based violence. Resources will continue to support a range of local domestic abuse and sexual assault services across Scotland that support women and children who have experienced gendered violence, including additional funding for Rape Crisis Centres to help those who have experienced rape or sexual assault access the support they need. £800,000 has been allocated to Rape Crisis centres as part of the 2019-20 portion of the three-year funding.

We will bring forward a Female Genital Mutilation Bill to strengthen the protection of women and girls from this form of gender-based violence. The Bill will propose protection orders for women and girls at risk and statutory guidance for professionals. We are consulting with communities to understand what further protections may be helpful.

We will continue to deliver a range of outcomes and activities set out in the Race Equality Action Plan and to build on the significant amount of work underway regarding the progression of race equality in Scotland, most notably through implementation of the 'Race Equality Framework'. This sets out a long-term partnership approach for promoting race equality and tackling racism and inequality from 2016 to 2030.

In addition to specific Scottish Government-led activities for Gypsy/Travellers as set out in the Race Equality Action Plan, this budget will provide significant resource to continue to improve the wellbeing and protect the human rights of Gypsy/Traveller families in Scotland. We are supporting greater opportunities for the voice of the Gypsy/Traveller community to be heard in decisions that affect their lives, including over £1 million funding, over three years, to organisations supporting the Gypsy/Traveller community and investing £100,000 to establish the new Gypsy Traveller Women's Voices Project to empower women in the community to participate in public life in Scotland. To help children and young people in this community to overcome barriers to their learning and opportunities, we will support the new Young Gypsy Travellers Assembly to ensure the views of young people are central to our work. We will also provide an additional £275,000 to support and share best practice in delivering education for all ages and stages through the Scottish Traveller Education Project (STEP) to pave the way for a further £500,000 Tackling Child Poverty Fund investment in a community education programme starting from 2019.

The Scottish Budget 2019-20 will support the response to the recommendations from the First Minister's Advisory Group on Human Rights Leadership, and to address the human rights and equalities impact of Brexit. We will also respond to the Scottish Parliament's Equalities and Human Rights Committee's Human Rights Inquiry, ensuring further engagement with the public on these issues that impact on everyone's lives. We will continue to promote the Scottish Human Rights Defender Fellowship, and engage constructively with international human rights processes and institutions.

The suite of equality outcomes published in April 2017 provides a particular focus on themes such as VAWG, mental health and education. Training and mainstreaming work will ensure that across the Scottish Government, policy and legislation continues to be assessed for its impact on equality. The Equality budget will help ensure that policy development is informed by the views and voices of equality communities and stakeholders in order to bring about positive change.

CONCLUSION

Budget within the Social Security and Older People portfolio will increase as competence for new benefits transfer to Scotland, and we deliver on the Social Security (Scotland) Act's commitment to uprate benefits. Our social security initiatives support low-income families. Best Start Grant and Carer's Allowance Supplement are already underway, and Funeral Expense Assistance and Young Carer Grant will follow during 2019-20. The Equality budget continues to fund key initiatives whereby we aim to empower all of Scotland's citizens throughout society.

CHAPTER 13

Rural Economy

INTRODUCTION

The Rural Economy portfolio budget seeks to support some of the most marginalised and fragile communities in Scotland that are situated in coastal and rural areas and on islands. It does this through the Scottish Rural Development Programme; EU-supported Common Agricultural Policy (CAP) financed farming, environmental and rural development programmes; Highland and Islands Enterprise (HIE); and, from next year, also through the South of Scotland Enterprise agency (SoSE). It also allocates the European Maritime and Fisheries Fund (EMFF) to support coastal businesses, infrastructure and communities. The Rural Economy budget also provides funding for Forestry Commission Scotland and to support woodland creation and maintenance; allocates support for food processing and manufacturing; and invests in food- and drink-related activity. Through our membership of the EU, the Scottish Government receives an income of £560 million from the EU, and it will distribute £900 million in this portfolio (made up with a further allocation of £355 million from the Scottish exchequer)¹. The Rural Economy budget seeks to support the specific challenges associated with living in remote, rural, coastal and island communities, and to support the needs of particular groups, as well as key rural sectors.

KEY INEQUALITIES OF OUTCOME

Rural communities face a range of unique challenges around access to services, higher rates of fuel poverty, lower productivity and constrained economic development. Many communities also face ageing population structures and some also are at risk of depopulation, which can severely threaten local economies and service provision. The enterprise agencies, which are funded from this budget, aim to address these deep-seated issues in rural areas and coastal communities. These issues are also addressed through the EU co-funded LEADER rural development programmes, which support the Community Led Local Development model (CLLD). However, the action of many other portfolio budgets also address inequalities in rural areas. For example, fuel poverty is addressed through the Communities and Local Government portfolio budget and access to services is addressed through the Transport Infrastructure and Connectivity portfolio budget.

This portfolio addresses issues around rural disadvantage, which is not defined in terms of protected characteristics, where, other than for age and gender, there is little data. It does this through supporting traditional rural industries including agriculture, forestry and fishing, and through direct funding to community groups to support

¹ Exact amount will vary due to exchange rate fluctuations as it is paid to Scottish Government in Euros.

rural development across Scotland. Support for farmers also reduces the costs that farmers need to cover. This may help in keeping food prices affordable for low income households, though the evidence is limited for this, and some may be capitalised instead into inflated land values and rent. This portfolio has also invested resource in supporting women and young people across the rural economy to become more active, productive and engaged with their sectors.

Payments to farmers are split into two parts. Pillar One direct payments (through the EU basic payments scheme) support farm incomes and entail some responsibilities for environmental management (greening). Pillar two schemes are those which recipients must apply for and meet certain criteria, such as age for Young Farmers grants or poor land quality for Less Favoured Area Support Scheme grants (LFASS). Overall average farm income is £26,402 and without direct payments subsidies these farms would make an average loss of £8,081 (as the subsidy from direct payments is on average £34,483). This income, by being tied to land, ensures farmers remain on the land and it remains in use, thus helping to support rural communities and ensure a productive landscape.

KEY STRATEGIC BUDGET PRIORITIES

The overarching priority is to ensure economic opportunity applies equally to Scotland's rural, island and coastal communities. This is done by delivering a reformed Common Agricultural Policy; enabling and encouraging sustainable development, enterprise and investment in the rural economy; building on current success in our world-class food, drink and forestry sectors; and by tackling depopulation and empowering rural, coastal and island communities.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Overall the main picture is one of very little change. This stability is a direct consequence of the long-term nature of EU funding to create a programme over six years, which forms the majority of the portfolio. This means that the budget is one year of the 2014-20 Common Agricultural Policy and Scotland's Rural Development Programme. After allowing for accounting changes, the portfolio has only changed by a net £3 million, less than half of one per cent on an overall spend of £801 million across CAP, Forestry and EMFF. However, there are some minor movements within this portfolio. This also reflects the long-term nature of the land-based sectors, including agriculture and forestry.

The largest elements of the budget within this portfolio are Common Agricultural Policy (CAP) payments through a variety of schemes to around 18,000 farm businesses each year. £262 million is paid as direct income support payments to farmers and £132 million is paid to farmers as part of Greening support for farmers' environmental responsibilities. The terms and conditions of these schemes are agreed by the EU with which the Scottish Government is required to comply. Funding levels are therefore largely unchanged from previous years.

A further £27 million is allocated for grants under AECS, the agri-environment scheme, which is also supported with the EU's finance. In addition, there is £52 million in support for farms and crofts in Scotland's more challenging agricultural areas (such as mountains) through the Less Favoured Area Support Scheme, with around 12,000 recipients.

The CAP also supports a co-financed £19 million support in 2019-20 direct to rural community organisations through the LEADER programme.

Overall, the EU Common Agricultural Policy financed element is not designed to, and therefore may not tend to, reduce direct inequalities by protected characteristics. For example, at present, 38 per cent of farmers are women, but women only accounted for 20 per cent of those receiving Young Farmers grants in 2017. However to address this the government is applying some resource to supporting more women into agriculture and through other budgets, supporting young people training in farming, food production and other rural enterprises to gain skills and qualifications and contribute their experiences to future policy development. While there is significant variation and disparity in the value of many farm holdings, there are some low and very low income farm households who receive payments through these schemes. In addition, payments through this funding help to contribute to the wider rural economy, supporting supply chain activity and enabling people to move to and stay in rural communities, thus supporting local facilities like schools, health services and businesses.

The Forestry Commission Scotland budget is associated with an industry that supports 25,000 forestry jobs through funding for new planting, regulation and monitoring and the management of Scotland's forests. The Forestry Commission distributes around £83 million, of which £20 million is EU funding. There has not been significant change on this budget line. This funding helps to maintain the National Forest Estate which provides access for communities and individuals to activities in forests and woodlands across Scotland, including to improve mental health and wellbeing and outdoor education, and also supports agri-environment forestry and peatland restoration schemes, contributing to our sustainable development and climate change goals.

There is also £5 million in support for the European Maritime and Fisheries Fund (with two thirds from the EU) supporting Scotland's fisheries' businesses, infrastructure and research and development to enable sustainable marine activities. This budget is unchanged. As with the common agricultural policy, generally, the main recipients of fisheries funds are older, white males and therefore it does not directly reduce inequalities. However, as outlined above for farming, fishing businesses are also likely to support the described spin-offs and impact positively on different protected characteristics depending on the composition of local communities and businesses, especially across the seafood supply chain. The spend on harbours and infrastructure may help coastal communities in remote areas, and may improve opportunities for jobs and economic growth in this area.

The largest single (non-accounting) change on the budget is the reduction in the Less Favoured Area Support Scheme (LFASS), which is reduced from £65.5 million to £52.4 million. This is a 20 per cent reduction, which the Scottish Government has been obliged to make by the European Commission because the UK's exit from the EU means that replacement schemes – Areas of Natural Constraint – are not available. This reduction was postponed from 2018-19 to 2019-20. These changes were announced in the Scottish Budget 2018-19 and so are not a new announcement. These are likely to have negative effects on farm household incomes depending on the type of farm, but overall are only a 20 per cent cut on a fund that is, on average, around 32 per cent of a farmer's income for those who receive LFASS. The average LFASS farm business income in 2017 was around £32,600, which is above the median household income for Remote Rural Scotland at around £27,000 in 2017.

On a straightforward 20 per cent LFASS reduction, Less Favoured Area sheep farms (predominantly in the uplands, highlands and islands) may face challenges. They have an average farm business income of £23,200² which is significantly below the average household income for remote rural Scotland. This change could reduce incomes for this group. These farms are more dependent on LFASS – it represented 62 per cent of their income in 2017 compared with 32 per cent of all farms in receipt of LFASS, which explains its differential impact. No data is available to understand the wider equalities impacts of the change.

There is a rise of £3 million to the South of Scotland Agency's budget, supporting the transition from the South of Scotland Economic Partnership to the full economic development new agency. This budget will change from £3 million in 2018-19 to £4.4 million in 2019-20 in resource and from £7 million to £8.4 million in capital spending. These increases should help to increase inclusive growth, reduce unemployment and assist with the specific rural disadvantage in the region that it was set up to ameliorate. This budget is designed to cover the start-up costs of this new agency, and also to make it able to support the communities and enterprises in the Scottish Borders and Dumfries and Galloway.

Both Animal Health and Veterinary Surveillance have had moderate uplifts in their budgets, reflecting increased demands for public veterinary services in this year and also different spending profiles for investment projects. Animal Health has grown from £15 million to £18 million. Veterinary Surveillance has grown from £4 million to £5 million. These are not anticipated to have significant equalities consequences.

CONCLUSION

Overall, there has been little change in the portfolio spend in the Rural Economy, with the exceptions being new costs for the creation and establishment of the new South of Scotland Enterprise agency, and reductions of LFASS. EU support for farming, coastal and rural communities has been consistent and has been the financial bedrock of many farming enterprises. The reductions in the LFASS spending are a direct result of Scotland's inability to claim replacement scheme funding due to Brexit. Countries remaining within the EU will be eligible to claim funding through the scheme on Areas of Natural Constraint, but Brexit means Scotland will be ineligible for the funding. Marginalised rural and coastal communities who receive funding for the EU LEADER programmes may also be at an especial risk of Brexit, and support schemes for rural development may help to moderate any Brexit damage.

2 This income data is taken direct from the Farm Business survey unweighted data, which represents only 48 respondents and so may vary from other published figures. However, there is no other reliable source to impute income changes hence the reporting of these figures here.

CHAPTER 14

Culture, Tourism and External Affairs

INTRODUCTION

The Culture, Tourism and External Affairs portfolio seeks to promote Scotland's interests at home and abroad through European and International Affairs. It contributes to delivering Scotland's economic ambition by investing in Scotland's unique heritage and culture, as well as its capacity for creativity, tourism and major events.

The Culture, Tourism and External Affairs portfolio has a role to play in enhancing the quality of life for Scotland's communities. This is achieved through widening access to, and participation in, high-quality cultural events and opportunities, and by supporting young people's learning and creativity through engagement with culture and heritage.

KEY STRATEGIC BUDGET PRIORITIES

Promoting Scotland and its interests at home and abroad is a key strategic priority for the Scottish Government. The External Affairs budget will continue to deepen Scotland's relationship with key countries in the pursuit of furthering sustainable economic growth in Scotland, increasing Scotland's profile on the world stage and contributing as a good global citizen towards the achievement of the United Nations (UN) Global Goals (including Goal 10, 'reducing inequality within and among countries'). The budget also supports the attraction of talented and skilled individuals to live, study and work in Scotland.

From 27 June to 19 September 2018 we consulted on a draft Culture Strategy for Scotland that set out a bold and ambitious vision for the future of culture in Scotland. The draft strategy built on extensive engagement with people across Scotland and centred on three ambitions: transforming through culture; empowering through culture and sustaining culture. Independent analysis indicates that there is broad support for the inclusive and democratic approach to culture outlined in the draft strategy and for everyone – regardless of their background, ethnicity or where they live in Scotland – to have an equal opportunity to experience the transformative power of culture. The analysis report will inform the content of the final Culture Strategy, which will be published in 2019 and will shape future action.

We will continue to invest in the arts and culture through Creative Scotland, the National Collections and the National Performing Companies. This helps to ensure that:

- Scotland's culture reaches a diverse and inclusive audience at home and abroad.
- All children and young people are encouraged to, and have the chance to, engage in culture; and that this engagement is sustained throughout their lives.
- Finally, within this portfolio, the Major Events budget will support a strong and inspirational programme of events and festivals each year, including the Solheim Cup in September 2019. These events generate business, create jobs and boost the economy while delivering benefits to all of Scotland's communities and build on our nation's strong reputation and international attractiveness.

The historic environment is a vital part of Scottish heritage and communities and is also hugely important to the Scottish economy. The Scottish Government will work to ensure our diverse and evolving cultural heritage thrives and is celebrated, and that our historic environment and world-class collections are cared for and enjoyed by new and diverse audiences and future generations right across Scotland.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Europe and External Affairs

In 2019-20, funding for the British-Irish Council remains the same as in 2018-19. There has been an increase in the International and European Relations budget to support our increasing international presence and activity. Our relationship with Europe and Scotland's active membership of the British-Irish Council are critical to the delivery of other key strategic goals, including education, health and sustainable economic growth, which all focus on equality outcomes in their delivery.

The International Development Fund and Humanitarian Emergency Fund support international activities that seek to build upon historic and contemporary relationships that exist between Scotland, partner countries and the wider international community. This is in line with our commitment to be a good global citizen, continuing to make distinctive contributions to addressing global challenges. The overall International Development Fund and Humanitarian Emergency Fund budget in 2019-20 will be maintained at 2018-19 levels. These funds support a range of specific equality projects focusing on gender, disability and low income households, covering health, education, renewable energy, civic governance and economic development.

Culture, Tourism and Major Events

Creative Scotland and Other Arts support artistic work that explores and promotes equality and tackles discrimination in Scotland. Continued commitment to Creative Scotland in 2019-20 will ensure organisations can continue to deliver diverse programmes of work that are of particular benefit to equality communities.

In particular, increased resource in this portfolio supported the establishment of Screen Scotland, a dedicated Screen Unit within Creative Scotland. Resource in 2019 will continue to support this unit. In addition to better alignment with, and coordination

of, public sector support for the TV and film sector, it will also increase production and inward investment, thus boosting audience, company and skills development, and helping increase diversity in the screen industry.

The Scottish Government's long-standing investment of £118 million since 2007 in the Youth Music Initiative has made a huge impact in helping young people (aged between 0-25 years) across Scotland to access music-making opportunities and develop their wider skills and learning. With support of £9 million in 2019-20, the Youth Music Initiative will continue to boost young people's confidence, self-esteem and personal skills and support the development of skills for wider learning, including literacy, language and numeracy skills and development.

We are committed to early intervention programmes that support our young people, raise attainment, tackle inequality and empower our communities. The launch of the Cultural Youth Experience Fund pilots will be focussed in areas of deprivation, helping young people across Scotland to access cultural opportunities, thus ensuring that location is not a barrier to experiencing the best of Scotland's culture.

The National Performing Companies place education and participation at the heart of their core activity to enhance the wellbeing of individuals who participate. Continued support for the National Performing Companies will ensure a range of initiatives are targeted at young people to increase access to performing arts across Scotland, such as the Royal Scottish National Opera Junior Chorus, and outreach programmes, such as those run by the Scottish Chamber Orchestra and Scottish Opera.

Continued commitment to working with our partners and providing funding support for the Themed Years programme will continue focus on the legacy of the themes of the Year of Young People 2018 (participation; education; health and wellbeing; enterprise; equality and tackling discrimination; and culture). From 2019, the Themed Years programme will move into a two-yearly cycle. By creating an extended planning and engagement cycle, we can secure greater public, private and third sector support. The Year of Coasts and Waters 2020 will sustain and build upon the momentum of the preceding Themed Years to spotlight, celebrate and promote opportunities to experience and enjoy Scotland's unrivalled Coasts and Waters, encouraging responsible engagement and participation from the people of Scotland and our visitors. This will include developing communications and content to drive visitors to a wide range of experiences across the country and promoting new, unique or lesser known tourism product offerings. Critically, teams will work in partnership to identify opportunities to engage with our diverse communities to encourage the broadest representation of our 2020 themes. Our Coasts and Waters are vital elements of our landscape and are greatly valued by communities and visitors alike. Scotland's Coasts and Waters have shaped our history: from fishing and textiles to whisky and wave power, they have influenced our culture, our stories and our way of life.

Tourism is a key sector for Scotland's economy and the latest strategic guidance for VisitScotland highlights the need for the organisation to embed equality and to actively promote this in everything it does. Funding for VisitScotland in 2019-20 will be maintained at 2018-19 levels. This will support them to deliver their key role in ensuring Scotland is an inclusive, welcoming destination, collaborating with the industry in the delivery of several inclusive tourism projects and assisting tourism businesses to promote and provide both quality customer service and access for the inclusive tourism market. VisitScotland will continue to work with the industry and the Family Holiday Association via ScotSpirit to provide vulnerable and disadvantaged families in Scotland a short break or day out which they otherwise would not have had.

Our work with the £6 million Rural Tourism Infrastructure Fund – which saw £3.2 million of projects announced in October 2018 – will continue to provide for the services and facilities tourists and communities need to support sustainable growth in rural tourism across Scotland.

We will work with partners to realise the Programme for Government ambition to encourage more fair work practices across the sector including increasing the number of businesses paying the Living Wage, excluding exploitative zero-hours contracts and improving gender-equal pay.

Scottish Government support to the National Museums Scotland, National Galleries of Scotland and National Library of Scotland to provide free public access to the collections will continue in 2019-20, with additional funding provided to help the National Collections to deliver the pay policy. Continued support for the National Collections to provide free access will be of particular benefit to those on low incomes, of whom women, disabled people and some minority ethnic groups are disproportionately represented.

Historic Environment Scotland

Historic Environment Scotland cares for and promotes Scotland's historic environment, providing support for heritage building repairs, employment for those with traditional building skills, and contribution to the regeneration of Scotland's town centres. Historic Environment Scotland also encourages engagement with, participation in, and enjoyment of the historic environment and increases the diversity of people accessing it. The Historic Environment Scotland 'Equality Outcomes and Mainstreaming Report' outlines how it is working to deliver its public sector equality duties and sets out four equality outcomes it aims to achieve by April 2021. Due to Historic Environment Scotland's capacity to generate additional income, budget reductions for Historic Environment Scotland should not have significant negative impacts on older people and disabled people who are the groups least likely to visit historical places. Historic Environment Scotland Access Policy for Properties in Care seeks to address the needs of groups who are less able to access the properties.

National Records of Scotland

There has been an increased budget for National Records of Scotland since 2017-18 to support the on-going design of the 2021 Census. During the course of 2018-19, National Records of Scotland will continue testing on a range of equality questions, including questions on sexual orientation and transgender status/history, which are being proposed to be asked in 2021 on a voluntary basis. Work will continue around the responses to the sex question, balancing the need for an inclusive question with the need for outputs which are useful for service providers. Consultation and testing will also continue around the response options for ethnicity and religion to ensure that the response options are acceptable to respondents and that the data provided can inform equality monitoring and policy development.

Work will continue on the development of the range of systems and services required for the 2021 Census. As part of that work, testing will be ongoing to ensure that paper and internet versions of the census questionnaire are easy to complete and comply with accessibility guidelines. National Records of Scotland will be working with equality groups to further develop approaches to public assistance to ensure that everyone is enabled to take part in the Census. All of the elements of running the census will be tested in October 2019 in a large-scale test, which will provide vital feedback to ensure that the Census works for everyone in Scotland.

Work will continue across Registration Services in Scotland, delivered by local authorities, to collect improved information on ethnicity as part of the death registration process. The ability to produce accurate death rates broken down by ethnicity will be a huge step forward in helping understand the differential outcomes for people from different ethnic backgrounds. Working with Scottish Government, National Records of Scotland will be continuing to plan for the implications of potential changes to the Gender Recognition process, to the potential recognition of non-binary people, aspects of registration germane to intersex people and also options for the future of civil partnerships in Scotland.

CONCLUSION

This portfolio has a key role in enriching people's quality of life across a range of protected characteristics. Where budgets are protected or increased, this helps to enhance access to, and participation in, Scotland's culture and heritage. It will be important to maintain appropriate levels of investment to ensure the long-term sustainability of programmes, activities and sites.

CHAPTER 15

Transport Infrastructure and Connectivity

INTRODUCTION

Transport Infrastructure and Connectivity is a diverse portfolio with responsibility for Scotland's physical and digital connectivity and infrastructure; energy policy and delivery; City Region and Growth Deals; and implementation of the Islands Act. The portfolio works with the public, private and third sectors and local communities, including Transport Scotland, the public agency responsible for public transport services, infrastructure and the trunk road network in Scotland. It also entails the sponsorship of a number of public bodies. The Transport Infrastructure and Connectivity portfolio budget focuses on investment in transport and digital connectivity, and in activity that supports the energy sector and the transition to a low carbon economy.

KEY INEQUALITIES OF OUTCOME

Within the budget for the Transport Infrastructure and Connectivity portfolio, investment is targeted to ensure key sections of the population – such as older and disabled people – are able to access sustainable and reliable transport options, to support those on lower incomes to ensure they have access to essential services, and to address the impacts of rurality and remoteness.

KEY STRATEGIC BUDGET PRIORITIES

The priorities of the Transport Infrastructure and Connectivity portfolio contribute to all of the National Outcomes that form part of the National Performance Framework.

Our overarching priorities are to ensure sustainable economic growth across Scotland's communities, and that all of Scotland has the transport and digital infrastructure needed to deliver real economic benefits and improved connectivity.

Transport infrastructure is a key area where improving connectivity between our cities, rural, and islands communities and centres of economic activity is vital to boosting productivity and competitiveness.

We will deliver a sustainable travel network – supporting better journey times and transport connections – with reduced emissions and greater quality, reliability, accessibility and affordability.

We will enable and encourage sustainable development, enterprise, and investment in key transport infrastructure, providing vital transport links to improve physical connectivity, economic productivity, the environment, public health and social inclusion. This includes the provision of lifeline ferry services to Scotland's Islands Communities.

We are investing in low carbon transport and are promoting walking and cycling in order to deliver our climate change ambitions and tackle poor air quality in towns and cities.

We are committed to ensuring that all homes and businesses in Scotland have access to superfast broadband infrastructure and to investing in, and supporting, broader digital connectivity to enable sustainable and inclusive economic growth.

We will lead delivery of the vision set out in Scotland's Energy Strategy of a flourishing, competitive, local and national energy sector that delivers secure, affordable, clean energy for Scotland's households, communities and businesses.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

The portfolio recognises the impact that spending and budget decisions have on particular groups, individuals and communities – particularly those who depend on public transport and who may be affected by its cost.

We recognise that bus services are very important for, and are used more frequently by, women, older people, younger people and those on lower incomes. We are maintaining our budget for the Bus Service Operators Grant in 2019-20 (£54.2 million) which subsidises all services. This makes the network more extensive and fares lower than would otherwise be the case.

We will continue to provide free bus travel to those who need it most through the National Concessionary Travel Scheme, at a cost of around £200 million in 2019-20. The National Concessionary Travel Scheme currently provides free bus travel on local or Scottish long-distance buses for Scotland's older people aged 60 or over and disabled people, including eligible veterans. We will also introduce free travel for a parent or carer travelling with an eligible disabled child aged under five. The National Concessionary Travel Scheme has had positive impacts on the physical and mental wellbeing of cardholders, reducing isolation and helping disabled users to access employment and educational opportunities. In 2019, we will work with others to develop a pilot scheme of free bus travel for young modern apprentices, and will work with stakeholders to consider the options to provide free bus travel to recipients of the new Young Carers Grant.

In 2019-20, we will maintain our commitment to invest £80 million annually in measures to build an active nation. This significant investment will create safe, segregated walking and cycling routes in towns and cities across Scotland. In tandem with the public transport system, this will ensure that cheaper, healthier and greener forms of travel are available to more people.

We will encourage behaviour change by offering support to a wider range of public, third and community sector organisations to promote active and sustainable travel for everyone. In addition, schemes such as interest free e-bike trials and loans, subsidised bike hire and cycle training underpin our responsibility to make active travel a viable alternative for communities across Scotland.

We will significantly expand Electric Vehicle (EV) charging infrastructure across Scotland, including the development of charging hubs at strategic locations and in areas with complex charging issues, such as tenement housing areas. We will also accelerate the uptake of ultra-low emission vehicles (ULEVs) through our Low Carbon Fund which helps businesses and individuals adopt ULEVs. We will invest a total of £50 million in these and related measures to improve the accessibility and affordability of ULEVs for those looking to switch to these types of vehicles.

In 2019-20, we will invest in major infrastructure projects to improve Scotland's road network. We want to improve accessibility on the trunk road network – including upgrading footways, and widening and upgrading existing pedestrian crossings. We will allocate up to £2 million in 2019-20 specifically for this purpose which will help to improve access for disabled road users and pedestrians. Through our Roads for All Forum, we will continue to engage with particular communities to ensure equality implications are considered in this work going forward.

We will continue our significant investment in Scotland's railways with an investment of approximately £650 million during 2019-20. Through our funding of the ScotRail franchise, we will continue to deliver a range of fare offers to customers on all routes. This includes reduced fares for job seekers and the newly employed. Our funding also includes the minor works budget which provides £350,000 a year to improve facilities across the network, thus removing barriers to travel and promoting confidence in the use of rail by disabled people and people with reduced mobility.

The ScotRail fleet is undergoing a significant refurbishment programme or is being replaced, at a cost of £475 million over the franchise term. This is to meet current accessibility standards ensuring improved facilities for all customers. This will deliver a fully compliant ScotRail fleet in advance of the 2020 accessibility deadline for Persons of Reduced Mobility (PRM) regulations. In addition, by the end of March 2019, Scotland will have 45 more fully accessible stations than it had in 2005, benefiting disabled rail users.

In 2019-20, we will continue to support the Scottish Disability Equality Forum to develop and host the accessible travel hub and engage with disabled people in line with our Accessible Travel Framework. In 2019-20, we will look to modernise delivery and governance of the Accessible Travel Framework by producing an annual delivery programme that will focus on a range of issues, including tackling hate crime. We will also further develop the Thistle Card, which advises transport staff of an individual's disability and additional support needed. This will make using public transport easier for disabled and older people.

Access for our island communities is important in addressing the impacts of remoteness and rurality, reflecting the lifeline role played by Scotland's support ferry networks.

We are committed to maintaining and improving lifeline ferry services that play a key role in supporting the economic, social and cultural development of island and remote mainland communities. We continue to invest in our ferry services and infrastructure, including in the delivery of new ferries and improvement of piers and harbours infrastructure. In 2014-15, we established an Accessibility Fund of £0.5 million and in 2019-20, we will continue to use this across the ferry network to improve facilities and access at harbours for those with accessibility issues.

We will protect Road Equivalent Tariff (RET) fares on the Clyde and Hebrides Ferry Services routes, and seek to reduce passenger and car fares on ferry services to Orkney and Shetland. This ensures that people who live, work or visit our island communities can travel on lifeline ferry services affordably. Older people aged 60 or over, disabled people and young people aged 16-18 also benefit from reduced ferry travel costs through national and local concessionary schemes.

We will continue to fund the Air Discount Scheme and the lifeline Public Service Obligation air services to Barra, Campbeltown and Tiree. This will ensure that those living in some of the most remote parts of Scotland continue to benefit from reduced air fares.

In 2019-20, we will spend £28.2 million to improve digital connectivity across Scotland. We have already exceeded our target under the Digital Scotland Superfast Broadband (DSSB) Programme to deliver access to fibre broadband to at least 95 per cent of premises by the end of 2017 – through Gainshare and other approaches – and we will continue to deliver the final phase of the DSSB programme. Work will also begin deployment of our Reaching 100 per cent (R100) Programme to deliver access to superfast broadband to every home and business in Scotland, alongside other aligned interventions as necessary to ensure all of Scotland benefits from our investment. We will also start work on a programme – developed and delivered in conjunction with the four UK operators – to address gaps in 4G mobile coverage. Our approach seeks to ensure that everyone in Scotland can benefit from digital connectivity. This addresses social isolation and helps wider government priorities, such as closing the attainment gap; providing improved access to the labour market and opportunities to develop skills; access to public services such as digital health; and supporting new business start-ups and entrepreneurialism. It also seeks to help to close the digital divide for remote, rural and Islands areas, and for lower income families and communities.

In 2019-20, we will support the implementation of up to £12 billion public, private and third sector investment programme under the Energy Efficient Scotland Route Map and Transition Programme to improve the energy efficiency of Scotland's domestic and non-domestic buildings. This will help to tackle one of the causes of fuel poverty, which has greater impacts upon older people, disabled people and low income families, and also improve business competitiveness. We will continue to support onshore and offshore wind, hydro, wave and tidal energy projects that have the potential to curb global emissions, and support the development of low carbon infrastructure projects and continued delivery of the Low Carbon Infrastructure Transition Programme (LCITP). All of this will help deliver the Energy Strategy's vision of a flourishing, competitive local and national energy sector, delivering secure, affordable, clean energy for Scotland's households, communities and businesses, and also create STEM related (Science, Technology, Engineering and Mathematics) job opportunities of higher value.

Funding of around £200 million has been allocated in 2019-20 to continue the commitment to the City Region Deals already agreed and we will continue to progress the deals in development. We have committed to 100 per cent coverage of Scotland with growth deals and we are also working to deliver regional deals across a number of areas. We are collaborating with local authorities as deals are developed and delivered to ensure maximum impact for particular communities, maximising the impact of the deals and addressing inequalities both within and between regions in Scotland.

CONCLUSION

This assessment of the 2019-20 Transport Infrastructure and Connectivity budget highlights its positive impacts to create a fairer, more equal Scotland, and reflects our on-going commitments to improving physical and digital connectivity and to providing a sustainable, low carbon transport system.

CHAPTER 16

Environment, Climate Change and Land Reform

INTRODUCTION

The Environment, Climate Change and Land Reform (ECCLR) portfolio is responsible for protecting and enhancing Scotland's environment, responding to the challenges of climate change, driving forward land reform and investing in policy-relevant research. A significant part of this portfolio's budget goes towards funding public bodies and other organisations that invest in our natural resources, manage our land and seas, or deliver other priority work.¹ The pressing demands for this portfolio are reducing emissions; developing a low carbon economy; improving the way that land is owned, used and managed; managing the marine environment; investing in Scottish Water; reducing waste and tackling flood risk.

KEY INEQUALITIES OF OUTCOME

This portfolio faces a number of equalities challenges. We know that certain groups are more vulnerable to the effects of poor air quality than others and that the impacts of climate change – such as flooding – are not felt equally across Scotland. We are also aware that green spaces can help people live active lives and have a positive impact on mental health, yet some people are less likely to visit the outdoors. Overall, the groups who are more directly or indirectly affected by spend in this portfolio include older people, disabled people, those with existing health problems, those on lower incomes and people living in deprived areas.

KEY STRATEGIC BUDGET PRIORITIES

Two of the Scottish Government's key strategic priorities are tackling climate change and growing the low carbon economy. This portfolio supports climate change policy development and delivery, and provides funding for local communities to take action on climate change. It is responsible for the Climate Change (Scotland) Bill and monitoring the implementation of the Climate Change Plan. On the circular economy, we are developing a deposit return scheme for drinks containers and established an advisory group to consider fiscal measures to reduce waste. We have also established a Just Transition Commission to advise Ministers on fair transition to a low carbon Scotland.

¹ Scottish Water, Marine Scotland, Scottish Natural Heritage, Scottish Environment Protection Agency, the two National Park Authorities, the Royal Botanic Garden Edinburgh, Scottish Land Commission, Crown Estate Scotland and Zero Waste Scotland.

Another priority is creating a cleaner, greener Scotland. This portfolio protects and enhances Scotland's natural environment and resources, as well as improving drinking water and air quality, and addressing flood risk. The work of this portfolio is important for reducing inequalities and for improving the health, wellbeing and quality of life of people in Scotland. It also supports sustainable economic growth and brings benefits to wildlife, ecosystems and biodiversity.

Land reform, in both the urban and rural context, and managing the Crown Estate are other priority areas. We want to encourage responsible and diverse land ownership, where communities have a say in how land and other assets in their area are used. This work has the potential to address local social and economic needs.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

The overall picture is one of very little change, though there is some movement within the portfolio.

The budget for the Hydro Nation Programme is increasing in 2019-20 compared to 2018-19. This includes funding for the Climate Justice Fund, which supports projects in Malawi, Zambia, Tanzania and Rwanda to address water quality and scarcity, and to increase communities' resilience to the impacts of climate change. This work has a positive impact on inequalities on a global scale, as the poorest and most vulnerable people – including women and children – are often the most affected by climate change.

The budget (£1.7 million) for Private Water Supply Grant remains unchanged. This budget provides improvement grants to 3.6 per cent of Scotland's population who are reliant on a private water supply for their drinking water needs and are typically located in remote or rural areas. As reported by the Drinking Water Quality Regulator in her annual report for 2017, compliance with mandatory standards continues to be poor. This budget covers the costs incurred by the Drinking Water Quality Regulator in regulating public water supplies and ensuring that drinking water provided by Scottish Water meets mandatory standards. This will benefit public at large, including those with protected characteristics.

There will be a slight increase of £0.6 million in the budget for the National Park Authorities in 2019-20. This includes Scotland's two National parks, Loch Lomond and The Trossachs (LLT) and the Cairngorms, which play an important role in rural economic development, recreation, sustainability and the conservation of natural habitats. It is known that older people, disabled adults and people from minority ethnic groups are less likely to visit the outdoors and face multiple barriers to do so. This budget ensures that the appropriate public bodies have the funding to enable parks, facilities, services and communications to be made more accessible, thus ensuring that people of all abilities are able to enjoy the benefits of getting outdoors.

Spending on Natural Assets and Flooding will increase slightly to £14.7 million in 2019-20. This budget covers actions to tackle air and noise pollution, and improvements to the water environment. It also supports flood risk management activities. These have benefits for health and wellbeing at population level, but also for certain groups in society:

- Actions to tackle air quality and noise disturbance will benefit those who suffer most from the ill effects on their health and wellbeing. This includes children, older people, those with pre-existing health problems and people living in dense, urban areas close to busy roads. For example, there are 40 actions in the Clean Air for Scotland Strategy 2015 which include improved modelling techniques to inform the reduction of transport emissions.
- Funding for water environment restoration projects (funded by the Water Environment Fund) will make a difference for some of our most deprived communities by remediating contaminated land and creating good quality, accessible green space (which brings health and wellbeing benefits) and in many cases reducing flood risk.

Spending on Land Reform will remain unchanged at £17.1 million in 2019-20. This budget is used to encourage community land ownership through the Scottish Land Fund, to fund the Scottish Land Commission and implement measures in the Land Reform (Scotland) Act 2016. No specific implications are expected for any of the protected groups.

Spending on climate change policy development and implementation will remain unchanged at £1.1 million. This budget supports this portfolio's climate change co-ordination work, which is needed to take forward our responsibilities under Scotland's climate change legislation. This includes continuing our work to ensure that Scotland is climate-ready and publishing our Second Climate Change Adaptation Programme. We know that lower income and other disadvantaged groups generally contribute least to causing climate change, but are likely to be more negatively affected by it and may be less likely to have their voices heard in decision making.

The budgets for the Land Managers' Renewables Fund remains unchanged. The Land Managers' Renewables Fund supports farmers, land managers and rural businesses to develop renewable energy projects, which can provide wider community benefits. The Sustainable Action Fund will increase from £18.7 million to £19.6 million. This will include the Climate Justice Fund and Climate Challenge Fund, which support communities in Scotland and in some of our African partner countries to take action on climate change.

There is an increase in spending from £4.1 million in 2018-19 to £4.6 million in 2019-20 in the Natural Resources budget. This incorporates funding for three main things: Special Protection Area restoration at opencast coal mine in East Ayrshire; core funding for the Central Scotland Green Network (CSGN) Trust; and a range of other activities to protect and improve the quality of services provided by the natural environment (e.g. expenditure on various natural heritage projects, reviews, consultations and funding commitments). The CSGN budget is being protected as it aims to improve the quality of publicly-owned greenspaces for recreation and community use, and will help tackle inequalities by targeting improvements in the most disadvantaged areas. Around 87 per cent of Scotland's severely deprived areas are located within the Central Scotland Green Network boundary. This equates to around 700,000 residents or 19 percent of the CSGN area's total population. The CSGN prioritises work with these communities to improve local environments and help tackle long-standing issues such as health inequalities.

Zero Waste budget remains unchanged at £20.5 million in 2019-20. This funds the activities of Zero Waste Scotland and the Scottish Government's Zero Waste policy team. This budget supports the delivery of our circular economy strategy in Scotland. Priorities include the Deposit Return Scheme (a key commitment in the 2017-2018 Programme for Government) and actions to improve recycling, reduce emissions from waste and tackle litter. An interim equality impact assessment of the Deposit Return Scheme (DRS) showed that the scheme has the potential to affect everyone including people living in low income households and those living in remote rural areas and island communities. The design of the DRS will integrate equality impact monitoring and evaluation into its framework from the outset and a full and final equality impact assessment will be completed.

There will be an increase in the Marine Scotland budget to £64.7 million. This budget supports the sustainable use of Scotland's coasts, seas and freshwater fish populations. Marine Scotland has indicated that their budget allocation should have no negative equality impacts.

The budget for Royal Botanic Garden Edinburgh (RBGE) increases slightly to £13.7 million for 2019-20.

For the other bodies funded by the portfolio, the budget for Scottish Natural Heritage will remain unchanged at £46.5 million in 2019-20 while there will be a £0.6 million reduction in the Scottish Environment Protection Agency's budget to £34.4 million. Like all public bodies, these organisations will continue to deliver their statutory equality duties and are required to assess equality impacts where there are significant changes to policy interventions, service delivery or staffing. For example, we would expect Scottish Natural Heritage and RBGE to consider the equality impacts of spending decisions on accessibility and use of the outdoors and national collections.

CONCLUSION

Overall, the equality assessment of the budget has found that any change in spend across the Environment, Climate Change and Land Reform portfolio generally will have little or no adverse equality impact. However, we cannot be certain how public bodies will choose to prioritise resources. We expect them to undertake their own equality impact assessments where appropriate.

CHAPTER 17

Government Business and Constitutional Relations

INTRODUCTION

The Government Business and Constitutional Relations portfolio supports a range of functions central to democratic participation in Scotland, including parliamentary and local elections (including the costs of the independent Local Boundary Commission for Scotland), open government and freedom of information, as well as management of the Government's legislative programme and business in Parliament.

The portfolio has the central role in seeking to ensure UK-EU negotiations and necessary preparations for the UK's exit from the EU, are undertaken in a way that protects Scotland's interests and maintains the closest possible links with the EU. The portfolio also handles relations with the other devolved administrations and for wider constitutional issues. In addition, the portfolio is responsible for the Office of the Chief Researcher, veterans and for Royal and Ceremonial functions within Scotland.

KEY EQUALITIES OF OUTCOME

The portfolio's 2019-20 programme includes work to understand and remove barriers to participation in our democratic institutions and in government decision-making for those with protected characteristics, underpinned by planned improvements to equalities data collection to inform, in particular, our work to promote diversity of elected representatives in Scotland. For example, we know that only just over a third of MSPs elected to the Scottish Parliament in 2016 were women (45 women, 35 per cent), and that less than a third of candidates for election to local government in 2017 were women. We know that disabled people standing for election can face costs and challenges not experienced by non-disabled candidates, and seek to help level the playing field through funding the Access to Elected Office Fund.

KEY STRATEGIC BUDGET PRIORITIES

A key priority for the portfolio in 2019-20 is seeking to protect and promote Scottish interests during UK-EU negotiations, and to develop opportunities for Scotland to continue to collaborate with EU partners.

We will also continue to pursue our ambition for a society founded on fairness and equality through our democratic frameworks, bringing forward legislation to modernise the approach to parliamentary and local elections.

The Scottish Government is committed to openness, and in 2019-20 we will work to deliver Scotland's second Open Government Action Plan, which we are currently developing with people across Scotland and the civil society network. The action plan focuses on improvements to accessing information and data, increasing openness, transparency and citizen participation to support the values of openness at the heart of the National Performance Framework.

We also remain committed to supporting members of the Armed Forces and veterans community in Scotland, maintaining funding for the Scottish Veterans' Commissioner and other measures to support veterans, primarily through the Scottish Veterans' Fund.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Improving the Accessibility of Elections for People with Disabilities

The next Scottish Parliament election is scheduled for 2021 and local Government elections in 2022. A feasibility study is underway to explore options for improving the accessibility of elections for people with disabilities. The study will produce recommendations for pilots or trials and is due for completion in 2019. This work will directly contribute to the public sector equality duty by taking forward actions that improve access to elections for those with disabilities.

Access to Elected Office

We will keep in place the Access to Elected Office Fund for disabled candidates for the Scottish Parliament election in 2021. The fund offers support to disabled people seeking election. It was successful in supporting candidates to get elected in the Local Government elections 2017 and continues to operate for by-elections.

We are also initiating analysis to improve the equalities data we have available to monitor progress on promoting the increased diversity of elected representatives in Scotland.

Open Government and Freedom of Information

The second Open Government Action Plan includes an ambitious commitment to make systematic change across the Scottish Government, improving the way people are listened to, involved and able to participate in decisions that shape the world around them. This commitment includes a substantive focus on equality of access and equality of participation – and changes in practice will involve working with a range of equalities groups and interests.

Our Freedom of Information legislation facilitates requests by voicemail or recorded message, which supports the needs of people with disabilities who may face barriers to sending written requests. Requesters can also express a preference as to how they would like to receive their response, so that they receive it in a format that meets their needs. Our ongoing work to improve the way we respond to Freedom of Information requests includes a review of international practice, which may identify further areas where we can incorporate equalities considerations into our practice.

CONCLUSION

The Government Business and Constitutional Relations portfolio is focused on protecting and promoting Scotland's interests during UK-EU negotiations and as the UK exits from the EU, as well as continuously improving our democratic frameworks and promoting openness and participation.

During 2019-20, we are taking forward a number of programmes of work that seek to improve opportunities and remove barriers to participation in our democratic institutions and in government decision-making for all citizens, and to improve our ability to monitor our progress.

CHAPTER 18

Crown Office and Procurator Fiscal Service

INTRODUCTION

The Crown Office and Procurator Fiscal Service (COPFS) is Scotland's sole public prosecuting authority. It acts independently in the public interest on the authority of the Lord Advocate. COPFS receives reports about crimes from the police and all other reporting agencies in Scotland. It then decides, independently and impartially, what action to take in the public interest, including whether or not to prosecute. COPFS also enquires into deaths that need further explanation and investigates allegations of criminal conduct against police officers.

KEY INEQUALITIES OF OUTCOME

The purpose of COPFS is to secure justice for the people of Scotland, including those at socioeconomic disadvantage. We recognise that some communities may have had poor experiences of law enforcement in the past which may reduce trust in our service. By delivering justice to all of Scotland's communities, COPFS contributes to improved public safety, reduced individual harm and enhanced economic and environmental wellbeing. COPFS contributes to the creation and maintenance of an inclusive and respectful society in which all people and communities live in safety and security with individual and collective rights being supported and disputes resolved fairly and swiftly. This includes tackling inequality and protecting human rights.

KEY STRATEGIC BUDGET PRIORITIES

The 'Justice in Scotland: Vision and Priorities' sets the following outcomes and priorities:

- We live in safe, cohesive and resilient communities.
- Our system and interventions are proportionate, fair and effective.
- We deliver person-centred, modern and affordable public services.

The impartial and independent administration of criminal justice in Scotland underpins a fair and equal society which seeks to protect people and communities from harm.

EQUALITY IMPLICATIONS OF THE SCOTTISH BUDGET 2019-20

Staffing and Funding

The first sentence should read In 2018, there was an increase of in-year funding of £3.6 million and there is an increase of £5 million in 2019-20. This increase in funding from the Scottish Government is welcomed and will translate into additional staff being in post to deal, among other things, with the increasing volume and complexity of sexual offence cases, including historical sexual offending.

COPFS staffing levels between June 2016 and September 2018 reflect the changing nature of COPFS' business. In September 2018, the number of staff in the High Court function was 25 per cent higher than it was in June 2016 while the number of staff in the Local Court Function was 6 per cent lower.

Hate Crime

COPFS is committed to taking effective prosecutorial action in relation to hate crime offences, where there is sufficient, credible and reliable evidence to do so. COPFS looks forward to the outcome of the Scottish Government's recently published consultation on amending Scottish hate crime legislation but it is unknown whether there will be any financial implications for COPFS arising from this review.

Progress in tackling aspects of hate crime is measured by annual statistics published annually in June by COPFS and the Scottish Government. Racial crime remains the most commonly reported hate crime. There were 3,249 charges reported in 2017-18. This continues the downward trend since a peak of 4,547 charges reported in 2011-12, and is the lowest annual total since consistent figures became available in 2003-04.

Sexual orientation aggravated crime is the second most common type of hate crime. The number of charges reported increased by 3 per cent in 2017-18 to 1,112. With the exception of 2014-15, there have been year-on-year increases in charges reported since the legislation introducing this aggravation came into force in 2010.

The number of disability aggravated charges reported increased by 51 per cent in 2017-18 to 284. This may be partially due to increased awareness of, and support for victims of, disability hate crime following concerns that it was underreported. With the exception of 2016-17, there have been year-on-year increases in charges reported since the legislation introducing this aggravation came into force in 2010.

COPFS continues to invest staff resources in giving the victims of hate crime offences confidence to report such crimes to the Police or third party reporting centres. Victims of hate crime are supported through the court process by the Service's Victim Information and Advice Service. COPFS also invests staff time and resources into awareness raising campaigns and educational presentations to raise awareness of individual rights and responsibilities in relation to offensive behaviour.

COPFS recognises the work of the many charities and support groups who represent and assist victims of hate crime and we continue to engage with such groups, schools and local communities to encourage reporting and to change attitudes towards hate crime and offensive behaviour. For example, COPFS organises a national public speaking

competition each year which aims to raise the level of public debate in secondary schools on equality and diversity issues. The number of schools participating in the competition has risen from 12 in 2014 to over 80 in 2018, and now culminates in a national final in June of each year. In fact, 100 teams took part in last year's competition.

Sexual Offences

Sexual crime comprises around 65 per cent of the Service's High Court caseload. The vast majority of victims are women – 86 per cent in 2017. The number of sexual offences reported to COPFS has risen significantly in recent years, with a 50 per cent increase in the reporting of High Court level sexual offending this year alone. This means that more victims are coming forward, that more cases are being prosecuted and that more perpetrators are being brought to justice.

COPFS is responding, and will continue to respond, to the increase in the number of such cases. It has established a national specialist High Court Sexual Offences Team within COPFS. This supplements the specialist work of Crown Counsel within the National Sex Crimes Unit. It has implemented a new Victim Strategy and will continue to engage with stakeholders with a view to continuing to learn from the victims' experience of the criminal justice system.

The findings and recommendations of the Inspectorate of Prosecution in Scotland's review of the investigation and prosecution of sexual crimes by COPFS, published in November 2017, were welcomed and accepted. Work has been ongoing to implement the recommendations. At the same time, the Service participates actively in the ongoing work arising from the Scottish Courts and Tribunal Service Evidence and Procedure Review and other work directed at improving the arrangements under which the evidence of vulnerable witnesses is taken. This includes the Vulnerable Witnesses Criminal Evidence (Scotland) Bill 2018 progressing through Parliament.

The additional funding from the Scottish Government, in recognition of the increased demands arising from the additional volume and complexity of sexual offences cases reported, will translate into additional staff members, with additional staff being deployed in the High Court function. This reflects the significant increases in High Court level sexual offending and the changing nature of the cases in our courts.

Domestic Abuse

The robust and effective prosecution of domestic abuse continues to be a key objective for COPFS given the seriousness of the offence and the significant and enduring impact it has on victims. The majority of reported acts of domestic abuse are experienced by women (79 per cent in 2016-17), and children are also at risk.

The number of domestic abuse charges reported to COPFS by Police Scotland over the last five years has stabilised at a significantly higher level than previous years, largely due to the prioritisation and focus on policing of this type of crime. Prosecutors dealt with over 30,000 charges reported by Police Scotland in the year 2017-18. Eighty-eight per cent of charges reported were prosecuted.

A revised joint protocol between COPFS and Police Scotland 'In Partnership: Challenging Domestic Abuse' was launched in March 2017, setting out the policies and approach taken and committing both organisations to a consistent and robust approach to tackling domestic abuse.

Both recent and future legislative reforms will provide additional tools to police and prosecutors and will enhance the protection available to victims of domestic abuse. These reforms include:

- The Abusive Behaviour and Sexual Harm (Scotland) Act 2016, which introduced an intimate image abuse offence, a domestic abuse aggravation, new sexual offender orders and jury directions.
- The Domestic Abuse (Scotland) Act 2018, due to come into force around the spring of 2019, introduces a new domestic abuse offence criminalising a course of abusive behaviour. This may incorporate both violent and threatening behaviours, but also coercive control behaviours not currently criminalised. The Act also proposes a number of measures aimed at increasing victim safety, including strengthening provisions in relation to Non-harassment Orders. This includes a new aggravation in relation to the involvement of children in domestic abuse. Work is ongoing by COPFS to ensure staff are trained and have appropriate guidance on the legislation for its implementation.
- The Criminal Justice (Scotland) Act 2016 which provides the police with new powers to release a suspect on investigative liberation conditions which could include conditions to protect victims.

Under the direction of the National Procurator Fiscal for Domestic Abuse, COPFS will continue to ensure that its policies are appropriate. COPFS will also provide specialist training for staff, including in relation to new offences, to ensure that these cases are prosecuted effectively. This will also ensure that COPFS provides an effective service to victims of such crime, the vast majority of whom are women.

Interpreting and Translation

COPFS provides interpreting services for all Crown witnesses who request such support and provides translation and transcription services to all witnesses and accused persons who require this. The provision of these services ensures that people whose first language is not English are able to fully participate in the criminal justice process. The cost of providing such services grew year-on-year, especially after the implementation of the 2013 EU directive on the right to interpretation and translation in criminal proceedings. However, with the reduction in the number of cases being reported to COPFS in more recent years, (207,000 cases reported in 2016-17 and 187,000 reported in 2017-18), there has been a corresponding reduction in interpreting, translation and transcription costs.

In 2017-18, the cost of providing such services was approximately £256,000, a 19.5 per cent decrease on the previous year. This figure only reflects the costs incurred for spoken languages and does not include costs for the provision of British Sign Language interpreters for Crown witnesses, which was over £30,000 last year.

British Sign Language (BSL) Act 2015

This Act received Royal Assent on 22 October 2015. The Scottish Government published its first BSL National Plan in October 2017 which covered all Non-Departmental Public Bodies, including COPFS. The Act is designed to promote and facilitate the use and understanding of BSL across the Scottish public sector and ensure deaf and deafblind BSL users are fully involved in all aspects of life, including access to justice services. COPFS will be covered by the Scottish Government's action plan to meet the obligations of Scottish Ministers but will be creating its own internal action plan to meet the duties for the justice sector. It is already working collaboratively with the other justice partners to ensure consistency of service across justice.

COPFS is a member of the cross justice Working Group on Interpreting and Translation (WGIT). COPFS and Police Scotland jointly represented the Justice sector on the BSL National Advisory Group which helped develop the BSL National Plan. Thereafter all public bodies will be required to create their own plans to demonstrate how they will meet the requirements of the Act. The WGIT will drive forward the work to comply with the National Plan for the Justice sector. It is too early to calculate the cost implications of this work.

COPFS is a member of enei (Employer's Network for Equality and Inclusion) and Happy to Translate. In 2018, COPFS retained the title of the top public sector employer in Scotland in Stonewall UK's Workplace Equality Index for the fifth year in a row. As a Diversity Champion of Stonewall Scotland, COPFS ranked 15th in the UK Index overall. Continued membership of such organisations in the current financial climate is indicative of COPFS commitment to ensuring an inclusive workforce, support for victims and witnesses and increasing public confidence in the prosecution service. The next Index results will be published in January 2019.

CONCLUSION

COPFS remains committed to advancing equal and inclusive access to justice for all people and communities across Scotland. It will continue investment in 2019-20 to promote equality and access to justice. It endeavours to mitigate the negative impact of crime for some of the most vulnerable groups in Scotland, including people with learning disabilities, children and young people, and people whose first language is not English.



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