

EQUALITY STATEMENT
SCOTTISH DRAFT BUDGET
2017-18



Scottish Government
Riaghaltas na h-Alba
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**EQUALITY STATEMENT
SCOTTISH DRAFT BUDGET
2017-18**

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FOREWORD

by the Cabinet Secretary for
Finance and the Constitution
and the Cabinet Secretary for
Communities, Social Security and
Equalities



We are pleased to present the Scottish Government's equality statement on its tax and spending proposals for 2017-18.

Advancing equality is at the heart of everything we do. This is the eighth Equality Budget Statement (EBS) published by the Scottish Government to accompany a Draft Budget. In many respects, the EBS is world-leading, with equality considerations central to how we approach our spending plans as a government. The EBS also sets out our plans for inclusive growth, reflecting the importance we place on tackling socio-economic disadvantage.

This commitment to a fairer, more equal Scotland is clear from the priorities set out in the Programme for Government – including, for example, its focus on gender equality; on strengthening legislation on board diversity; on gender recognition and domestic abuse. And it is explicit in the decisions made in this Draft Budget. Supported by a responsible approach to taxation, the Draft Budget makes key investments in healthcare – a real-terms uplift for the NHS in Scotland and additional funding for the integration of adult health and social care; in educational attainment; and in the expansion of early learning and childcare – delivering key infrastructure for Scotland and better outcomes for children.

The Draft Budget also has a focus on delivery, making a real difference on the ground, as reflected in a suite of recent publications – the Fairer Scotland Action Plan; the Disability Delivery Plan and the Race Equality Framework. The Equality, Third Sector and Empowering Communities budgets – which support our efforts to build a fairer Scotland – have all been protected.

This Draft Budget also invests in drivers of growth, such as transport, higher and further education, housing, energy and the labour market. But we know that economic growth is constrained by inequality, so we have ensured that our investment is good for equality too. We continue to provide free bus travel on local or Scottish long-distance buses for Scotland's older people and disabled people, a key support for many. Our investment in 50,000 warm and affordable homes includes 35,000 for social rent, which is a particularly important tenure for lone parent households and long-term sick and disabled people. Increased funding for energy efficiency addresses fuel poverty

in Scotland, which is experienced by older people, disabled people, and low income households in particular.

In terms of employment, we are providing the resources for our Opportunities for All initiative, our Labour Market Strategy and to build on the outcomes of the Fair Work Convention, underpinned by the Scottish Business Pledge – all of which promotes fairer work and tackles a range of equality challenges. And our public sector pay policy, published alongside the Draft Budget, is aimed at being both fair and affordable, targeting support at the lowest paid, many of whom are women, and maintaining our commitment to the Living Wage.

We also continue to do all we can to mitigate the worst effects of UK Government welfare reform, including the bedroom tax, while developing a devolved social security system for Scotland based on dignity and respect. The new social security system will be of particular interest to disabled people and to those on low incomes because of the powers being devolved, but this investment is one in which everyone in society has an important stake.

In preparing the EBS this year, we are as ever grateful to EBAG, the Equality Budget Advisory Group, for its continuing support and advice. We look forward to working with the group in the year ahead.

In summary, this Draft Budget – and its accompanying equality statement – will help deliver a more inclusive and resilient economy, and with it a more equal and a fairer Scotland.



Derek Mackay MSP

Cabinet Secretary for Finance and the Constitution



Angela Constance MSP

Cabinet Secretary for Communities, Social Security and Equalities

CHAPTER 1

Introduction – Equality and the Draft Budget 2017-18

Equality is at the heart of this Draft Budget’s ambitions for a prosperous and fairer Scotland. It influences how we do business as a government and is key to growing the economy in an inclusive and sustainable way.

The Draft Budget has been accompanied by an Equality Budget Statement (EBS) for the last eight years. Many aspects of the EBS – the integration of equality assessment into the process of setting a Draft Budget, EBS publication on the same day as the Draft Budget, the involvement of an expert advisory group – are acknowledged by stakeholders as world-leading, although we recognise that there is always room for further development and improvement.

Equality assessment throughout the budget process helps us to arrive at informed decisions and to make the best judgements about how to target government resources. It ensures that we understand, as far as possible, the equality impacts of the spending decisions set out. And where impacts appear negative for advancing equality, we can either explain the decision or try and mitigate against any negative effects. In some cases, the assessment can mean that particular proposals do not appear in the Draft Budget that is published.

This introductory chapter of the EBS begins by setting out the strategic context for equality from events this year, and then summarises the Draft Budget. The chapter concludes by summarising the equality budget process this year.

STRATEGIC EQUALITY CONTEXT

2016 has been a year of opportunity and challenge for equality in Scotland, as the following points demonstrate.

Moving forward after the Scottish Elections – The Scottish Elections were held in May and saw an early statement from the First Minister committing to equality of opportunity and tackling inequalities as the hallmark of Scottish Government work during this Parliamentary session.

Responding to Brexit – In terms of the equality impacts of Brexit, it was reassuring to see that, despite the disturbing tone of the discourse on immigration, the post-Brexit rise in hate crime was not replicated in Scotland. In response to the outcome of the EU Referendum, the Scottish Government made a series of keynote statements on our core values of respect and dignity; on the importance we place on policies that foster community cohesion; and on our welcome for EU nationals and our acknowledgement of the contribution many already make here.

The refugee crisis – Scotland has taken a strong stance on accepting and welcoming refugees, reflecting Scotland’s role as a global citizen and recognising the value and richness that comes from diverse communities. As of December this year, Scotland had taken around 1,250 resettled Syrian refugees – more than a quarter (27 per cent) of the UK total.

Continued UK austerity – The Scottish Government has long argued that the UK Government’s austerity programme is damaging and that a more flexible approach is needed. However, there were few signs that the UK is changing course from the Autumn Statement. Its failure to deliver on promises to help people on low incomes and families with children is likely to lead to significant, further reductions in the household incomes of those who are already struggling.

New powers – We are beginning to see a gradual transfer of powers to Scotland, many of which have equality implications. Particularly noteworthy are new taxation powers, and the commitment to new systems of social security and employability that will be person-centred, with dignity and respect at their core. UK welfare policy in recent years has hit women and disabled people very hard – and people on low incomes more generally. In taking forward these new powers the Scottish Government wants to take a very different approach to social security and employability.

Programme for Government – Our commitment to equality, human rights and tackling inequalities was restated in the Programme for Government (PfG) 2016-17 in September. The PfG had a strong focus on gender equality; on strengthening legislation on Board diversity; on gender recognition and domestic abuse. There were similar commitments to continue to focus on public service reform, decentralisation, community empowerment, participation and open government. The Draft Budget is a driver for these shifts in approach, with equality an ever important feature. Over the coming period, the Scottish Government has a real focus on delivery and making a difference on the ground. This is reflected in the suite of recent action-focused publications – the Fairer Scotland Action Plan; the Disability Delivery Plan and the Race Equality Framework.

Continued leadership – Scotland continues to provide leadership in the diversity of its political structures: the gender balance of its Cabinet; the centrality of equality in its budget process; and the diversity of sexual orientation within the Scottish Parliament. Nearly 8 per cent of MSPs are lesbian, gay or bisexual, and the Scottish Government’s very clear position on promoting sexual orientation and gender identity rights has earned it the reputation of being one of the most progressive countries in Europe regarding lesbian, gay, bisexual, transgender and intersex equality.

Evidence of progress in some areas – Data published this year has highlighted welcome progress in a number of areas. For example, there has been a welcome trend towards people in Scotland holding more positive attitudes to diversity. Between 2010 and 2015, there was a 10 percentage point decline, from 43 per cent to 33 per cent, in the proportion of people who said that they would rather live in an area ‘where most people are similar to you’. Rather more, amounting to nearly half (47 per cent), said they would prefer to live in an area ‘with lots of different kinds of people’. In addition, between 2010 and 2015 there was a positive shift in attitudes towards lesbian, gay and bisexual people. In 2010, 30 per cent of people said they would be ‘unhappy’ or ‘very unhappy’

about a close relative marrying, forming a civil partnership or a long-term relationship with someone of the same sex as themselves; by 2015 this had effectively halved to 16 per cent. 2016 also saw a further fall in the gender pay gap, with the difference between men and women's median hourly earnings for full-time work falling from 7.7 per cent in 2015 to 6.2 per cent in 2016. And although even one incident of domestic abuse is unsatisfactory, 2016 also saw a recorded drop of 3 per cent in the number of such incidents reported.

Much more to do – Despite the positives above, we cannot be, and we are not, complacent. There is still so much to do and that is why we continue to ensure that investment in equality is maintained over this budget period.

THE DRAFT BUDGET 2017-18

This Draft Budget sets out the Scottish Government's tax and spending plans for 2017-18. It responds directly to many of the challenges above and delivers the positive steps set out in the Programme for Government to build a nation with a dynamic, sustainable and inclusive economy, one which wherever possible advances equality.

Inclusive Growth – The Draft Budget supports the long-term aspiration of inclusive growth. We recognise that inequality in society acts as a constraint on growth and that we will have most success when the proceeds of growth are widely shared. The Draft Budget reflects this via a targeted prioritisation of resources, reforms where necessary, and a responsible use of the tax powers available to the Scottish Parliament in order to protect public services and household incomes.

Taxation – As well as setting out our spending plans for next year, this Draft Budget also sets out for the first time the Scottish Government's proposals for income tax in Scotland under the powers devolved through the Scotland Act 2016. Whilst these powers are insufficient to fully reverse the regressive impact of the UK Government's austerity agenda, they do increase the options available to the Scottish Government to deliver an alternative approach.

City Deals – This Draft Budget confirms the Scottish Government's 2017-18 funding commitments to City Deals for Glasgow, Aberdeen and Inverness, as part of an overall Scottish Government contribution of more than £750 million over the lifetime of the deals. Within City Deals proposals there is a commitment to establish programmes that target youth unemployment, help disabled people in receipt of Employment Support Allowance, and help boost the incomes of people on low wages.

Early Learning and Childcare – Early learning and childcare is the most significant infrastructure investment in the Scottish Government's investment programme. Expanded high quality childcare entitlement will provide more parents with the choice to move into employment, increase their hours of work, or to study. It should improve child outcomes too: by 2018, nurseries in our most deprived areas will benefit from an additional qualified teacher or graduate.

Housing – We are investing heavily to deliver 50,000 affordable homes during the life of this Parliament. This total includes 35,000 properties for social rent, a tenure particularly important to lone parent households and disabled people.

Energy Efficiency – The Draft Budget provides over £140 million of investment in energy efficiency measures as a significant first step in delivering our commitment to invest over £500 million in energy efficiency over the life of this Parliament. This investment particularly benefits those on low incomes, and older and/or disabled people.

Employment and the Labour Market – The Draft Budget 2017-18 delivers a wide portfolio of skills, training and employment support, including an expansion to the number of Modern Apprenticeships (MA) opportunities at the same time as we tackle some of the equality challenges of the MA programme; the implementation of the Youth Employment Strategy; and the delivery of employment-focused college provision for young people. We will also provide ongoing skills support for priority sectors in the economy, such as Care and Early Years, where jobs are often filled by low-skilled women.

Pay – Public procurement contracts now stipulate adherence to Fair Work policies, including the Living Wage and the Business Pledge, to create more sustainable, fair and inclusive jobs in Scotland. The proposed local government settlement delivers the Living Wage for all social care workers and our public sector pay policy delivers a fair and affordable settlement at this time of economic uncertainty and challenges for household finances.

Equality and Third Sector – These budgets will be protected in 2017-18. Both play a vital role supporting organisations that seek to advance equality and help those communities most impacted by discrimination and disadvantage.

High Quality Public Services – Among a range of investment in public services, this Draft Budget delivers over £300 million additional resource funding for the NHS, providing a real terms uplift in 2017-18 as part of the commitment to increase NHS resource funding by £500 million above inflation over the life of this Parliament. Many of the investments here will help older and disabled people, as well as children.

Educational Attainment – Our Attainment Scotland Fund will target funding at schools and local authorities in need, including additional resource through the pupil equity funding programme. Helping to close the attainment gap is crucial for reducing child poverty.

People and Communities – We are also continuing to invest in community-led regeneration of some of Scotland's most deprived areas through the People and Communities Fund. The Empowering Communities Fund supports communities to tackle poverty and exclusion on their own terms. Funding also supports the Community Empowerment Act – promoting the use of participatory democracy approaches such as participatory budgeting.

Social Security – Our approach to Social Security will include the reform of assessments for disability benefits, the extension of winter fuel payments to families with severely disabled children, a new enhanced Best Start Grant to help low-income parents and an increased Carer's Allowance. We will also abolish the 'bedroom tax', which affects disabled people especially, as soon as we can and continue to support the Scottish Welfare Fund and advice services.

THE EQUALITY AND BUDGET ADVISORY GROUP

The Equality and Budget Advisory Group (EBAG) has supported the Scottish Government's efforts to bring equality considerations into its budget preparations since the early years of devolution.

The group, which is a mix of external members and Government officials, meets on a regular basis through the year, providing support to the Scottish Government on its equality budget processes and advising on particular areas of policy concern.

EBAG's considerations this year included a series of thematic inquiries on issues the group considered key to the advancement of equality. Discussions were held around:

- City Deals
- Inclusive Growth
- Investment and the Care Economy
- Social Security
- Tax

This year, the EBS includes a thematic chapter on inclusive growth (as Chapter 3) as an introduction to some of the issues.

The work of EBAG is extremely helpful to the Scottish Government in setting out its equality statement on the Draft Budget and we remain grateful to its members for their time and insight.

IMPROVING EQUALITY EVIDENCE

The Scottish Government continues its strong commitment to improving the equality evidence base, which is crucial to high quality impact assessment.

Significant equality analysis from the Census, covering a number of protected characteristics, has been published by the Scottish Government in recent years. This includes rich analysis on gypsy traveller communities, minority ethnic groups, and disabled people, amongst others.

In addition, the Scottish Surveys Core Questions (SSCQ), an annual Official Statistics publication for Scotland, can now provide analysis by country of birth, ethnicity, sexual orientation, religion, age and sex, marital status, as well as other variables including education level economic activity, tenure, car access and household type.

Further, the Scottish Government's Equality Evidence Finder, which brings together evidence on the protected characteristics in one portal, continues to be updated on a regular basis.

All these resources can be found here: <http://www.gov.scot/Topics/People/Equality/Equalities>.

Finally, the Fairer Scotland Action Plan (FSAP) committed to publish an Equality Evidence Strategy in early 2017 to do still more to develop the equality evidence base. This will improve our understanding across all protected characteristics and develop the intersectional evidence base, as well as supporting the implementation of the Race Equality Framework and the Disability Delivery Plan. FSAP also promised a Gender Index for Scotland later in 2017 to draw out differences in gender equality and barriers to women's economic progress. For more on these developments, see <http://www.gov.scot/fairerscotland>.

ABOUT THE EBS 2017-18

The first substantive chapter in the EBS provides an overview of impacts by the equality protected characteristics established in the Equality Act 2010. This also considers socio-economic inequality and provides an overall assessment of the impacts on child rights and wellbeing and on child poverty.

A thematic chapter on inclusive growth follows for additional background.

The remainder of the EBS document is taken up with summary chapters for each Ministerial portfolio (e.g. Health and Sport; Education and Skills), exploring these issues in more detail.

CHAPTER 2

Overview by Protected Characteristic

INTRODUCTION

This chapter offers an overarching assessment of how the protected characteristics – age, disability, gender, gender identity, race, religion and belief, and sexual orientation – are affected by the Draft Budget 2017-18.

This overview is easiest to produce for those characteristics where there is most data and/or where an understanding of the implications of particular policy directions has been developed over time: on age, disability and gender, for example. Assessments for gender identity, race, religion and belief, and sexual orientation are taken forward where possible but data limitations do affect what we are able to say.

Assessing intersectionality – that is, combinations of protected characteristics, for example, young disabled women – can also be challenging. More detail on intersectionality is provided in the box below.

As in previous years, this chapter also contains an assessment of the impact of the Draft Budget on low-income households (the ‘Socio-economic’ section below). This year, there is also an expanded section looking at child poverty, rights and wellbeing within the ‘Age’ section.

The focus on low income is likely to be strengthened further in future years. Action one of the Fairer Scotland Action Plan is to introduce a new duty on key parts of the public sector, also covering Scottish Ministers, to take socio-economic disadvantage into account when making strategic decisions. In addition, in 2017, a Child Poverty Bill with ambitious targets to reduce and ultimately eradicate child poverty, will be introduced in the Scottish Parliament.

Both these developments are likely to lead to a renewed focus on low income in the Equality Budget Statement (EBS). The challenge thereafter will be to do this in such a way that the EBS maintains equality as its central concern, while maximising the synergies with the low-income strand going forward.

INTERSECTIONALITY is the term generally used to refer to combinations of protected characteristics – for example older disabled men, younger Muslim women, or disabled transgender people. It makes clear that society is complex; and that we all as human beings reflect multiple combinations of the protected characteristics. These combinations can shape how we access and experience services, as well as how we experience society.

In this way, intersectionality requires government and the wider public sector/ public services to think more carefully about what is provided, how, and to whom. Simply making a service accessible to disabled people might not address the specific needs disabled women have. Equally, opening up a service for lesbian, gay and bisexual (LGB) people does not automatically mean that minority ethnic LGB people, for example, will use it. Policy makers, funders and service providers need to think harder and smarter about the range of protected characteristics users (and staff) have if they ultimately want to have a successful policy, funding stream or service.

It is widely acknowledged that it can be challenging to evidence impacts on particular intersections of protected characteristics because of low population numbers and the sheer number of different variations. Although there is some reference to intersectionality across the EBS, the evidence base on the range of intersections is often patchy or anecdotal. The Scottish Government's 'core questions' approach in the national health, household and crime surveys has provided better data on most single protected characteristics but, even with this data, it is sometimes difficult to find statistically significant results.

With this in mind, we committed in the Fairer Scotland Action Plan to produce an Equality Evidence Strategy by early 2017, in part aimed at improving the evidence base around intersectionality. This will use the data available from the core surveys where possible, but will supplement it with an increasingly qualitative understanding of how policies impact and how services are experienced. For example, to help to design and test the new Scottish social security system, new 'Experience Panels' will be set up, involving at least 2,000 people with recent experience of applying for, and receiving, benefits. Panel members will be instrumental in developing a key part of that evidence base.

The Scottish Government recently funded the Equality Network to produce guidance on including intersectional LGBTI people in services (<http://www.equality-network.org/wp-content/uploads/2016/11/III-booklet.pdf>). This booklet provides useful self-assessment questions which policy makers and service providers can use to support the development of person-centred approaches.

AGE

This assessment considers how different groups across the age range, in particular children, young people and older people, are affected by the Draft Budget.

Children and Young People

The Draft Budget raises a number of issues about children's health and wellbeing. Continued investment to increase the **Health Visitor Workforce** will ensure that every child in Scotland and their parents receive quality health development support. Similarly, increased funding for the **Family Nurse Partnership** programme and its expansion to cover vulnerable first-time mothers up to the age of 24, will also have positive impacts for women and children. However, there has been a reduction in funding for **Infant Nutrition and Maternity Services** in 2017-18: any effects should be mitigated by improved monitoring and review of where best to focus efforts on these issues, using resources to better effect.

The Draft Budget's support for a **preventative mental health** focus on early years, children and young people should have a range of positive wellbeing impacts. This is likely to be particularly important for younger women who currently report lower levels of mental wellbeing and are more likely to self-harm.

Activities to tackle **air quality and noise disturbance** will have particular benefits to those who suffer most from the ill effects of pollution on their health and wellbeing, including children. Older people, those with pre-existing health problems, people living in dense, urban areas close to busy roads and those on lower incomes (who may also have poorer quality housing) will also benefit.

These investments will help ensure every child's right to the best possible health.

There is continued investment to deliver a high quality **early learning and childcare** sector, including starting to build the capacity required to double fully-funded provision to 1,140 hours by 2020. Early learning and childcare is Scotland's most significant infrastructure investment and high quality early years support is crucial to positive child outcomes.

The Draft Budget is investing in the delivery of the **Scottish Attainment Challenge**, focusing on targeted improvements in literacy, numeracy, and health and wellbeing. This funding will contribute to closing the educational attainment gap between children and young people from the most and least deprived backgrounds. In addition, the Draft Budget continues to support local authorities to maintain the **pupil teacher ratio** nationally at 2016-17 levels. Our investments will help deliver every child's right to a high quality education.

The Scottish Government's commitment to delivering **free access to higher education** for Scottish or EU domiciled students will continue. We will provide a minimum income guarantee of £7,625 in maintenance support for students from households with an annual income of under £19,000, made up of a mixture of bursary and loans. In 2017-18, **funding for colleges** will increase.

The Draft Budget continues to invest in Youth Employment. The targets in the **Developing Scotland's Young Workforce** programme include reducing the gender imbalance in subject groups of college courses and improving positive destinations for all young people, including looked after children. Against a backdrop of reducing youth unemployment and the highest recorded percentage of young people sustaining a positive destination, we

will sharpen the focus on young people who continue to face barriers to employment. **Community Jobs Scotland** will enhance the employment prospects of those young people, including young disabled people. We will continue to support the **Inspiring Scotland 14:19 Fund** to focus on the most disadvantaged young people aged 14-19 so that they make a successful transition from school into employment, education or training. As we enter the penultimate year of a 10-year financial commitment, funding for this programme will be tapered but remains significant. We will also develop a new programme targeted at young people who have been in care to help them access appropriate work, training or education opportunities.

The Draft Budget also supports the **Modern Apprenticeship** (MA) programme. Skills Development Scotland's Equality Action Plan sets out to tackle occupational segregation, inequality and other culturally ingrained challenges in the MA programme. It includes specific improvement targets for participation in MAs by disabled people, minority ethnic groups, and care leavers, and aims to tackle areas where there are gender imbalances. The Scottish Government's administration budget will enable us to continue recruiting MAs and look to ensure better diversity within our future MA intake.

The commitment in the Scottish Government's Procurement Strategy to improve access for **small and medium-sized enterprises** (SMEs) may particularly help younger (16-24) and older (65+) workers who are employed in SMEs in greater proportions than in large firms.

The Draft Budget also invests in **transport** to help young people. Sustained funding for the Road Equivalent Tariff ensures that island communities can travel on lifeline ferry services at an affordable cost. The scheme particularly benefits young people below the age of 16, as well as islanders on low incomes. In the coming year, we will also start work to deliver three months' free bus travel to those aged 16-24 who will be receiving the new Jobs Grant, as well as free bus travel for MAs aged under 21.

Finally, sustained levels of funding will allow the **National Performing Companies** to continue to target a range of initiatives at young people, for example, the Royal Scottish National Opera Junior Chorus.

Older people

Older people are affected by the Draft Budget 2017-18 in a number of ways.

The investment to expand the Golden Jubilee Hospital and create five other **elective care centres** will have a positive impact for older people, particularly around hip and knee replacements and cataract operations.

Increasing investment in the **palliative care** sector will have a positive impact for older people and those with a life-limiting condition as they reach the end of their lives.

The Draft Budget invests significantly in **domestic energy efficiency** to help people vulnerable to fuel poverty, which includes almost half of older households. Additional funding will also be available in 2017-18 to test new and innovative approaches to tackling fuel poverty.

The Equality Budget will support a range of work to help older people **have their voices heard in policy making**, including a Ministerial group on older people and work on social isolation and loneliness, to help inform work across Scotland to reduce inequalities faced by older people.

Funding for the **National Entitlement Card** will continue, providing free bus travel on local or Scottish long-distance buses for Scotland's older people. The scheme has positive impacts on the physical and mental wellbeing of cardholders, helping reduce social isolation.

The Equality Budget also funds Age Scotland as a key intermediary body, helping us take further steps towards age equality.

DISABILITY

A number of elements in the Draft Budget 2017-18 specifically affect disabled people.

Long-term **mental health** problems that limit people's day-to-day activities are recognised as a disability. The five-year investment in mental health as well as the forthcoming mental health strategy will have a positive impact by reducing waiting times and supporting these individuals to manage their own conditions and stay well.

The **Independent Living Fund Scotland** will continue to deliver support payments to severely disabled people and increased funding will enable a new iteration of the scheme to open within the next year. This is a key investment, enabling independent living in the community.

Self-directed support (SDS) allows users of social care, including older people and disabled adults and children, to choose how their support is provided and gives them control of their individual budget. The apparent reduction in funding for SDS is due to the movement of money previously set aside to support the opening of the Independent Living Fund to new users and does not, therefore, represent a fall in the amount of money available to support SDS.

The Scottish Government promotes the **supported employment framework** which sets out national and local government's shared ambition for supporting disabled people who want to work into employment. We are working closely with partners, including local authorities, to support them to develop and deliver a 'place and train' model locally in mainstream employment.

The Draft Budget recognises that housing is a key issue for disabled people via a number of investments. During 2017-18, we will maintain funding for **housing adaptations** that will help their older and disabled tenants live safely and independently at home. We will continue to fully mitigate the effects of the **bedroom tax**, an investment which is particularly important for disabled people. And we will continue to build **affordable homes** to meet our ambitious 50,000 target. New homes, wherever possible, comply with essential aspects of Housing for Varying Needs and funding is also available for specialist housing – for example, helping disabled people with more complex needs live independently in their own homes. The grant subsidy rates that the Scottish Government provides are benchmarks and not flat rates. This creates a flexible system to facilitate access to additional subsidy, where needed.

This Government is committed to improving access to information and services for our citizens whose first or preferred language is **British Sign Language** (BSL). The Equality Budget will support work in 2017 to produce the first ever National Action Plan on BSL.

This budget will enable investment in work with partners to increase the number of disabled people establishing **micro and social enterprises**.

Transport is another key issue for disabled people. Funding for the National Entitlement Card will continue, providing free bus travel on local or Scottish long-distance buses and helping disabled users to access employment and educational opportunities, as well as reducing social isolation. The Ferries Accessibility Fund will support a wide range of improvements across the network which will include accessible toilets, tactile signage, and the provision of more disabled parking spaces at harbours and on vessels. On accessible tourism, stable levels of funding will allow VisitScotland to market its new Access Guide website and increase the number of Accessibility Guides featured. VisitScotland will also deliver a new programme of industry events that will encourage businesses to work in partnership with local authorities and destination organisations to develop more accessible tourism destinations.

The Equality Budget also supports Inclusion Scotland as a key intermediary body helping us work towards equality for disabled people in Scotland.

GENDER

The Draft Budget 2017-18 has a range of implications for gender equality.

Our investment in health and social care enables adult care workers to receive the **Living Wage** – a development that will impact positively on women who are more likely to fill these roles.

In terms of **sport**, a Gender Equality in Sport Fund will be developed in order to address the barriers specific to women's participation.

In order to reduce gender **under-representation in some college and undergraduate courses**, the Scottish Funding Council will continue to implement its Gender Action Plan which sets out the actions they will undertake in collaboration with key partners.

The Draft Budget's continuing investment to **tackle violence against women and girls** (VAWG), through both the Equality and Justice Budgets, will have an ongoing and positive impact on women and young people. We will introduce a Bill that makes domestic abuse a specific offence and deliver the final year of the First Minister's commitment to invest in services to support victims of violence and sexual assault. Our national VAWG strategy will help ensure that early intervention prevents violence and maximises the safety and wellbeing of women, children and young people. This work will also help address deep-rooted structural inequalities to enable women and girls to thrive as equal citizens.

The Scottish Government's More Homes Scotland approach will deliver 35,000 **affordable homes** in the social rented sector, which is a particularly important tenure for lone parents, the large majority of whom are women.

Delivery against the Programme for Government 2016-17 commitment to establish a **Women's Advisory Council** to celebrate achievements and further promote gender equality in Scotland will also be possible as a result of the Draft Budget. In addition to continuing to champion our Partnership for Change 50/50 by 2020 campaign, efforts to increase the number of **women on Boards** will be assisted by the introduction of legislation for gender balance on public sector Boards.

The Equality Budget also supports intermediary bodies which help us work towards gender equality – Engender, Rape Crisis Scotland, Scottish Women's Aid and the Scottish Women's Convention.

RACE

The Draft Budget 2017-18 has a range of implications for race equality.

The Equality Budget will help to implement the **Race Equality Framework** which sets out a long-term partnership approach for promoting race equality and tackling racism and inequality from 2016–2030. The framework is based on partnership, but the resources set out in this budget will assist the Scottish Government in delivering its commitments. Resource will also underpin engagement with Gypsy Traveller people which will inform strategic work in 2017 to address specific community issues.

Scotland is proud to have received around 1,250 Syrian **refugees** under the Syrian Resettlement Programme since October 2015. Resource will enable us to meet our commitment to the resettlement of Syrian refugees in Scotland by assisting with the ongoing integration of refugees and supporting them to rebuild their lives in our communities.

Investment in **third sector** organisations is being maintained in 2017-18 to deliver early intervention and prevention work to children, adults and families. Funding includes support for organisations that work with minority ethnic communities.

The Equality Budget also supports intermediary bodies which help us work towards racial equality – BEMIS, the Council of Ethnic Minority Voluntary Organisations (CEMVO), and the Scottish Refugee Council.

RELIGION AND BELIEF

The Equality Budget will continue to fund a range of activity to support faith groups, including tackling discrimination. This includes funding for Interfaith Scotland – a key intermediary body.

Building on the progress made towards more inclusive communities and working across religious and cultural boundaries, work to support **interfaith dialogue** will continue. This will be informed by an interfaith summit in 2017, which will help support greater community cohesion.

The Scottish Government will continue to fund work with faith groups and others to **tackle extremism and hate crime**. Support for the implementation of the recommendations by the Independent Advisory Group on Hate Crime, Prejudice and Community Cohesion will help advance equality and tackle prejudice and discrimination.

Time-limited funding for **sectarianism community projects** within the Safer and Stronger Communities budget ends in 2016-17, but the Justice Portfolio will continue to take forward and embed the learning from these along with the recommendations of the independent Advisory Group on Tackling Sectarianism in Scotland; and we will continue to take a stand against sectarianism wherever it exists.

The Scottish Government has created a new **space for prayer and ablution**, meeting particular faith needs of staff in our Glasgow office. We will look to expand this provision into our other buildings, wherever there is suitable space.

SEXUAL ORIENTATION, GENDER IDENTITY AND INTERSEX

The Equality Budget will help to build on the progress made on equality for LGBTI (lesbian, gay, bisexual, transgender and intersex) people which will contribute to maintaining Scotland's position as one of the most LGBTI-progressive countries in Europe. Specifically, it will help us take forward the reform of **gender recognition** legislation as set out in the Programme for Government 2016-17.

The Draft Budget's investment in **mental health** will have a positive impact for LGBTI people who have higher rates of attempted suicide, self-harm, depression and anxiety.

To encourage the removal of barriers to participation in sport, including those for women and LGBTI people, an Equality in Sport and Physical Activity Forum will be established. Although **sports and legacy** funding will be reduced for 2017-18, any negative impact for LGBTI people will be mitigated through the Scottish LGBTI Sports Charter, which ensures that funding for all sports includes conditions on specific actions to tackle LGBTI discrimination.

Tackling **hate crime** across Scotland continues to be a top priority for the Crown Office and Procurator Fiscal Service, Equalities and Justice portfolios. This is an issue that crosses all protected characteristics with exception of age and gender.

The Equality Budget also supports intermediary bodies which help us work towards LGBTI equality – the Equality Network, LGBT Youth Scotland, the Scottish Transgender Alliance and Stonewall Scotland.

SOCIO-ECONOMIC

A range of support in the Draft Budget 2017-18 supports those on low incomes.

Enhanced provision of **fully-funded childcare** will help parents in low-income households who are seeking to return to work by removing the burden of upfront childcare costs. This will also promote gender equality by providing greater opportunities for women to enter the labour market.

The **Education Maintenance Allowance** (EMA) programme, expanded in January 2016, will continue to support school pupils and college students from low-income households to overcome financial barriers in order to continue their studies and fulfil their potential. Over a third of EMA recipients in 2014-15 were living in the 20 per cent most deprived areas of Scotland.

The investment in 35,000 **homes for social rent** should help less-well-off households, as the lower rents in this sector play an important role in limiting poverty.

In 2017-18, the total **Regeneration Budget** has increased and will continue to be focused on supporting regeneration in disadvantaged areas, with a particular emphasis on projects that engage and involve local people.

Our **Empowering Communities Fund** is supporting over 300 community organisations to deliver locally-identified priorities to tackle poverty and inequality in a responsive way. We have also created an **Aspiring Communities Fund** which will support communities to work collaboratively with partners to accelerate the design and delivery of community-led initiatives that tackle poverty, inequality and exclusion.

The Draft Budget's continuing investment in crisis support and help to live independently continues to be significant for those on low incomes. The **Scottish Welfare Fund** (SWF) is a national grant scheme that provides Crisis Grants to help those facing disaster or emergency situations, and Community Care Grants to help people live independently. To date, 164,000 low-income households have been supported, including more than 54,000 households with children.

Our investments in **energy efficiency** are crucial for those on low incomes. Ninety-two per cent of households with weekly incomes of less than £200 were in fuel poverty in 2015.

The **third 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 £24.5 million has protected our funding support to the sector.

Ring-fenced **Educational Attainment funding**, as included in the local government settlement, will be targeted at closing the poverty-related attainment gap in education.

The package of **council tax** reforms includes the lifting of the council tax freeze and a 25 per cent increase to the child allowance within the Council Tax Reduction Scheme, benefiting up to 77,000 households by an average of £173 per year and helping nearly 140,000 children. This is particularly likely to benefit those from more socio-economically disadvantaged backgrounds.

The **income tax** policy proposal is protecting low-and middle-income taxpayers, and raising additional revenue for the delivery and support of public services in Scotland.

On **transport**, because of our funding of the ScotRail franchise, reduced rail fares will be available for job seekers and the newly employed on all routes. Our record level of investment in active travel will be maintained, helping those who live in less affluent communities where car ownership is lower and levels of walking tend to be higher.

The **National Collections** provide free access to the collections for the public. This enables participation for those on low incomes, of whom women, disabled people and some minority ethnic groups are disproportionately represented.

Our **public sector pay policy**, published alongside the Draft Budget, is aimed at being fair and affordable, targeting support at the lowest paid, many of whom are women, and maintaining our commitment to the Living Wage.

CHAPTER 3

Inclusive Growth

This chapter provides an overview of the Scottish Government's approach to Inclusive Growth, and what it means for policy and spending decisions.

STRATEGIC CONTEXT

Inclusive growth is a key priority of the Scottish Government, and the priority which best encapsulates Scotland's Economic Strategy's twin objectives of boosting competitiveness whilst tackling inequality. The strategy (2015) defined inclusive growth as:

'Growth that combines increased prosperity with greater equity; that creates opportunities for all and distributes the dividends of increased prosperity fairly'.

Crucially, we recognise that increasing growth and promoting equality are mutually supportive in making Scotland a more successful country with opportunities for all to flourish. This concept grows from the recognition and growing body of international evidence that shows high levels of inequality can adversely affect economic performance¹. Making growth more inclusive is important for improving Scotland's economic competitiveness and wellbeing, reducing wider inequalities, and improving opportunities for all. Inclusive Growth therefore recognises that tackling inequality and supporting economic growth are interdependent and not competing objectives.

Achieving inclusive growth is a long-term aspiration, characterised by the following mutually supportive outcomes:

- **Economic Performance:** Economic growth is resilient, sustainable, and inclusive.
- **Fair Work:** Fulfilling, secure and well-paid jobs, where employees' contributions are encouraged, respected and valued.
- **Labour Market Access:** Improved access to labour markets and jobs, inequality of opportunity to access work is addressed, and everyone is able to maximise their potential.
- **People:** Economic benefits and opportunities are spread more widely across Scotland's population, with lower poverty levels, and more equal income and wealth distribution.

¹ IMF (2014) Redistribution, Inequality and Growth <http://www.imf.org/external/pubs/ft/sdn/2014/sdn1402.pdf>
OECD (2015) Inequality and Growth <https://www.oecd.org/social/Focus-Inequality-and-Growth-2014.pdf>

- **Place:** More economic opportunities across Scotland's cities, towns, regions and rural areas, ensuring sustainable communities.

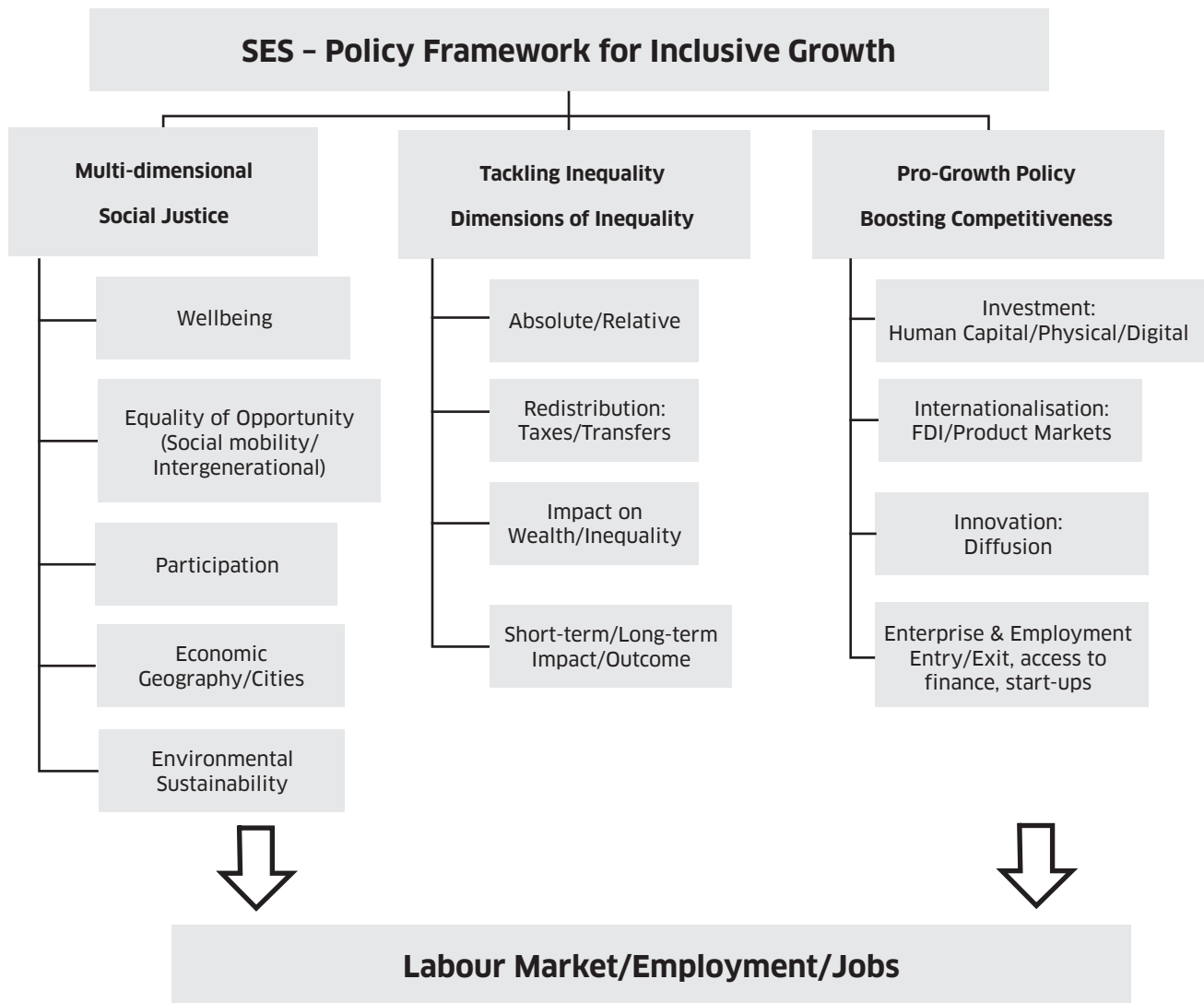
WHAT DOES IT MEAN FOR POLICY AND EQUALITY?

Within this approach, there are a number of principles that will underpin the development of policies targeted at achieving inclusive growth including:

- A long-term focal point and ambition for government and other stakeholders, but one that starts in the short term.
- An imaginative focus on creating the right environment for much more inclusive employment opportunities to flourish.
- Driving competitiveness and more responsible business behaviour through investment, innovation, internationalisation and fairer work.
- Tackling inequalities and barriers that prevent individuals from participating in the economy in areas such as skills, health, social capital, networks, access and opportunities.
- A sustainable approach that strengthens the social contract through more equal distribution of gains by tackling social and economic exclusion, and considers the environmental impact of policies.
- Promoting more equal growth across cities, regions and rural areas, embracing joint working with local actors.

In its approach to policy making, the Scottish Government has been developing tools for improving government planning and policy across the different dimensions of inclusive growth. For example, the policy framework pictured overleaf² has been used to assist policy makers to consider the impact of their policies across inclusive growth.

2 Council of Economic Advisers (2016) Annual Report 2015-16 <http://www.gov.scot/Publications/2016/10/2043>



DRAFT BUDGET 2017-18 - ALIGNMENT WITH INCLUSIVE GROWTH

All government portfolios have considered their potential impacts on inclusive growth and key policy highlights have been included in the Draft Budget strategic chapter. These cut across a broad range of areas from policies to drive an inclusive and sustainable economy – such as innovation, investment and fair work policies – to policies that promote inclusion and tackle poverty – such as expanding early years provision, tackling health and education inequalities – to those that encourage more equal growth across cities, regions and rural areas – such as regeneration and promoting communities.

The following case studies highlight some of the most equality enhancing aspects of inclusive growth announcements made in the draft budget which exemplify the principles of inclusive growth policy making.

Box 1. *Attainment Scotland Fund*

The £750 million Attainment Scotland Fund is targeted at closing the poverty-related attainment gap in schools that sees pupils from more deprived areas performing less well than their peers from less deprived areas in Scotland. The fund supports the delivery of the Scottish Attainment Challenge, providing targeted support for those authorities and schools supporting children and young people in greatest need.

Closing the attainment gap in education has the potential to make positive improvements in both inclusion and growth through the following channels:

- By intervening early in pupils' school careers, the fund will help to address inequality of opportunity later in life, such as in access to Higher Education, and in entering good quality, well-paid employment.
- Supporting the improved performance of school pupils raises the general skill level of the population which can lead to a larger pool of skilled individuals for local areas to draw from, as well as improving the productive capacity of Scotland as a whole.
- By targeting schools with the highest concentrations of pupils in deprivation, the fund can support reductions in spatial inequality between different parts of the country, allowing growth to be shared more equally across regions.
- Evidence shows that some equality groups are disproportionately affected by deprivation, and that children and young people living in areas of multiple deprivation perform less well than the general school population. Targeting resources at children living in poverty is therefore likely to have a positive impact on some equality groups.

Box 2. Early Learning and Childcare

The Scottish Government is further expanding the Early Learning and Childcare (ELC) entitlement giving more parents, particularly women, the choice to move into employment, increase their hours of work, or to study. Evidence suggests that women's ability to participate in the labour market is primarily constrained by inequality of caring responsibilities and the high cost of childcare. In Scotland, more women provide unpaid care than men, across all lengths of provision. Deeper structural issues, such as social norms and gender segregation in education and employment, also play a role.

In addition, whilst high quality ELC provision will benefit all children, for young children who face the greatest disadvantages, additional support may be required to further our ambition to close the attainment gap. That is why we have committed to ensuring that, by 2018, nurseries in our most deprived areas will benefit from an additional qualified teacher or graduate. This commitment will mark an important step in our ambition to increase the overall skills and qualifications profile of the sector, providing opportunities for current practitioners to up skill. By helping to close the attainment gap and contributing to our preventative actions to reduce child poverty, the expansion has the potential to generate longer-term benefits to public finances as well as advancing equality.

WHAT NEXT FOR INCLUSIVE GROWTH?

Different parts of Scotland face very distinct challenges to achieving inclusive growth, and making the transition to a more inclusive and productive society therefore requires an understanding of issues not only at a national level, but also at regional, local authority and community level. Taking a place-based approach to inclusive growth to address the distinct barriers to growth and inclusion that individuals in different parts of the country face will be important to ensuring that equality is advanced across all parts of Scotland.

To gauge progress towards the desired inclusive growth outcomes, a set of metrics will be developed that capture developments across a range of dimensions that drive inclusive growth, such as economic performance, fair work, access to jobs, people and place. This will include consideration of the relative performance of some key equality groups. These measures are under development. They will link to existing frameworks for measuring progress, including through Scotland's Economic Strategy.

CHAPTER 4

Health and Sport

INTRODUCTION

The Health and Sport portfolio is responsible for helping the people of Scotland maintain and improve their health and wellbeing. The pressing demands for this portfolio include a growing and ageing population, the presence of more people living with multiple conditions, and expectations arising from new drugs, treatments and technologies.

Despite significant improvements in recent years, Scotland continues to have a poor record with regards healthy life expectancy. People in Scotland's most deprived communities still have significantly lower health life expectancies than those in the least deprived areas and are more likely to smoke, be physically inactive, and have an unhealthy diet. The portfolio is therefore key to tackling socio-economic disadvantage. It also has a vital role in promoting equality through investments in areas such as child and women's health, older people's care, and support for disabled people.

KEY STRATEGIC PRIORITIES

With increasing demand for services, our first priority is to protect and invest in frontline services across health and care. Our delivery plan will bring together our ground breaking reforms, including the integration of health and social care, the National Clinical Strategy, regional services, workforce and financial planning and our work on population health. These reforms provide the basis for delivering the 2020 Vision and our longer-term strategy up to 2030.

We will continue to pursue a preventative agenda, including tackling key drivers in Scotland's health inequalities, such as alcohol- and tobacco-related harm. Knowing that prevention must begin in the earliest years, the Scottish Government is committed to the Early Years Collaborative model and investing in the health and wellbeing of children, young people, and families.

Further improvement to the quality of care will also be prioritised, benefiting all those that use NHS services, in particular older people living with multiple physical and mental health conditions.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Long-term mental health problems that limit people's day-to-day activities are recognised as a disability. The five-year investment of £150 million in **mental health** as well as the forthcoming mental health strategy will have a positive impact by reducing waiting times and supporting these individuals to manage their own conditions and stay well.

The focus on prevention and anticipation of mental health problems through attention to early years, child and adolescent mental health will have a positive impact for children and young people. In particular, young women currently report lower levels of mental wellbeing than other population groups and are more likely to self-harm.

The investment in mental health will also have a positive impact for lesbian, gay, bisexual, transgender and intersex (LGBTI) people who have higher rates of attempted suicide, self-harm, depression and anxiety.

The **integration of Health and Social Care** will be supported by the additional investment of £107 million for Integration Authorities in order to support the delivery of improved outcomes in social care. Through the development of commissioning plans and equality outcomes as required by statute, Integration Authorities have identified the needs and priorities of each individual locality by engaging with a range of stakeholders, including local communities. By addressing the very particular needs of local communities within each Integration Authority and their localities, services and support will be planned and tailored to the specific needs of local people taking into account different equality groups.

This investment also enables adult care workers to receive the **Living Wage** – a development that will impact positively on women who are more likely to fill these roles.

The continued investment to increase the **Health Visitor Workforce** will have a positive impact on women and children by ensuring that every child in Scotland receives quality health development support. Similarly, increased funding of £5 million for the **Family Nurse Partnership** programme and its expansion beyond first-time teenage mothers to cover vulnerable first-time mothers up to the age of 24 will also have a positive impact for women and children.

Primary care is at the heart of the healthcare system and the means by which the majority of health interactions take place. It is a universal service which provides care to people who share protected characteristics throughout every stage of life. The Primary Care Fund, which is used to support transformational change and improvement in primary care services, will increase significantly to £72 million in 2017-18. The fund will allow services to provide a continuing and transforming service, and deliver our six key outcomes for primary care. These outcomes include addressing health inequalities and informing and empowering patients.

The Scottish Government has committed to increasing the number of community Links Workers in disadvantaged areas to 250 over the next five years. New funding of £2 million for 2017-18 will help recruit 40 workers in the first year to ensure that anyone who needs psychosocial support receives it. The twin objectives of this programme are that it will enable people to live well within their community, thereby reducing inequality, and also help to ease pressure on general practices. The focus is on the areas of greatest deprivation, but also reaching pockets of deprivation in rural communities.

The **Independent Living Fund (ILF)** Scotland will continue to deliver ILF support payments to severely disabled people and £5 million has been provided to enable a new iteration of the scheme to open within the next year. This is a key investment enabling independent living in the community.

The £200 million investment towards expanding the Golden Jubilee Hospital and creating five other **elective care centres** will have a positive impact for older people who, amidst rising demand, will benefit from planned elective care for hip and knee replacements and cataract operations.

Continuing to increase investment in the **palliative care sector** by £3 million over three years will drive progress towards our aim that, by 2021, everyone in Scotland who needs palliative care will have access to it. This will have a positive impact for older people and those with a life-limiting condition as they reach the end of their lives.

Over the next five years, £100 million will be invested to **enhance cancer services**. Currently, cancer incidence and mortality are higher amongst individuals from deprived areas. Preventative efforts relating to tobacco, alcohol and diet, as well as more equitable access to screening, earlier diagnosis, and access to services to support people who are living with cancer, should all impact positively on people from deprived areas.

In some areas of the portfolio, funding is being reduced. Unless mitigated, these reductions may have negative implications for equality groups. However, in some cases, funding reductions are addressed by changes to other budget lines.

Self-directed support (SDS) allows users of social care, including older people and disabled adults and children, to choose how their support is provided and gives them control of their individual budget. The apparent reduction in funding for SDS is due to the movement of money previously set aside to support the opening of the Independent Living Fund to new users. It does not, therefore, represent a fall in the amount of money available to support SDS.

SDS investment for 2017-18 will be directed towards delivery of the actions identified in the Implementation Plan 2016-18. The plan sets out a new and more focused phase of activity and will support the effective delivery of SDS for all those that use it.

Improved monitoring and review of where best to focus efforts around maternal and infant nutrition has allowed us to utilise resources to better effect. This will help mitigate against the reduction in funding for **Infant Nutrition and Maternity Services** in 2017-18. A Strategic Review of Maternity and Neonatal Services will report to Ministers at the end of 2016: further funding arrangements will be considered in light of the review's recommendations.

Healthy Start is a demand-led scheme offered to low-income pregnant women and children to provide weekly food and vitamin vouchers. The uptake has remained at 74 per cent for a number of years, but there is a focus on improvement activity to drive this number up through the Children and Young People's Improvement Collaborative. This scheme is offered automatically to all pregnant women under 18. The scheme is still administered by the UK Government, and is based on entitlement through specific benefits. A reduction to this budget is based on previous uptake, but we are mindful that, should uptake increase, we are obliged to meet that cost. Healthy Start is also a component of the **Welfare Foods** programme which will be devolved to the Scottish Government, with £1 million set aside to assist with that process and help support Healthy Start.

The **'Keys to Life' strategy** aims to improve the quality of life for people with learning disabilities in Scotland. In 2016-17, the funding available for the strategy was not fully utilised, and funding for 2017-18 has been held in line with the actual uptake in 2016-17. The Scottish Government will continue to work with our strategic delivery partners – The Scottish Learning Disability Commission and The Scottish Learning Disability Observatory – to target resources effectively at interventions and programmes of activity that the evidence indicates would make the biggest positive difference to people with learning disabilities.

Overall, **sports and legacy funding** for 2017-18 will be reduced. Any negative impact for lesbian, gay, bisexual, transgender and intersex (LGBTI) people will be mitigated through the Scottish LGBTI Sports Charter which ensures that funding for all sports includes conditions on specific actions to tackle LGBTI discrimination.

Further, to encourage the removal of barriers to participation in sport, including those for women and LGBTI people, an Equality in Sport and Physical Activity Forum will be established. A Gender Equality in Sport Fund will also be developed in order to address the barriers specific to women's participation.

CONCLUSION

Equality of opportunity is advanced by the Health and Sport portfolio by ensuring that all individuals have access to the health and social care services that they need. Through supporting Health and Social Care Partnerships to identify and meet the needs of their communities, and developing new models of primary care, the portfolio continues to be responsive to the needs of people across Scotland. It will be important that funding continues to promote equality and meets the varied needs of those receiving care as effectively as possible.

CHAPTER 5

Finance and the Constitution

INTRODUCTION

The Finance and Constitution portfolio is central to delivering Scotland's Economic Strategy and achieving a more productive, cohesive and fairer Scotland. Crucially, we recognise that increasing growth and tackling inequality are mutually supportive in making Scotland a more successful country with opportunities for all to flourish.

KEY STRATEGIC PRIORITIES

The portfolio's strategic priorities support the ambitions set out in Scotland's Economic Strategy to boost competitiveness while ensuring that economic growth is inclusive.

The Finance and Constitution portfolio is a wide-ranging portfolio that is at the heart of implementing the new powers over taxation that are provided for in the Scotland Act 2016 and providing public services that are efficient, fair, flexible and valued.

With the new powers being devolved through the Scotland Act 2016, equality is a central consideration. The additional powers over income tax provided for will be used for the first time in 2017-18 in a way that protects low-income taxpayers.

The Scottish model of procurement balances business needs and social responsibility to secure the maximum benefits from the £11 billion spent by the public sector each year. Delivering community benefits through procurement advances equality of opportunity and delivers wider social benefits.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Scottish Rate of Income Tax

The Scottish rate of income tax introduced under the Scotland Act 2012 commenced on 6 April 2016. All rates of income tax – the basic, higher and additional rates – for Scottish taxpayers were reduced by 10p and the Scottish Parliament set a Scottish Rate of Income Tax (SRIT) of 10p to replace this amount. This meant there was no increase in the overall income tax rates that apply to Scottish taxpayers for this financial year.

From 2017-18, the Scotland Act 2016 will give the Scottish Parliament powers over all revenue raised from non-savings non-dividend income tax paid by Scottish taxpayers. The Scottish Parliament will set the rates and band thresholds – excluding the personal allowance – for the first time. We will use these additional powers over income tax in a way that will protect low-income taxpayers and provide additional revenue to invest in high quality public services.

The impact of income tax policy is limited to those who are in receipt of a taxable income. In Scotland, there are almost two million adults with no income tax liabilities due to low or no income, which is over 40 per cent of the 16+ population. How the income tax burden falls across different equality groups is taken into consideration as part of wider policy development where corrective actions may be able to be taken.

However, even with the further proposed income tax powers, the Scottish Government will have limited powers to define the tax base, and the power to adjust tax reliefs remains reserved to the UK Government. Due to these policy restrictions, the Scottish Government's power to affect the relative burden of tax is limited.

Air Passenger Duty

Equality considerations will be central to the implementation of the increased powers being devolved to the Scottish Government. As part of the proposals for the implementation of the devolved Air Passenger Duty, an Equality Impact Assessment (EQIA) will be conducted by Revenue Scotland.

Scottish Futures Trust

The Scottish Futures Trust (SFT) was established to improve the efficiency and effectiveness of infrastructure investment in Scotland by working collaboratively with public bodies and industry, leading to better value for money and, ultimately, improved public services.

In particular, SFT is involved in the following which contribute to sustainable growth and support jobs:

- Implementing its Growth Accelerator Model (GAM) across Scotland's cities which can accelerate public and private sector investment, creating economic growth and long-term employment opportunities.
- Developing the delivery strategy for Scotland's future digital requirements to provide ultrafast broadband and wireless infrastructure that will enable greater connectivity to support businesses and communities across Scotland.
- Developing creative financing initiatives to increase the supply of affordable rent housing.
- Managing the additional £1 billion of Non-Profit Distributing (NPD) and hub funding. In a period of smaller capital budgets, NPD/hub brings forward construction by many years, creating and protecting jobs.

Investment in our infrastructure – both physical and digital – improves access to services and creates greater opportunities for individuals, including disabled people and others with accessibility issues. This benefits the economy by widening the pool of potential talent for Scotland's firms and, for individuals, the improved connectivity can be life-changing.

Sustainability is a key driver for SFT when developing infrastructure and delivery solutions. Economic, environmental and social sustainability are addressed in the early stages of product development and are an integral part of procurement and delivery. As part of this, there is a focus on improved outcomes for communities. Completed projects will allow public services to be delivered to communities in a more joined-up way, supply affordable housing in high-cost housing areas and bring economic activity to disadvantaged areas, thereby promoting socio-economic equality.

Procurement Shared Services

The Procurement Reform (Scotland) Act 2014, which came into force in 2016, aims to establish a national legislative framework for sustainable public procurement that supports Scotland's economic growth by delivering social and environmental benefits.

Two key strands of the Procurement Strategy are improving access to public contracts for small and medium-sized enterprises (SMEs), and delivering social benefits (i.e. community benefits). Improving access to public contracts for SMEs supports eliminating discrimination and advancing equality of opportunity, while delivering community benefits may impact on various equality groups depending on the nature of the community benefits obtained. For example, improving access for SMEs may particularly support younger (16–24) and older (65+) workers, who are employed in SMEs in greater proportions than in large firms¹.

Scottish Government-led procurement has delivered over 3,500 apprenticeships and training opportunities through community benefits, and procurement policy has been used to promote the payment of the Living Wage and to address blacklisting. Apprenticeships particularly benefit younger people in helping them enter the labour market.

CONCLUSION

This portfolio is focused on delivering sustainable economic growth, with opportunities for all the people of Scotland to flourish. The focus on growth that is inclusive is based on the increasing body of evidence that demonstrates promoting equality through improving diversity and eliminating barriers also supports economic growth.

In a tough fiscal climate, some efficiency savings are being achieved while spend is being maintained in other areas which are beneficial to equality groups. Equality considerations lie at the heart of all the work of this portfolio and will be central to the implementation of the further powers being devolved through the Scotland Act 2016.

¹ Source: Annual Population Survey 2015.

CHAPTER 6

Education and Skills

INTRODUCTION

The Education and Skills portfolio is responsible for government policy related to transforming the lives of our children and young people as well as developing and championing the social care workforce. This includes all aspects of early years provision; support for children and families; school education; further and higher education; university research, innovation and knowledge exchange; science; community and adult learning and development; and the promotion of Gaelic.

It also has strong connections to the Economy, Jobs and Fair Work portfolio as this is concerned with producing a skilled workforce and maximising the opportunities for everyone that wants to work.

KEY STRATEGIC PRIORITIES

Our priorities range across three particular areas. To ensure all our children and young people get the best possible start in life; to raise standards in our schools and close the educational attainment gap; and to create opportunities for all through widening access to higher, further and vocational education.

Our plans to provide a Baby Box to every baby born in Scotland is part of our early engagement with families. We will also continue to invest in early learning and childcare (ELC) as we work towards delivering the increased entitlement of 1,140 hours a year by the end of this Parliament. Our vision is for this expansion to deliver high quality, flexible early learning and childcare which is affordable and accessible for all.

Reflecting our broadening ambitions to tackle disadvantage and make significant, lasting improvements to the life chances of our most vulnerable children and young people, we have committed to undertake a 'root and branch' review of the care system - ensuring those children and young people who need corporate parents for any length of time are able to feel secure and loved from the earliest point and into adulthood.

By investing resources through our Attainment Scotland Fund, we will target funding at schools and local authorities in need, including additional resource through the pupil equity funding programme. In addition, we are reviewing the 15-24 learner journey to ensure all young people are supported to make well-informed choices and can achieve the best qualifications and outcomes. This will sit alongside the Developing Scotland's Young Workforce Programme, which is taking forward our ambition to equip our young people with the skills, experiences and qualifications needed to secure positive destinations after they leave school.

Our college sector provides a modern, responsive and valued part of our education and training system. We will increase our investment in our college sector to ensure that it continues to add real value to our economy and offer opportunities to adults of all ages. We will continue to maintain at least 116,000 full-time equivalent college places.

We will continue to protect free university tuition for all eligible undergraduates. Our widening access programme will support 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. We will protect the core teaching grant, research grant and funding available to support widening access in the Higher Education sector.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Children and Families

From Summer 2017, we will introduce a new and universal Baby Box, including essential items for a child's first weeks, to the families of all new-born babies in Scotland. This will be of particular benefit to parents who face additional financial pressures, such as those on low incomes, young parents and lone parents.

There is continued investment to deliver a high quality ELC sector, including starting to build the capacity required to double provision of fully-funded ELC to 1,140 hours by 2020. This provision will ensure that children who face the greatest disadvantages, including those with additional support needs, benefit most by spending more time with highly qualified practitioners. This should, in turn, help contribute to closing the attainment gap at school. In addition, enhanced provision of fully funded childcare will help parents from low income households who are seeking to return to work by removing the burden of upfront childcare costs, as well as promoting gender equality by providing greater opportunities for women to enter the labour market.

Investment in third sector organisations is being maintained in 2017-18 to deliver early intervention and prevention work to children, adults and families. This includes work in adult learning, youth work, parenting, early learning and childcare, child protection and children's rights. Funding includes support for organisations that work with lesbian, gay, bisexual, transgender and intersex people and minority ethnic communities, as well as services supporting disabled people and their families, and people with care experience.

Learning

£750 million of funding will be allocated through the Attainment Scotland Fund during the course of this Parliament to support the delivery of the Scottish Attainment Challenge. This work focuses on targeted improvements in literacy, numeracy, and health and wellbeing to close the attainment gap between children and young people from the most and least deprived backgrounds. £50 million will be allocated in 2017-18 through our Scottish Attainment Challenge programme to provide targeted support for those authorities and schools supporting children and young people in greatest need.

In addition, we will allocate £120 million in 2017-18 directly to schools on the basis of the number of children in each primary school and in the first three years of each secondary school that meet the eligibility criteria for free school meals. This funding will contribute to closing the educational attainment gap between children and young people from the most and least deprived backgrounds.

Much of the budgetary provision for children with additional support needs is included in the local government settlement. However, we will provide national support for a range of projects across the curriculum, including funding to Grant Aided Special Schools, and learning activity for children with a range of additional support needs.

We will fund the introduction of national standardised assessments at Primaries 1, 4 and 7 and in the third year of secondary school. These assessments will be as inclusive as possible, accommodating children who require additional support through, for example, the use of technological aids and alternative communication methods. All pupils will be fairly assessed, no matter their background, experience, additional support needs or level of ability.

Advanced Learning and Science

The Scottish Government's commitment to delivering free access to higher education for Scottish or EU domiciled students will continue. We will provide a minimum income guarantee of £7,625 in maintenance support for students from households with an annual income of under £19,000, made up of a mixture of bursary and loans. Additional funding, which will offer a new enhanced support package for taught postgraduate students, will be introduced in academic year 2017-18.

In 2017-18, funding for colleges will increase. There will also be an overall increase in support for our universities. The Scottish Funding Council (SFC) will consider how these changes in funding will be best implemented while protecting the interests of equality groups. In addition, the SFC will continue to implement its Gender Action Plan which sets out actions they will undertake in collaboration with key partners to address gender imbalances and significantly reduce gender under-representation in some college and undergraduate courses.

Youth Employment and Skills

We will continue to deliver our Youth Employment Strategy – Developing the Young Workforce (DYW). This seven-year strategy underpins our ambition to reduce youth unemployment by 40 per cent by 2021. To date, we have established 17 of the planned 21 industry-led regional DYW groups and funding for those groups will continue next year.

We will continue the Education Maintenance Allowance (EMA) programme, expanded in January 2016. This supports school pupils and college students from low-income households to overcome financial barriers in order to continue their studies and fulfil their potential. Over a third of EMA recipients in 2014-15 were living in the 20 per cent most deprived areas, demonstrating the role that EMA plays in supporting those who need the most financial help to remain in learning environments to continue their education.

In 2017-18, we will continue to ensure that apprenticeship opportunities are open to all. We will support Skills Development Scotland (SDS) to deliver more opportunities for individuals to earn a wage and gain industry-recognised qualifications, while supporting employers to develop a skilled, diverse, inclusive workforce. However, we have long acknowledged that there are challenges with advancing equality in relation

to the labour market, and this is reflected in the Modern Apprenticeship programme. That is why SDS is continuing to work with partners to take forward the measures set out in the Equality Action Plan (EAP) for Modern Apprenticeships. The EAP sets out the scale of the challenge relating to occupational segregation and inequality in MAs, and the requirement for all partners to work in collaboration to tackle culturally ingrained challenges. It includes specific improvement targets for MA participation by disabled people, minority ethnic groups, care leavers, and aims to tackle apprenticeship areas where there are gender imbalances.

The Inspiring Scotland 14:19 Fund has supported investment to improve the lives of Scotland's most disadvantaged young people aged 14 to 19 to help them make successful transitions from school into employment, education or training. As the programme enters the penultimate year of a 10-year financial commitment, funding in 2017-18 will be tapered but remain significant, demonstrating our continued support for programmes aimed at helping vulnerable young people across Scotland towards and into employment.

We will establish a Flexible Workforce Development Fund in partnership with industry which will focus on up skilling and retraining existing workers. The principles upon which the new fund will be developed will include a focus on raising productivity through enhanced skill levels, and contributing to reductions of in-work poverty through providing individuals with the skills to progress. The equality implications of the new fund will be considered as it develops.

CONCLUSION

The Education and Skills portfolio is taking a range of actions to ensure children have the best start in life and are ready to succeed. These actions will also help to improve the life chances for children, young people and families at risk.

CHAPTER 7

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 offence and domestic abuse-related convictions, cybercrime and the ongoing threat from terrorism and extremism. 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.

While overall crime is at a 42-year low, people living in deprived areas are more likely to experience crime and civil justice problems. The economic and social costs of crime in Scotland are estimated at around £5 billion, and these costs disproportionately affect more deprived communities. People in prison experience multiple disadvantages, with women in the criminal justice system particularly at risk. Whilst there has been a significant decline in youth crime, the number of older people in prison has been increasing steadily over the last 10 years. The Justice portfolio therefore 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 PRIORITIES

The portfolio has a number of strategic priorities that are key for 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 re-offending than short-term imprisonment.

There is also a strong focus on **tackling violence against women and girls**, with the introduction of a domestic abuse bill that reflects modern understandings of abuse and will provide police, prosecutors and courts with new powers to bring perpetrators of abuse to justice. Work is being progressed to better support victims and witnesses of crime, in particular **child witnesses**.

Although the rate of **female imprisonment** has slowed in recent years, it has risen faster than that for men over the past decade, particularly for older women. The Scottish Government will progress with the development of a new model for the female custodial estate which will provide women with intensive support to address the causes of their offending behaviour and prevent further re-offending.

People from deprived areas and disabled people are more likely to experience **civil justice** problems than those in less deprived areas and the general population. Disabled people are also less likely than non-disabled people to have their civil justice problems resolved. The most common problems 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.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

To reduce reoffending and social exclusion, it is essential that we address the underlying causes of offending which can involve multiple inequalities and risk factors, including deprivation, adverse childhood experiences and health problems. The new model for **community justice**, including the creation of the new national body, Community Justice Scotland, which will come into effect in 2017, supports this holistic approach to prevent and reduce further offending.

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 prevent some of the detrimental impacts of imprisonment which can be particularly acute for marginalised groups such as women, young people, older prisoners and children of people in prison. In addition to investment to expand the use of electronic monitoring, there will also be a continued focus on community sentences and services to support the reintegration of people leaving prison, such as mentoring services.

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 innovative community-based custody units. 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. We will continue to work with partners to support people in custody with social care needs – including those with social care needs who are part of the growing population of older people in custody.

With **sexual offence** convictions increasing by 50 per cent over the last five years and domestic abuse cases showing comparable rises in convictions, we recognise that the criminal justice system has an important role, not only in deterring and dealing with perpetrators of domestic abuse, but also in shaping community perceptions and encouraging community intolerance of violence against women and girls.

Accordingly, 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. We will introduce a Bill that makes domestic abuse a specific offence and deliver the final year of the First Minister's commitment to invest £20 million over three years for VAWG services to improve support for victims of violence and sexual assault. This investment covers a wide range of services including support and advocacy services, violence prevention and legal support for victims of gender-based violence, as well as investment in the Scottish Courts and Tribunals Service and the Crown Office and Procurator Fiscal Service to ensure domestic abuse cases are heard without undue delay.

Human trafficking can have an acute physical and mental impact on its victims. 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. We will continue to invest in measures to address human trafficking and exploitation and to support its victims. This will include the implementation of the Human Trafficking and Exploitation (Scotland) Act 2015 and the publication of Scotland's first Trafficking and Exploitation Strategy in 2017.

Safeguarding victims is one element of an overarching policy that aims to make Scotland a hostile environment for traffickers and other perpetrators of crime, while identifying and meeting victims' needs. As part of wider criminal justice reforms, including the Justice Digital Strategy, we will continue to respond to the recommendations of the Evidence and Procedure Review, in particular through measures to improve support for **child and vulnerable witnesses**.

The welfare of children and young people should be at the centre of **family justice**. We will continue to work on a Family Justice Modernisation Strategy to outline how the Scottish Government believes civil family court proceedings could be improved to be more efficient and child-centred.

Legal aid is a key part of providing access to justice and tackling inequalities. 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 will engage with the legal profession and others to identify specific measures to reform Scotland's system of legal aid, maintaining access to public funding for legal advice and representation in both civil and criminal cases.

A **Safer and Stronger Scotland** is one of the Scottish Government's strategic objectives. Continued funding to reduce and prevent violence, reduce the numbers of victims of crime and the extent of accidental harm will improve safety within our communities. Sustained reductions in recorded crime and victimisation show that we have made significant progress toward our aims, but there remain challenges, particularly in the most deprived communities. Although fear of crime is higher for disabled people, women and older people, this is not reflected in statistics on the risks of being a victim of crime. The Scottish Crime and Justice Survey shows that young men are disproportionately more likely to be a victim of crime in general, and are at highest risk of experiencing violent crime.

The **Building Safer Communities** programme promotes the Christie principles of public service reform (which emphasises prevention and cross-boundary working) in a way which prioritises disadvantaged communities and builds on their assets. Further,

the Violence Reduction Unit and Medics Against Violence will continue to focus on prevention and offering support for people to turn their lives around.

People who live in deprived communities are disproportionately affected by crime. Similarly, wider evidence suggests that other risks to safety, such as fire, vary by socio-demographic factors, including deprivation and disability. We will maintain investment in our **fire and rescue and police services** to enable the delivery of effective and efficient services that reflect the needs of local communities. We will also continue to transform these services by working collaboratively, better equipping them to meet modern risks, prevent harm to individuals and communities and to respond to the changing nature of crime and risk.

This includes, for example, the Scottish Fire and Rescue Service **home fire safety visits** which target people with vulnerabilities in the community and assess various aspects of risk within the home. This preventative and collaborative approach helps build community capacity to respond to the changing risk profiles of our communities (e.g. positively recognising the ageing population).

For policing, our efforts will involve supporting Police Scotland and the Scottish Police Authority to deliver our new **Strategic Police Priorities** which specifically focus on inclusion and the need to reduce inequalities within and across communities. Work is underway to develop a 10-year transformational strategy which will build the service's ongoing efforts to strengthen engagement and support for all communities and to ensure that the police workforce is properly reflective of the people it serves. Preventative action like the multi-agency 'Prevent First' initiative in Ayrshire and 'Operation Pinpoint' in West Lothian will continue to lie at the heart of Police Scotland's work.

Tackling **hate crime** remains a key focus. We will continue to work closely with the Equalities portfolio to prevent and address all forms of hate crime based on ethnicity (racism), sexual orientation (homophobia and biphobia), transgender identity (transphobia), religion (Islamophobia and sectarianism) and hate crimes against disabled people.

Although the time-limited funding for **sectarianism** community projects within the Safer and Stronger Communities budget ends in 2016-17, we will continue to take forward and embed the learning from these along with the recommendations of the independent Advisory Group on Tackling Sectarianism in Scotland; and we will continue to take a stand against sectarianism wherever it exists.

The responsibility for **drug misuse** now sits in the Health and Wellbeing portfolio. Funding for **secure residential accommodation for children** is moving to the Education and Lifelong Learning portfolio from 2017-18.

CONCLUSION

The justice portfolio remains committed to advancing equality. We are progressing 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 8

Economy, Jobs and Fair Work

INTRODUCTION

The Economy, Jobs and Fair Work portfolio is central to delivering Scotland's Economic Strategy and achieving a more competitive and inclusive economy, improving Scotland's ability to withstand economic shocks, sustain higher employment, and create better quality jobs and fairer work.

Crucially, we recognise that increasing growth and tackling inequality are mutually supportive in making Scotland a more successful country with opportunities for all to flourish. The scope of the portfolio is explicitly concerned with promoting the kind of growth that spreads its benefits more equally:

- **Across the protected characteristics and socio-economic groups** – tackling inequalities and barriers that prevent individuals from participating fully in the economy. This includes areas such as skills, health, social capital, networks, access, opportunities and tackling discrimination.
- **Across place and communities** – Promoting more equal growth across regions, cities, rural areas and communities, embracing joint working with local actors.

KEY STRATEGIC PRIORITIES

The main equality implications of the portfolio's programmes have been organised into four strategic priorities – investment, innovation, internationalisation and inclusive growth. Our approach to delivering Scotland's Economic Strategy, which sets out the dual objectives of boosting competitiveness and tackling inequalities, is also focused around these strategic priorities.

As a result of this focus, the 2017-18 Draft Budget has protected or increased spending in many of the areas most explicitly focused on advancing equality and tackling inequalities across regions. This assessment also discusses how the portfolio is taking account of regional inequalities.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Investment

The 2017-18 Draft Budget helps tackle the gender gap in enterprise by providing increased support for the **Women In Enterprise Action Framework** which is recognised as delivering world-leading best-practice. We acknowledge that there is much to do to boost women's participation in enterprise-related activity, and that the economy stands to gain significantly from making progress in this area. As such, we are committed to supporting projects that will enable women-led businesses to invest and grow. Additional funding for work with Women's Enterprise Scotland to celebrate role models across all sectors and from all backgrounds who inspire women into enterprise will also help advance equality for women in business.

Innovation

Despite a very challenging funding environment, the portfolio continues to invest in **Scottish Enterprise**, a key delivery partner for Scotland's Innovation Action Plan. Scottish Enterprise will need to ensure that equality issues are carefully considered in the restructuring of its programmes. Key programmes to advance equality include:

- One of the challenges in manufacturing is a marked under-representation of women in the workforce. A major factor driving this is qualification choices with fewer women taking STEM (Science, Technology, Engineering and Maths)-oriented degrees and modern apprenticeships. Through the **Manufacturing Action Plan**, Scottish Enterprise will ensure that future investment in STEM education and training is aimed at shifting the gender balance.
- Scottish Enterprise's work aligns with the aims of the **Developing the Young Workforce Strategy**. This seeks to ensure that in the senior phase of school young people are not gender stereotyped when considering career choices. School and employer partnerships, work placements and career education standards are important in promoting equality and helping young people improve their understanding and readiness for employment.

Scotland's focus on Fair Work includes a focus on **innovative and productive workplace practices** through the independent Fair Work Convention and support for Scottish Enterprise to develop a **Workplace Innovation Service**. This is aimed at helping firms develop new ways of working to make the best use of all resources – people, processes and relationships – to deliver their objectives while also creating workforces that will drive Scotland's productivity, innovation and competitiveness. This will have important equality implications for the key groups facing disadvantage as promoting diversity is a key part of this initiative.

Internationalisation

Global Scotland – Scotland's Trade and Investment Strategy promotes the Business Pledge, advocating that businesses should pay the Living Wage, invest in young people and promote diversity. This has positive implications for equality and tackling socio-economic disadvantage as discussed further below.

Inclusive Growth

Within the Economy, Jobs and Fair Work portfolio, policies which promote inclusive growth – in particular in relation to reducing barriers to employment and improving working conditions – are key to advancing equality in Scotland.

The Scottish Government's new **employability powers** will be key to advancing equality. From 2017-18, the Scottish Government will be responsible for delivery of a new range of employability services to address issues in the current approach taken by the Department for Work and Pensions. From Spring 2017, the Scottish Government will provide support for those who face multiple challenges in finding work, including a specific focus on disabled people. The Scottish Government has committed substantial additional funding on employability support, illustrating the importance placed on this area.

Portfolio expenditure supports the **Scottish Business Pledge**, an initiative to encourage inclusive economic growth through progressive business practices amongst businesses operating in Scotland. It is a voluntary commitment to nine modern business practices, including paying the Living Wage, innovation, internationalisation, gender-balanced Boards and workforces, and investing in young people.

More broadly, the portfolio is increasing its investment in **Fair Work** which is key to unlocking inclusive growth within Scotland and will have significant potential positive benefits for those in key equality groups. The programme has a focus on workplace equality issues across the private, public and third sectors:

- As set out in the Labour Market Strategy, the Scottish Government is developing a **Workplace Equality Fund**. This fund will contribute to establishing approaches to drive good practice and reduce employment inequality, discrimination and barriers in the workplace.
- The Scottish Government supports disabled people by promoting the **supported employment framework**. We are working closely with partners, including local authorities, to support them to develop and deliver a 'place and train' model locally in mainstream employment.
- The Scottish Government is working with employers, third sector and public bodies to set up an **employer support network** for those interested in recruiting people with convictions.
- In line with the goals set out in the **Race Equality Framework**, the Scottish Government is supporting the employability of migrants and refugees by exploring options around the recognition of overseas qualifications. Glasgow University's Training and Employment Research Unit is reviewing and updating the recommendations of the 2010 'Scoping Study on Support Mechanisms for the Recognition of Skills, Learning and Qualifications of Migrant Workers and Refugees', the report for which will be completed in the Autumn.

The portfolio continues to deliver a range of services for young people, with spending in this area protected. Through our **Youth Employment Strategy** the Scottish Government is focused on removing barriers for young people facing key equality disadvantages:

- **Developing Scotland's Young Workforce Programme** targets include reducing gender imbalance in subject groups of college courses and improving positive destinations for looked after children.
- The employment prospects of young people facing the greatest barriers to employment, including young disabled people, will continue to be enhanced through training opportunities delivered by the third sector via **Community Jobs Scotland**.
- Investing in a new programme for young people who have been in care will help them access appropriate work, training or education opportunities.

ADDRESSING REGIONAL INEQUALITIES - KEY PLACE CONSIDERATIONS FROM THE 2017-18 DRAFT BUDGET

In addition to advancing equality, the Economy, Jobs and Fair Work portfolio is also increasingly focused on reducing inequality - including socio-economic disparities - across the regions, localities and communities of Scotland. Scotland's Economic Strategy has a strong focus on promoting more equal growth across Scotland's places, as well as embracing joint working with communities.

The portfolio is investing in our people, infrastructure and assets across Scotland to address regional disparities in economic performance, with efforts being focused on projects designed to impact significantly across Scotland's diverse areas. For example, the Government's protected spending on the **Community and Renewable Energy Scheme** will support community investment in commercial schemes and benefit communities.

One of the key outcomes of the first phase of the **Enterprise and Skills Review** was the need to focus on how enterprise and skills services are delivered on a national and local level:

- Recognising the different social, economic and community development challenges facing the Highlands and Islands, the Scottish Government will maintain dedicated support which is locally based, managed and directed by **Highlands and Islands Enterprise** (HIE).
- In recognition of the unique challenges faced in the region, the Scottish Government will create **a new vehicle to meet the enterprise and skills needs of the South of Scotland**. This will be accountable to the new Scotland-wide statutory Board alongside our other enterprise and skills bodies.

The Scottish Government is also investing in **City Deal proposals** in Glasgow, Inverness and Aberdeen, as well as developing new deals in Edinburgh, Tay and Stirling. We are also progressing the collaborative Regional Partnership Plans. The Scottish Government will publish Equality Impact Assessments (EQIAs) for each of the City Region Deals. Where possible, EQIAs will be published at the same time as Deal documents.

CONCLUSION

This portfolio is at the heart of the government's ambition to deliver sustainable and inclusive economic growth. Increasing diversity and removing barriers is not only a social benefit but also helps drive economic growth. In a tough fiscal climate, the Scottish Government has protected or increased spend in many areas which advance equality. In addition, the portfolio is strongly focused on reducing inequality, including socio-economic disparities across the regions, localities and communities of Scotland, for example through new City Deals, and investment in regional enterprise vehicles.

CHAPTER 9

Communities, Social Security and Equalities

INTRODUCTION

Communities, Social Security and Equalities has a core responsibility for equality and human rights across government, tackling discrimination and promoting equal opportunity and equal outcomes across many key issues.

Portfolio spend focuses on providing opportunities to deliver good quality, sustainable and affordable housing, supporting regeneration activity within Scotland's most deprived communities, leading planning reform and the design of quality places, and responding to welfare reform. Portfolio spend also supports the drive for social justice, tackling poverty (including fuel poverty), and strengthening the third sector and communities.

Scottish Government funding through this portfolio also represents the vast majority of local authority income, paying for a wide range of services which are coordinated and delivered at a local level to meet locally-agreed outcomes.

KEY STRATEGIC PRIORITIES

The portfolio budget has continued its commitments to affordable housing, especially social rented housing, to energy efficiency and tackling fuel poverty and to social justice through place-based regeneration and other project work. The Scottish Welfare Fund (SWF) and Discretionary Housing Payments (DHPs) have been protected to mitigate the negative impacts of UK welfare reform and the Equality Budget, which is important in a range of ways to delivering a fairer Scotland, has been protected. The Local Authority Budgets provides resources and fiscal flexibility whilst protecting key priorities of health, social care and education.

Our aspiration is to move towards more streamlined, effective and easier to use communities funding arrangements and over the next year we will start to progress this aspiration working closely with our stakeholders.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

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 which is estimated to support 14,000 jobs a year across Scotland. We are 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, representing a 75 per cent increase on our previous five-year social rented target. The social rented sector is a particularly important tenure for lone parent households and long-term sick and disabled people amongst others; the lower rents in this sector play an important role in protecting the after-housing-costs income of less-well-off households. There will continue to be a correspondingly higher proportion of capital grant funding (rather than loan funding) in the 2017-18 Housing Supply Budget to reflect this. This funding will enable councils and housing associations to maintain the momentum needed to increase the pace of delivery.

Once again, we made more than £100 million available for **fuel poverty and domestic energy efficiency** during 2016-17. In 2017-18, the overall budget has been increased to £114.1 million. Within this, we have preserved funding for Warmer Homes Scotland, which is prioritised for people likely to be vulnerable to fuel poverty, and we are looking to combine with related energy funding programmes to support Scotland's Energy Efficiency Programme (SEEP) and meet the commitment in the Programme for Government to provide £0.5 billion for SEEP over the next four years. Further funding will be available for SEEP pilots in 2017-18 to test new and innovative approaches to tackling fuel poverty and improving the energy efficiency of all Scotland's buildings.

Some key equality groups, as well as those households with the lowest incomes, are more likely than other groups to experience fuel poverty at present (45 per cent of older households and 92 per cent of households with weekly income of less than £200 were in fuel poverty in 2015). The eligibility criteria for Warmer Homes Scotland has been particularly designed to target help at vulnerable people (people in receipt of certain benefits, including older and disabled people). We expect to help around 4,000 vulnerable households through £19 million funding for this scheme to make their homes warmer and more comfortable by installing a range of energy-saving measures.

Scottish Government funding of **Home Energy Scotland** has enabled continuing links with national partners targeting low income and vulnerable groups, including older people and disabled people, experiencing or at risk of fuel poverty. This partnership working includes delivering fuel poverty and Home Energy Scotland awareness training to frontline staff.

During 2017-18, we will maintain funding of £10 million to Registered Social Landlords to carry out **housing adaptations** that will help their older and disabled tenants live safely and independently at home.

The **Housing Voluntary Grant Scheme** provides 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 their approach to equality (among other criteria) and the 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. Funding for the scheme is to be reduced in 2017-18 and fewer organisations are likely to be funded in the coming year. The majority of those we are recommending for a reduction also receive significant income from elsewhere which can be used to support their projects.

Social Justice and Regeneration

Inequalities in power and influence can have a direct impact on people's life chances and opportunities, and on how public services help them to achieve what they need. Social Justice and Regeneration Budgets have both a place-based and a people-based focus.

The **Social Justice Budget** is £6.9 million in 2017-18. This budget invests in key priorities emerging from the Fairer Scotland Action Plan (FSAP), which aims to reduce poverty and tackle inequality. The budget will continue to fund advice services to support income maximisation of the most vulnerable groups and measures to tackle food poverty, with a focus on implementing the key recommendations of the Independent Group on Food Poverty. It also supports a range of third sector organisations that work on this agenda, including the Poverty Alliance and the Poverty Truth Commission.

This specific budget line has been reduced from £8 million in 2016-17. We do not expect negative implications on equality or on tackling poverty from this reduction as the change in budget is largely due to programmes coming naturally to an end. These include a pilot project to test the role of advocacy support for face-to-face assessments for disability benefits which is now complete – the findings of the pilot are informing development of future powers in this area; a project to support local authorities to improve service delivery for people affected by poverty has completed its work; and now that the FSAP has been published, the line that covered the FSAP conversation has been removed from the budget with these kinds of engagements becoming a normal part of government business.

In 2017-18, the total **Regeneration Budget** has increased to £52.3 million (from £48.5 million in 2016-17) and will continue to be focused on supporting regeneration in disadvantaged areas, with a particular focus on projects that engage and involve local people.

We believe strongly in supporting communities to tackle poverty on their own terms. Through our £20 million **Empowering Communities Fund**, 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 up-skilling, healthy eating initiatives and volunteering opportunities), all of which can help to directly tackle inequality as well as promoting inclusive growth.

We are building on what we know works through this fund using our resources, knowledge and approach to lever European Social Funds. This has enabled us to create the £18.9 million **Aspiring Communities Fund** which will support communities to work collaboratively with partners to accelerate the design and delivery of community-led initiatives that tackle poverty, inequality and exclusion.

Social Security

The Smith Commission set in train the eventual devolution of a range of responsibilities for social security to the Scottish Government, including payments relating to disability and ill-health and life events. The Scotland Act 2016 confirmed that the ability to top-up existing benefits and create new ones would also be available to Scottish Ministers. For the most part, these new powers will not be delivered until after 2017-18 and as such, with the exception of the Scottish Welfare Fund (SWF) and Discretionary Housing Payments (DHPs), there is no detailed discussion of social security budgets here.

However, a programme of work is already underway to help ensure that the new social security system is, as far as possible, equality-proofed. This is described in the illustrative box.

Building in equality at the very start of the social security policy process

1. Scottish Ministers have undertaken a large-scale consultation on the use of the new powers which included a partial Equality Impact Assessment as a starting point for further discussion. The consultation paper itself was made available in a variety of formats including Easy Read, British Sign Language, Braille, Cantonese and Mandarin. The consultation closed on 30 October, and a full analysis of all the consultation responses, including feedback from stakeholder engagement events, will be available in early 2017.
2. 'Experience Panels' are being set up to involve at least 2,000 people who have recent experience of applying for and receiving benefits to help to design and test the new Scottish social security system to ensure it works for them. People with recent experience of receiving benefits will be recruited to the panels in two ways: by direct invitation mailed to a representative sample of current benefit recipients and by an open invitation, publicly asking for volunteers. An accessible recruitment, including alternative formats, will be launched after the New Year. The Experience Panels will include, amongst others, disabled people, older people and people from different ethnic groups.
3. From Spring 2017, there will be the opportunity for Experience Panel members to take part in a variety of activities to help shape a Scottish social security system. These activities will use a variety of methods to ensure that as many people as possible have the opportunity to take part, and we will ensure that their knowledge and experience help to identify and resolve equality concerns.

The **Scottish Welfare Fund** (SWF) is a national grant scheme, delivered by all local authorities on a voluntary basis since April 2013. The scheme acts as a safety net for vulnerable people on low incomes by providing Crisis Grants which help those facing disaster or emergency situations, and Community Care Grants which help people live independently, preventing the need for institutional care. In April 2016, the scheme became statutory, and all local authorities are required to maintain and administer a Welfare Fund. To date, 164,000 low-income households have been supported, including more than 54,000 households with children. To ensure investment is well targeted, key equality data is collected about application numbers and grants issued; and SWF guidance has been developed over time to address equality concerns as these arise.

The SWF has benefited from consistent investment levels for the last four years. Funding for the SWF (including administration) remains at £38 million in 2017-18, following the implementation of new review mechanisms by the Scottish Public Services Ombudsman.

The Scottish Government also invests in **Discretionary Housing Payments** (DHPs) and has set aside an additional £35 million in 2016-17 (as in 2015-16) to top up the money provided by the UK Government. DHPs compensate local authorities for the cost of fully mitigating the 'bedroom tax' (the cuts to housing benefit in the social rented sector introduced by the UK Government in April 2013). At the time of introduction, it was estimated that 80 per cent of affected Scottish households contained someone with a disability – so this investment is particularly important for disabled people. DHPs will be fully devolved in April 2017 and the DHP Budget commitment of £57.9 million will mean that the Scottish Government will continue to fully mitigate the effects of the bedroom tax until it can be formally abolished in Scotland. This will be through Universal Credit flexibilities and will be dependent on full roll out.

The Equality Budget

The **Equality Budget** has been maintained at £20.3 million for 2017-18, demonstrating a continued commitment to advancing equality in Scotland. The resources available in this budget will enable investment in equality organisations and communities, building their capacity and supporting them to contribute to shaping policy and Scotland's future.

Everyone has a right to feel and be safe, and robust action is needed to challenge those seeking to spread hate and threaten our way of life. With the potential for increased uncertainties in the current climate, it is important that the Scottish Government strengthens its links within and between communities and builds trust, respect and good relations. We will continue to work with faith groups and others to identify those individuals who are most vulnerable to messages of hate to steer them towards a different path. Similarly, support for the implementation of the recommendations by the Independent Advisory Group on Hate Crime, Prejudice and Community Cohesion will help advance equality and tackle prejudice and discrimination.

Building on the progress made towards more inclusive communities and working across religious and cultural boundaries, work to explore the diversity and understanding of different faiths will continue. Part of this will be informed by an interfaith summit in 2017 which will help support greater community cohesion and challenge hate crime.

Addressing all forms of violence against women and girls (VAWG) continues to be a priority for this Government, and much of our investment here will support frontline services. Our national VAWG strategy will be supported by both the Equality and Justice Budgets, helping to ensure that early interventions prevent violence and maximise the safety and wellbeing of women, children and young people. This work will also help address deep-rooted structural inequalities to enable women and girls to thrive as equal citizens.

Embedding human rights responsibilities in our work is necessary to protect, respect and realise internationally recognised human rights and to defend existing human rights safeguards. The Equality Budget will promote engagement with people and communities across Scotland to explore how to give further and better effect to the economic, social and cultural rights set out in United Nations and other international treaties. Resource will also support the development of a national action plan to implement the UN Guiding Principles on Business and Human Rights in Scotland.

This budget will support the implementation of the Disability Delivery Plan (2016) which will drive change to improve the lives of disabled people, helping ensure Scotland is fulfilling its obligations towards disabled people under the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD). We will use the UNCRPD framework to champion the rights of disabled people to have the same freedom, dignity, choice and control over their lives as everyone else.

This Government is committed to improving access to information and services for our citizens whose first or preferred language is British Sign Language (BSL). The Equality Budget will support work in 2017 to produce the first ever National Action Plan on BSL.

This budget will also help to build on the progress made on equality for LGBTI (lesbian, gay, bisexual, transgender and intersex) people which will contribute to maintaining Scotland's position as one of the most LGBTI-progressive countries in Europe. Specifically, it will take forward the reform of gender recognition legislation as set out in the Programme for Government 2016-17.

Delivery against the Programme for Government 2016-17 commitment to establish a Women's Advisory Council to celebrate achievements and further promote gender equality in Scotland will also be possible as a result of this funding. In addition to continuing to champion our Partnership for Change 50/50 by 2020 campaign, efforts to increase the number of women on Boards will be assisted by the introduction of legislation for gender balance on public sector Boards.

This budget will also assist with the implementation of the Race Equality Framework which sets out a long-term partnership approach for promoting race equality and tackling racism and inequality from 2016 - 2030. The framework is based on partnership, but the resources set out in this budget will assist the Scottish Government in delivering its commitments. The appointment of a Race Equality Framework Adviser will give a focus to the implementation of the framework and identify priorities which will make a real difference to people's lives.

Resource will also underpin engagement with Gypsy Traveller people which will inform strategic work in 2017 to address specific issues for this community.

Scotland is proud to have received around 1,250 Syrian refugees under the Syrian Resettlement Programme since October 2015, and is committed to providing appropriate support to assist with ongoing refugee integration in Scotland. This funding will facilitate consultation, community engagement and the development of the next phase of the New Scots: Integrating Refugees in Scotland's Communities 2014-2017 strategy to ensure that we take a holistic approach and continue to support refugees and asylum seekers to integrate into our communities. Resource will also enable us to respond to the current humanitarian crisis and meet our commitment to the resettlement of Syrian refugees in Scotland and to support them to rebuild their lives in our communities.

Older people's needs and experiences vary, but facilitating the means by which older people can have their voices heard in policy making is key to addressing these issues. This budget will help to support a range of work, including a Ministerial group on older people and work on social isolation and loneliness, to help inform work across Scotland to reduce inequalities faced by older people.

It is essential that the diversity of Scotland's communities is reflected in policies developed across government, and that we continue to take a progressive and inclusive approach that recognises a social and economic duty to advance equality, recognise human rights, and tackle poverty. The Equality Budget will support mainstreaming and training work around our Equality Outcomes for 2017-21 to ensure policy development continues to meet the varied needs of Scotland's population. Central to this work is increasing the knowledge and confidence of staff in equality and diversity matters to effect positive change on policy implementation, alongside continued engagement with partners and stakeholders.

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, and is essential to the reform of public services, and to the wellbeing of our communities. The sector also plays a vital role in helping to advance equality, and in supporting communities most impacted by discrimination and disadvantage. The Third Sector Budget of £24.5 million has protected our funding support to the sector.

The investment made through the national and local infrastructure 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 inequalities and tough social issues at source.

Furthermore, Scotland is a world leader in social enterprise, and this sustainable and effective model of business has the potential to empower our communities and provide solutions to some of our most difficult challenges. This budget will enable investment to be directed at social innovation and social enterprise, driving forward our new 10-year strategy for social enterprise, including stimulating more inclusive pre-start activity for social enterprise, and work with partners to increase the number of disabled people establishing micro and social enterprises.

We also recognise and welcome the important role the sector plays 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, enabling organisations to do even more to transform the lives of disadvantaged individuals and families.

We will continue to ensure that equality communities are fully engaged in the broader activities of the sector, strengthening the alignment of interests. The sector is embracing the call for increased diversity on its Boards and the 2015 census of social enterprise in Scotland flagged that the majority of social enterprises are led by women.

Local Government

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. Funding from the Scottish Government represents the vast majority of local authorities' income. The allocation of this funding is based on area need. The methodology takes account of demographics, deprivation and other considerations and hence allocates resources to highest need with respect to several equality considerations, including age and deprivation. However, each local authority decides how to spend its total available finances on the basis of further understanding of local needs and priorities, and is 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.

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.

The Scottish Government will support spending on health and social care in 2017-18 by providing £357 million from the NHS Boards to Integration Authorities. This is an increase of £107 million over 2016-17.

£88 million will continue to be made available to local authorities to support their work on maintaining the pupil teacher ratio nationally at 2016-17 levels and securing places for all probationers who require one under the teacher induction scheme.

In addition, £120 million of ring-fenced Educational Attainment funding is included in the local government settlement which will be targeted at closing the poverty-related attainment gap in education. As educational attainment tends to be lower for more disadvantaged pupils, the increase in funds should help to address this inequality.

The Scottish Government believes that the package of measures set out in the Draft 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 council tax reforms will protect household incomes, make local taxation fairer and ensure local authorities continue to be properly funded while at the same time becoming more accountable.

The package of council tax reform includes the lifting of the council tax freeze and a 25 per cent increase to the child allowance within the Council Tax Reduction Scheme, benefiting up to 77,000 households by an average of £173 per year and helping nearly 140,000 children. This is particularly likely to benefit those from more socio-economically disadvantaged backgrounds.

In addition, the option for councils to offer no discount to the council tax charged for second homes may encourage better use of housing stock in their areas.

The Local Government portfolio includes overall policy for non-domestic rates, including the small business bonus scheme. A revaluation has been undertaken and new rate values will come into existence on 1 April 2017. As these relate 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.

CONCLUSION

Overall, the Communities, Social Security and Equalities budget has the potential for significant positive impacts for equality groups. 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 social security has been maintained demonstrating our commitment to mitigating the negative impact of UK welfare reforms. Third sector, equality and regeneration spend has been protected which, along with social justice funding, ensures that organisations in the field can continue to tackle poverty and remove barriers for equality groups. Portfolio spend on housing has been maintained, with particular commitments to increasing the supply of affordable and social rented housing and to tackling fuel poverty.

CHAPTER 10

Environment, Climate Change and Land Reform

INTRODUCTION

The Environment, Climate Change and Land Reform (ECCLR) portfolio is responsible for responding to the challenges of climate change, driving forward land reform, protecting and enhancing Scotland's environment, and investing in policy relevant research. It also includes financial responsibility for Scottish Water and Marine Scotland's operations. The portfolio's overarching aim is to protect and promote Scotland's environment and to build a strong and sustainable low carbon economy.

KEY STRATEGIC PRIORITIES

A prominent theme in the coming years is the Government's commitment to addressing climate change. This portfolio supports climate change policy development and delivery, including the new Climate Change Plan and forthcoming Climate Change Bill. We also provide funding for communities (via the Climate Justice and Climate Challenge Funds) to take action on climate change and for rural businesses to develop renewable energy projects (through the Land Managers' Renewables Fund).

Two further priorities in this parliamentary session are land reform and the Crown Estate in Scotland. We will enable local communities to acquire land, with financial support through the Scottish Land Fund, establish the Scottish Land Commission and implement further reform measures. We are also working to encourage and support responsible and diverse land ownership, and to ensure that communities have a say in how land in their area is used.

Many of the strategic priorities for the portfolio are around protecting and enhancing Scotland's natural environment and natural resources, as well as improving drinking water and air quality. This work supports sustainable economic growth and brings benefits to wildlife, ecosystems and biodiversity. It is also important for improving the health, wellbeing and quality of life of people in Scotland.

A significant part of the portfolio's budget goes towards funding public bodies that invest in our natural resources and ensure good stewardship of our land and seas (e.g. Marine Scotland, Scottish Natural Heritage, Scottish Environment Protection Agency, the two National Park Authorities and the Royal Botanic Garden Edinburgh). We also provide funding for Zero Waste Scotland to help deliver work around the circular economy and reducing waste.

The portfolio will also continue to fund strategic research and analysis in support of policy through its five-year programme of research.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Spending on **Natural Assets and Flooding** will increase from £9.1 million to £11.1 million from 2016-17 into 2017-18. This covers activities to tackle flooding, air and noise pollution, and improvements to the water environment. These have benefits for health and wellbeing at population level, but also for certain groups in society. For example:

- We know that some people – including older people, disabled people, people whose first language is not English and those on lower incomes – can find it more difficult to prepare for, respond to, and recover from, **flooding**¹.
- Activities to tackle **air quality and noise disturbance** will have particular benefits to those who suffer most from the ill effects of pollution on their health and wellbeing. This includes children, older people, those with pre-existing health problems, people living in dense, urban areas close to busy roads and the less affluent (who may also have poorer quality housing).
- Funding for **water environment** restoration projects will make a real difference for our communities by reducing flood risk, remediating contaminated land and creating good quality, accessible green space (which brings health and wellbeing benefits).

Spending on **Land Reform** will increase from £10 million in 2016-17 to £13.5 million in 2017-18. This will be used to encourage community land ownership through the Scottish Land Fund, and to establish the Scottish Land Commission. While there may not be specific impacts of this spend on equality groups, there are positive implications in terms of community empowerment and social justice for people in Scotland overall.

There will also be an increase in the **Marine Scotland** budget, from £45.8 million in 2016-17 to £52.3 million in 2017-18. This increase reflects funding pressures in Marine Scotland and requirements for the Ellis Building (an international centre of excellence for fisheries and aquaculture science). Although there are minimal equality impacts for most of this, Marine Scotland has done some work around migrant labour in the fishing industry (which has implications for race and low income) and new entrants into the fishing industry (which has implications for younger people and those living in rural coastal areas). This is unlikely to be impacted by any change in budget. Marine Scotland would be expected to do an equality impact assessment should there be any significant policy changes going forward.

Scottish Water will invest up to £3.6 billion over the period 2015-2021 to improve and protect drinking water quality, and protect and enhance Scotland's environment. This will benefit everyone in Scotland.

¹ Kazmierczak A, et al (2015) Mapping Flood Disadvantage in Scotland 2015, Scottish Government <http://www.gov.scot/Publications/2015/12/9621>

Funding for the **Water and Sewerage Exemption Service** is being maintained (albeit with responsibility for funding passing from the Scottish Government to Scottish Water). This scheme provides support to small charities and community amateur sports clubs (subject to eligibility criteria) for the payment of their water and sewerage charges. The charities and sports clubs funded by the scheme make an important contribution to the wellbeing of communities across Scotland. The exemption from water and sewerage charges means more of their money can be used to support the valuable services that they provide.

The budget for the **Hydro Nation** programme, which includes the Climate Justice Fund, is also being maintained at the same level as 2016-17. The Climate Justice Fund supports projects abroad (currently in Malawi, Zambia, Tanzania and Rwanda) to address water scarcity and quality, 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.

There will be no change to the overall budget for **Climate Change**. Within this, the **Sustainable Action Fund** will increase, supporting communities to take action on climate change both at home and in some of our African partner countries. The **Land Managers' Renewables Fund** (which is part of the Community and Renewable Energy Scheme) will reduce, reflecting the current demand for the fund. This fund supports farmers, land managers and rural businesses to develop renewable energy projects, and the budget reduction is not considered to have any equality impacts.

Work is underway to develop an Equality Charter for the Community and Renewable Energy Scheme. The aims of the Charter are to provide a framework to advance equality through the scheme and an action plan to achieve the desired equality outcomes. This should be completed by the end of the 2016-17 financial year and updated annually.

There will be a reduction in spending on **Programmes of Research** for the portfolio, from £49.8 million to £48.1 million. Through this, we will continue to support the strategic research theme on 'Food, Health and Wellbeing'. This includes projects to help us understand more about some of the equality issues that are pertinent to the portfolio (for example, on different population groups' engagement with the natural environment). It is not possible to say if reductions made elsewhere within the multidisciplinary programme will have an effect on equality-relevant research, although this seems unlikely. A £1 million reduction in the **Contract Research Fund** (money for funding policy relevant science and research on rural and environmental issues) is not expected to have any equality impacts.

A reduction in budget (£0.1 million) for **Private Water** is based on forecasts for the coming year's expenditure and does not reflect a reduction in grant funding or service provision. It is not expected to have any impacts on the three per cent of Scotland's population, the majority of whom live in remote rural areas, that rely on a private water supply.

There will be no budget change for **Royal Botanic Garden Edinburgh**, but a reduction (of £0.2 million) for **Natural Resources**. This is not thought to have any equality impacts. The key equality issue for both areas of spend is accessibility. For example, we know that older people and disabled people are less likely to visit the outdoors² and face multiple barriers to doing so³.

There will be a reduction in resource budgets of up to five per cent for two of the **public bodies funded by the portfolio** (Scottish Natural Heritage and Scottish Environment Protection Agency). Whilst the National Park Authorities resource budget will be unchanged, their capital budget will be reducing by £0.08 million in line with capital spending commitments in 2017-18. Savings will be delivered through efficiencies and prioritisation. It is difficult to fully assess any equality impacts at this point. Public bodies are required to do their own assessment of any equality impacts where funding change may affect policy interventions, project spend or staffing. We expect the National Park Authorities and Scottish Natural Heritage would take into account the equality impacts of spending decisions on access to, and use of, the outdoors.

CONCLUSION

Increasing spend on natural assets, flooding and land reform, and maintaining spend on funding for climate change projects should have benefits for health, wellbeing and community engagement for people in Scotland as a whole, as well as for some more disadvantaged groups.

The equality assessment of the draft budget has found that any decreases in spend across the portfolio generally have little or no equality impact. However, we cannot be certain how public bodies will choose to make savings as a result of reduced resource budgets, and expect them to undertake their own equality impact assessments where appropriate.

2 Scottish Government (2016) Results from the 2015 Scottish Household Survey
<http://www.gov.scot/Publications/2016/09/7673>

3 Colley et al (2016) Access to outdoor recreation by older people in Scotland
<http://www.gov.scot/Publications/2016/06/8917/0>

CHAPTER 11

Rural Economy and Connectivity

INTRODUCTION

The Rural Economy and Connectivity portfolio is responsible for agriculture and crofting, connectivity – including 100 per cent broadband coverage – cross government coordination on islands, fisheries and aquaculture, food and drink, forestry, Highlands and Islands Enterprise, rural Scotland and transport.

The majority of the portfolio spend is focused on delivering improvement in accessibility through investment in transport, and by funding schemes that support and build growth in the rural economy. Such 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, and to support rural, island and coastal communities and sectors.

KEY STRATEGIC PRIORITIES

The portfolio's budget will continue to support sustainable development, investment and initiatives which help to drive forward Scotland's rural economy, protecting livelihoods and jobs. This includes the distribution of EU funding for farming and food production, fishing and a wide range of rural development activities. Our funding of Highlands and Islands Enterprise will be used to support economic development projects with businesses and communities in some of Scotland's most fragile areas and remote communities.

In the coming year, an Islands Bill reflecting the unique needs of Scotland's islands will provide more power and protection for island communities, including measures to ensure other relevant policy matters are 'island proofed' in the future.

We will also introduce a Forestry Bill which will ensure that we have control over all aspects of forestry in Scotland, enabling us to maximise the sector's contribution to the rural economy.

Our existing broadband investment programme will continue with the budget for this increasing, so that by the end of 2017 we will see fibre optic broadband in at least 95 per cent of premises and in all by 2021. This will boost opportunities for both businesses and individuals, particularly in rural, islands and coastal areas.

A significant part of the portfolio's budget in 2017-18 will continue to be spent on improving Scotland's transport infrastructure. This will improve connectivity by making sure that all modes of transport, as well as day-to-day services, are accessible to all in both urban and rural locations.

We will work with disabled people's organisations and transport providers to monitor and report on actions in relation to our recently published Accessible Travel Framework.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

The portfolio has been able to protect spend in a number of areas with key equality implications in 2017-18. This includes schemes that will particularly benefit those living in rural and remote locations, those on low incomes, and those returning to employment.

We are committed to the continuation of the **Air Discount Scheme** at the current 50 per cent discount rate. This will ensure that those living in some of the most remote parts of Scotland continue to benefit from reduced air fares.

We will sustain our funding of **Road Equivalent Tariff**, ensuring that island communities can travel on lifeline ferry services at an affordable cost. The scheme particularly benefits islanders on low incomes. It also assists young people below the age of 16 who pay an even lower fare.

Funding for the **National Entitlement Card** will continue, providing free bus travel on local or Scottish long-distance buses for Scotland's older people and disabled people. The scheme has positive impacts on the physical and mental wellbeing of cardholders, reducing isolation and helping disabled users to access employment and educational opportunities. During 2017-18, we will engage with a wide range of stakeholders to ensure the sustainable future of the concessionary bus travel scheme. In the coming year, we will also start work to deliver three months' free bus travel to those receiving the new Jobs Grant as well as free bus travel for Modern Apprentices aged under 21.

Through our funding of the **ScotRail** franchise, we will provide reduced fares for job seekers and the newly employed on all routes.

Our record level of investment in **active travel** will be maintained ensuring that cheaper, healthier and greener forms of travel are available to more. This may benefit those who live in less affluent communities where car ownership is lower and levels of walking tend to be higher.

As well as sustaining the funding for Scotland's **lifeline ferry services**, we will continue to invest in making ferry infrastructure accessible for all passengers. The Ferries Accessibility Fund will support a wide range of improvements across the network which will include accessible toilets, tactile signage, and the provision of more disabled parking spaces at harbours and on vessels.

Funding received from the EU will continue to be used to support the **LEADER approach** which encourages rural communities and businesses to come together to develop and implement their own Local Development Strategies according to local priorities. Funding to Local Action Group projects is calculated by combining the area's population and the Socio-Economic Performance Index for rural and coastal Scotland. The budget for the approach will be more than doubled in 2017-18 which will positively impact on various equality groups. Projects supported by this funding include those which enable younger people to find employment, through to the planning of services for older people and other more vulnerable groups.

Our commitment to extend the Scottish Government's **superfast broadband** programme, so that every premise in Scotland is able to access it by 2021, will bring benefits to all businesses and communities in Scotland. This will particularly impact those living in rural communities by providing increased opportunities for employment and learning. This investment also opens up greater opportunities for individuals with accessibility issues which can have a positive impact on people's quality of life.

Overall, the equality assessment of the draft budget has found that decreases in spend across the portfolio, such as on rail and ferry infrastructure, have limited equality impacts.

CONCLUSION

This assessment of the 2017-18 Rural Economy and Connectivity budget has highlighted its positive impacts on equality and shown the limited equality impacts of reduced spend. The budget reflects and protects ongoing commitments to the rural and island economy, broadband and transport.

CHAPTER 12

Culture, Tourism and External Affairs

INTRODUCTION

The Culture, Tourism and External Affairs (CTEA) 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.

KEY STRATEGIC PRIORITIES

The Scottish Government continues 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 development of a national **Culture Strategy** for Scotland will establish a high-level framework of agreed aims and objectives with the principles of increased access, equity and pursuit of excellence at its core. The Strategy will seek to harness the potential of culture as a means of helping to achieve equality in our society, ensuring that there are equal opportunities for everyone – individuals, artists and cultural producers from all backgrounds – to engage in culture, and that all parts of Scotland are able to benefit from the positive impact of culture.

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.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Europe and External Affairs

The protection of budgets for **International and European Relations and the British-Irish Council** will help Scotland to participate to the fullest extent in negotiations on the UK's future relationship with the EU and its member states. 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 increased commitment to **International Development work**, with an additional £1 million to £10 million per annum in the International Development Fund and a further £1 million per annum in the new Humanitarian Fund, will enhance international activities which 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.

Our International Development work supports a range of specific equality projects focusing on gender, disability and low-income households, covering health, education, renewable energy, civic governance and economic development. In 2017-18, for example, we will fund training for women from International Conflict Zones to give them the skills and confidence to maximise their contributions to building a safer world by involvement in UN peace processes. We are confident that by placing equality at the heart of our international agenda, our work will have the greatest impact on those who experience disadvantage, both at home and abroad.

Culture, Tourism and Major Events

Creative Scotland and Other Arts supports artistic work which explores and promotes equality and tackles discrimination in Scotland. Organisations funded by the Creative Scotland and Other Arts budget have diverse programmes, and many projects take place in areas of deprivation, targeting those in specific equality groups. For example, participation in Sistema, Scotland's Big Noise orchestra, aims to create permanent social change in some of the most deprived communities in Scotland by fostering confidence, discipline, teamwork, pride and aspiration in the children and young people taking part. Relatively stable funding overall in this budget area will ensure the continuation of a range of initiatives and programmes.

Continued commitment to working with our partners and providing funding support for the themed years programme will ensure focus on and delivery of the themes of the 2018 Year of Young People (participation, education, health and wellbeing, enterprise, equality and tackling discrimination, and culture). A programme of cultural and educational events and activities, co-designed with young people, will also help celebrate Scotland as a great place for young people to grow up in.

Stable levels of funding will allow **VisitScotland** to build on its inclusive tourism activity by developing a marketing campaign to promote its new Access Guide website and increase the number of Accessibility Guides featured. This will benefit disabled and older people, parents and carers. VisitScotland will also deliver a new programme of industry events that will encourage businesses to work in partnership with local authorities and destination organisations to develop more accessible tourism destinations. It will build on the success of the social tourism pilots which, in 2016, saw almost 1,000 people from disadvantaged backgrounds with a wide range of equality characteristics enjoy an overnight break or day out through generous support from the tourism industry.

National Collections provide free access to the collections for the public. This enables participation for those on low incomes, of whom women, disabled people and some minority ethnic groups are disproportionately represented.

Sustained levels of funding will allow the **National Performing Companies** to continue to place education and participation at the heart of their core activity to enhance the wellbeing of individuals who participate. A range of initiatives are targeted at young people, for example, the Royal Scottish National Opera Junior Chorus; and outreach programmes such as those run by the Scottish Chamber Orchestra and Scottish Opera, bring productions to local theatres, village halls and community centres across Scotland.

Historic Environment Scotland

Historic Environment Scotland (HES) will continue its programme of building repair, supporting employment of those with traditional skills and contributing to the regeneration of Scotland's town centres. Also, HES will continue to encourage engagement with, participation in, and enjoyment of, the historic environment and increase the diversity of people accessing it. Evidence from the 2015 Scottish Household Survey¹ shows that older people and disabled people are least likely to go to historical places. This investment aims to address this; and findings from the most recent survey indicate that people in these groups were more likely to undertake such visits than they had been in 2014.

National Records of Scotland

Compared to 2015-16, there is an increase in budget for **National Records of Scotland (NRS)**. This will support the ongoing design of the 2021 Census. During the course of 2017-18, NRS will be carrying out testing on a range of equality questions, including on the possible inclusion of a question on sexual orientation. In addition, work will start to develop the whole range of systems and services which will be required for the 2021 Census, and NRS will be working with equality groups to ensure that the approaches taken are appropriate and accessible by all.

Additional resources will also support demographic analysis to inform our understanding of the impact on certain protected characteristics in particular areas and other activity, such as the needs of faith and cultural groups as part of the death certification process.

CONCLUSION

The portfolio area has a key role in enriching quality of life for people in a range of equality groups. 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 current levels of investment to ensure the long-term sustainability of programmes, activities and sites.

¹ <http://www.gov.scot/Publications/2016/09/7673/14>

CHAPTER 13

Administration

INTRODUCTION

Most of the Scottish Government Administration budget is spent on Scottish Government staff engaged largely in policy formulation and support for Ministers. A key priority for 2017-18 will be to continue to ensure that the Scottish Government has the required capacity and capability to deliver the required functions of government and the priority outcomes. This includes enhancing skills, making best use of talent, and greater matching of staff resources to priorities, all of which provide an opportunity to enhance the contribution of our diverse staff groups. Where new skills are required, we will take the opportunity to broaden the current staffing diversity profile of the Scottish Government.

The Scottish Government aims to champion and broaden its diversity and mainstream equal opportunities in its work and the work of all public bodies. Our ambition is to be a government that is reflective of the people it serves. In addition, as part of ongoing work to make progress on our Equality Outcomes by 2017, we will continue to take further steps to improve diversity declaration rates across protected characteristics.

KEY STRATEGIC PRIORITIES

Continuing to progress our aim of achieving a more representative workforce by 2025 through positive actions to encourage the recruitment and development of our under-represented groups and support for the Modern Apprenticeship Programme, in line with the Scottish Government's equality outcome.

Better understand our workforce by using targeted communications and awareness-raising to enhance the quality and quantity of our data monitoring to achieve a response rate across all characteristics of 90 per cent by 2017 and 100 per cent by 2021.

Maintaining the principle of equal pay for our employees through the monitoring of our pay systems and practices and addressing occupational segregation within the Scottish Government.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Staffing

As of November 2016, the current staffing profile of our directly employed Core Scottish Government Staff does not yet reflect the wider Scottish population. We have been working on improving the diversity of our most senior staff. Through this, we have seen an increase in women at Senior Civil Service (SCS) level in Scottish Government core staffing, from 40 per cent in March 2015 to 45 per cent in September 2016. We also saw an increase in the proportion of female staff at the most senior grades in the organisation declaring a disability from 3.9 per cent to 5.2 per cent during the same period.

We will continue to work to ensure true equality in the workplace for our lesbian, gay, bisexual, transgender and intersex (LGBTI) colleagues, including participation in Stonewall's Workplace Equality Index (WEI). Our performance in the WEI improved from 213 last year to 106 this year. A revised LGBTI improvement action plan is now in place with clear improvement goals, including work to look at how better our procurement process can help drive equality of opportunity for LGBTI staff in the organisations we procure goods and services from.

We will also continue to build on our network of diversity and inclusion allies and role models. We will support and empower role models and allies to be active change agents throughout the Scottish Government, creating a more inclusive workplace for everyone.

We have a renewed focus and ambition from the senior leadership team, including the Permanent Secretary and executive team, to bring about the significant change required to truly become the organisation we want to see. Part of this work has included the appointment of SCS and Director General level Diversity Champions and Allies across all protected characteristics and for additional characteristics, including carers and socio-economic status. In March 2016, we started to proactively publish Scottish Government Core staff diversity information to increase visibility of our diversity and track the progress we are making: <http://www.gov.scot/About/Information/workforce-information>.

The Scottish Government asks for full diversity information from staff. However, we still have some way to go to fulfil our ambition of 90 per cent of staff providing their diversity information in 2017. To help address this, we now have an improvement programme established using robust methodologies to deliver increased diversity monitoring. We are closely following work ongoing at the UK Civil Service level on developing practical measures to capture employee socio economic background.

The project will obtain evidence of successful test ideas to then roll out further to increase the level of data completion. This will help ensure that we have more detailed information about the diversity of the people we employ. This work has already seen an improvement in declaration rates for sexual orientation from 52 per cent in March 2015 to 61 per cent in September 2016 and in religion and belief from 52 per cent to 60 per cent over the same period.

We are currently considering the outcomes from the Transgender Equality Inquiry by the UK Government's Women and Equalities Committee and we are also looking at UK-wide Civil Service proposals for capturing the gender identity of staff. We will work closely with Civil Service departments and transgender equality organisations in Scotland to ensure that we consider and implement best practice in this area.

The Scottish Government's Programme for Government 2016-17 encourages public bodies to set a voluntary commitment for gender balance on their Boards of 50/50 by 2020, with the aim of ensuring that Boards of public bodies are broadly reflective of the wider Scottish population. As of 22 November 2016, 191 organisations have signed up.

In 2015, more women than men were appointed by Ministers to the Boards of regulated public bodies for the first time. Forty-one per cent of applicants and 54 per cent of those appointed were women, an increase of 10 and 15 percentage points respectively from 2012, and an improvement of seven per cent in female appointees in a single year. In November 2015, the proportion of female board members broke the symbolic 40 per cent mark and is increasing steadily, now achieving 43.8 per cent. Over half of regulated public bodies with boards are now gender balanced.

Resourcing Policy

A Promotion Board Advisory Group was set up with representation from across the Scottish Government and its delivery agencies, including experts in diversity analysis and our trades unions, to ensure our opportunities are fair and transparent. A robust review and EQIA of the 2012 and 2014 promotion boards highlighted potential challenges, particularly declining success rates with age, and a new promotion model was implemented in October 2016.

The evaluation of the new model has a strong focus on equality and diversity, and will monitor the impact on protected characteristics. The accompanying training and guidance for the new model also has a strong equality and diversity focus.

To support this new policy we now have a pool of Lead Panel Members (LPM) who will play a key role in certain promotion processes. LPM training includes an unconscious bias module which should help eliminate this from our new promotion process. A detailed evaluation strategy is in place to monitor the impact of the new promotion policy over the next 18 months.

We have also removed the requirement for external vacancy candidates to have specific academic qualifications where vocational skills and/or direct relevant experience would serve. We hope this will open up the market to more candidates and minimise any potential age or socio-economic bias or discrimination.

The Scottish Government's Graduate Development Programme (GDP) aims to identify individuals with the potential for senior leadership. We evaluated the Scottish Government GDP 2015 from a diversity perspective which showed that candidates were broadly representative of the Scottish population. For example, the gender balance of the cohort is 50/50.

In preparation for the 2017 programme, we have worked with diversity networks and organisations to engage with potential applicants from under-represented groups. We have also reviewed our selection process to ensure that it does not favour particular groups. Our aim is to increase applications to the programme from diverse groups and to also support applicants throughout the process to sustain retention.

A recent review of the Civil Service Fast Stream recruitment programme by the Bridge Group identified that the scheme had a particular challenge with socio-economic diversity. Changes such as consideration of testing of a socio-economic status question have been made to the programme for 2017 and further work is ongoing.

We will continue to support the Modern Apprentice (MA) Programme. We have directly recruited 417 Modern Apprentices from April 2011 to the end of September 2016. This work supports younger people and those from more disadvantaged backgrounds and increases the age and socio-economic diversity of the organisation. We have contacted umbrella organisations within the LGBTI, disabled and minority ethnic communities to raise awareness of our MA programme and to ensure better diversity within our future MA intake.

With 77 people currently in partial retirement (206 since the scheme began in 2008), we will sustain our offer of partial retirement to staff wishing to adjust their work-life balance. This work is part of our overall commitment to flexible working practices and will have the greatest positive impact on older people within the organisation and those who have caring responsibilities later in life.

Pay and Pay Gap

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.

Following the implementation of pay awards, information is gathered on pay and gender. This illustrates that within almost every pay range there is a difference of less than one per cent between the average salaries of female and male staff. This broadly demonstrates that the Scottish Government pay arrangements are delivering equal pay for work of equal value.

Within the Scottish Government Main Bargaining unit, pay covers all grades below Senior Civil Service. The 'All Staff' analysis illustrates that the gap in the overall average female and male salaries is around five per cent which is a reflection of the distribution of female and male staff across the different pay ranges. Thus, the overall pay gap is largely a function of the gender distribution across our grade structure, where a greater proportion of those in lower-paid roles are female. Discussions with the Trade Unions are taking place with a view to examining equality within the pay system on a rolling basis.

Smarter Workplaces

The Scottish Government continues to be committed to making our office-based and remote-working facilities more flexible and responsive to everyone's needs, including our disabled staff and those who, due to caring or other responsibilities, work an alternative pattern or who need to work closer to home, and to improving the experience of using these facilities.

Across the programme, changes to current Scottish Government buildings have been made to ensure equal treatment of all current and prospective staff, not only by carrying out our responsibilities as laid out in law, but by ensuring where possible we add benefit to those using the spaces. We will ensure this programme actively promotes equality for all, irrespective of age, disability, gender, gender identity, race, religion and belief, and sexual orientation. During 2016, we have created a new space for prayer and ablution for our staff in our Glasgow office and have created gender neutral toilet facilities in a number of buildings and are considering, where there is suitable space, expanding similar provision into our other buildings to further support our ambition of a workspace that is accessible for all.

CONCLUSION

The Scottish Government remains committed to increasing and valuing the diversity of our people within the organisation, with equality considerations continuing to underpin all of our employment policies and practices. To support us in doing so, we require robust and complete information across relevant protected characteristics for all of our staff as far as possible. This will support our aspirations of being truly reflective of Scottish society.

CHAPTER 14

Crown Office and Procurator Fiscal Service

INTRODUCTION

The Crown Office and Procurator Fiscal Service (COPFS) is Scotland's sole independent prosecuting authority which acts independently in the public interest on the authority of the Lord Advocate. COPFS receives initial investigation reports about crimes from the police, and all other reporting agencies in Scotland, and decides, independently and impartially, what action to take in the public interest, including whether to prosecute. We also enquire into deaths that need further explanation and investigate allegations of criminal conduct against police officers.

KEY STRATEGIC PRIORITIES

The 'Strategy for Justice in Scotland' sets the following priorities:

- Reducing crime, particularly violent and serious organised crime;
- Tackling hate crime and sectarianism;
- Supporting victims and witnesses; and
- Increasing public confidence and reducing fear of crime.

Our operational priorities make it clear that prosecutors are targeting hate crime, domestic abuse, stalking and sexual offending, all of which involve significant equality issues.

EQUALITY IMPLICATIONS OF THE DRAFT BUDGET 2017-18

Hate Crime

Tackling hate crime across Scotland continues to be a priority for COPFS. COPFS has publicly stated its policy in favour of prosecution for hate crime offences where there is sufficient, credible and reliable evidence to do so. COPFS has invested staff resources to ensure that the victims of such offences can have confidence in reporting hate crime to the Police and are supported through the court process through our Victim Information and Advice service and through awareness raising campaigns and educational presentations.

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.

Domestic Abuse

The robust and effective prosecution of domestic abuse continues to be a priority for COPFS given the nature of the offending and the significant and enduring impact it has on victims and children.

The number of domestic abuse charges reported to COPFS by Police Scotland has increased significantly since 2013, largely due to the prioritisation and focus on policing this type of crime. Prosecutors dealt with over 34,000 charges reported by Police Scotland in the year 2015-16. Eighty-six per cent of charges reported in the last two years were prosecuted.

The number of rapes, attempted rapes and sexual assaults reported to COPFS that involve an element of domestic abuse continues to grow. In 2015-16, prosecutors dealt with almost four times the volume of charges as they did in 2011-12.

Pending legislative reform will change the way cases of domestic abuse are investigated and prosecuted:

- Abusive Behaviour and Sexual Harm (Scotland) Act 2016 – introducing new intimate image abuse offence, a new domestic abuse aggravation, and new sexual offender orders and jury directions. Implementation is planned for Spring 2017.
- A proposed new domestic abuse offence to criminalise a course of abusive behaviour incorporating both violent and abusive behaviours but also coercive control behaviours not currently criminal. The expected introduction of this offence is February 2017.

These legislative changes will offer better protection to all victims of domestic abuse, the vast majority of whom are women.

Under the direction of the National Procurator Fiscal for Domestic Abuse, we will continue to ensure our policies are appropriate and to provide specialist training for staff to prosecute these cases effectively and to provide a quality service to victims of such crime.

Interpreting and Translation

COPFS provides interpreting services for all Crown witnesses who request this, and provides translation and transcription services to all witnesses and accused persons who require such additional support. 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 continues to grow year on year, and especially after the implementation of the EU directive on the right to interpretation and translation in criminal proceedings in late 2013.

In 2015-16, the cost of providing such services was approximately £288,000. This figure only reflects the costs incurred for spoken languages and does not include costs for the provision of British Sign Language (BSL) interpreters for Crown witnesses.

British Sign Language (Scotland) Act 2015

This Act received Royal Assent on 22 October 2015. The Scottish Government has committed to publishing the first BSL (Scotland) National Plan by 22 October 2017 which will cover all Non-Departmental Public Bodies, including COPFS. The Act is designed to promote and facilitate the use and understanding of BSL across the public sector in Scotland.

COPFS is a member of the cross-Justice Working Group on Interpreting and Translation (WGIT). COPFS and Police Scotland jointly represent the Justice sector on the BSL National Advisory Group which has been tasked with creating the first 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 work to comply with the National Plan for the justice sector. It is too early to calculate the cost implications of this work.

General

COPFS is a member of **enei** (Employer's Network for Equality and Inclusion), **Happy to Translate** and is a Diversity Champion of **Stonewall Scotland** – currently ranked 25th in their top 100 UK employers. 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.

CONCLUSION

COPFS remains committed to advancing equal and inclusive access to justice for all communities across Scotland. We will continue investment in 2017-18 to promote equality and access to justice and endeavour 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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