Scottish Women’s Budget Group
Response to Draft Budget 2015-2016 and Equality Budget Statement 2014

Introduction
In this sixth Equality Budget Statement from the Scottish Government there are clear commitments to improve and embed the process of equality analysis in the Scottish Budget. As in previous responses, SWBG commend and welcome the political commitment and the efforts made to progress a more equality aware budget process and budget documentation. SWBG recognises the financial limitations on the Scottish Government currently and that the level of resource in play is constrained. The policy choices that are made for allocating these resources and the analysis that informs such choices are the focus of SWBG comment and concern. However, again as previously stated, the connection between the expression of political interest in economic growth, transformative equality policy and spending proposals is weak and inconsistent. This will continue to be the case so long as advancing equality remains a secondary consequence of economic growth policy and not a principal political priority.

As Scotland moves on from the outcome of the independence referendum expectations for change and improved outcomes from government policy are high. Women’s expectations for change are also high. Women have shouldered the worst excesses of the UK Government’s taxation and welfare cuts and have been edged out of paid employment through recession, and the reforms, restructuring and underfunding of public services in Scotland. Therefore public spending and public policy in Scotland must act as a driver of change for women and deliver improvements in women’s lives as carers, workers, students and parents.

The devolution of further powers over welfare, taxation, and potentially equalities legislation has significant implications for women’s lives in Scotland. Such measures may be beyond the scope of the Draft Budget 2015-2016 and the accompanying Equality Budget Statement (EBS), but just as they are the focus of discussion and debate by the Scottish Government and political parties, they are the focus of debate and campaigning by women’s organisations in Scotland.

The language used by the Scottish Government in the Draft Budget 2015-2016 and the EBS reflects the influence and contribution of SWBG, including through its membership of EBAG and other stakeholder groups. This conceptual understanding and engagement is welcome, and is indicative of the political will to embed gender impact assessment and advance gender equality. However, the policy and spending proposals in the Draft Budget Scottish Women’s Budget Group, November 2014
do not reflect the necessary understanding of effective gender equality policies or the gender dimension to ‘mainstream’ policy areas such as Modern Apprenticeships, carers, welfare reform, and taxation. Instead, the Draft Budget and EBS present a mix of funded programmes targeting specific issues such as violence against women and occupational segregation, and thereafter a range of policies and spending commitments that fail to recognise gendered inequalities and that may in effect serve to reinforce them. This approach results in inconsistency and incoherence between the policy proposals presented and the political commitment to “tackle inequality”.

This response from SWBG addresses some specific proposals in the Draft Budget and EBS that illustrate these concerns. This paper is in two parts. Part One is a commentary on the EBS process and the conceptual approach of the Scottish Government to gender equality analysis and the advancement of women’s equality. The second presents commentary and analysis on key policy issues as presented in the Draft Budget.

In particular we have highlighted
• the impact of ongoing Council Tax freeze on local authority income and ability to deliver services in the context of the effects on women and the need for a revaluation and restructuring of this public income measure
• ongoing and cumulative impact of welfare reform measures imposed by the UK government and the adequacies of the Scottish Government response
• ongoing concerns relating to the under/employment of women and the failure of economic and employment development programmes to address these issues
• the absence of detail in relation to measures to address occupational gender segregation in Modern Apprenticeships and in response to the recommendations of the Wood Commission
• opportunities for reinforcing the Public Sector Equality Duties through the proposals for the Community Empowerment Bill
• the need and opportunity for revision and strengthening of funding for equality organisations, especially those who have been subject to standstill budgets over the last four years.

The First Minister has given welcome commitments to gender equality. SWBG encourage the Scottish Government to realize that commitment through improved analysis in the budget process and clear links between analysis, policy and spending. The budget process in Scotland continues to be distinctive from other countries of the UK in the European Union. SWBG encourage the Scottish Government to reaffirm its commitment to gender equality in the budget process, as evident in its engagement with SWBG and EBAG over the years, and to re-energise it with clear outcomes on many of the statements on childcare, women’s labour market participation, and alternative approaches to social justice and social protection indicated in the Draft Budget and Equality Budget Statement.

Recent political engagement and debate has generated new ideas and even higher expectations of government and public policy in Scotland to advance equality. That is recognised in the EBS which also highlights the progress made to embed equality in the budget process and the need to consolidate and reinforce that in the context of the Scottish Women’s Budget Group, November 2014
electoral cycle. SWBG are also looking ahead to 2016 and the opportunities for policy change that the electoral cycle brings.

Part One

Equality Analysis in the Scottish Budget Process
The EBS is presented in the context of previous statements and commitments with a focus on reporting on specific activities from last year. As a step towards evaluation and reflection of progress towards equality objectives, what analysis has there been of year on year progress? What, if any, specific changes in policy decisions and outcomes can be attributed to the process of seeking to embed gender analysis in the budget process? The EBS also makes reference to guidance to spending/portfolio departments. Is that guidance publicly available? To what extent has it been developed with input from EBAG?

SWBG had previously welcomed the creation of the new portfolio of Training, Youth and Women’s Employment and the specific focus on valuing women’s economic participation. The commitment to prioritise women’s position in and access to the labour market reflected input form the Women’s Employment Summit in 2012 and subsequent processes, input of SWBG to EBAG and other processes, the work of Close the Gap, Engender, Women’s Enterprise Scotland, Equate, and other organisations working to advance women’s economic participation and economic autonomy. The work of the late Prof. Ailsa McKay in informing and shaping Scottish Government policy in this regard is highly valuable and must also be recognised.

However, in the re-shuffle of ministerial roles, this portfolio is no longer a Cabinet level ministerial role. This is disappointing. That the portfolio review would overturn such a recent creation raises concerns about the priority the new government accords to this area and that the specifics of women’s position and advancement of women’s equality can be lost, yet again, in the conflation of a broad concept of “fair work”. SWBG would welcome clarification from the Scottish Government and the new ministers on the following key questions.
• What specific actions are proposed within the broad statements presented in the EBS?
• Is there a demonstrable work stream taking forward the proposals indicated in the EBS?
• What specific actions is the Council for Economic Advisers looking to take forward?

The EBS refers to greater transparency and participation in the budget process which SWBG would welcome. Future approaches to budgetary processes can support democratic renewal and engage people at local and community and national levels to create a more participative budget process. This would support wider public service reform and key areas of reform of interest to SWBG and others, including the reform of local taxation.

Opportunities for greater community involvement are highlighted in the reference to the Community Empowerment Bill that underlines the significance of public authorities in advancing equality and transforming institutional practice. However, the poor implementation and operationalisation of the Public Sector Equality Duty (PSED), including Scottish Women’s Budget Group, November 2014
the Scotland-specific duties, to date has been well documented. Using the Community Empowerment Bill to reinforce the equality duty would be very welcome, offering a route to realize the potential for improvement in political leadership on compliance and leverage for equalities that has been indicated in the exercise of the ministerial duties to date.

Conceptual clarity and consistency
The promotion and advancement of equality is framed by the Scottish Government as ‘tackling inequality’. This thematic approach to tackling inequalities aims to deliver specific measures through proposals on the living wage, child poverty etc. While SWBG supports these measures, they are symptomatic of an approach to equality analysis rooted in, but not recognising, the structural causes and constraints that result in gender inequalities and intersectional disadvantages. As SWBG has argued previously, an approach to ‘tackling inequality’ that lacks structural analysis and understanding of gender relations and how these are manifest in social, economic, and political power results too often in gendered outcomes from public policy that mirror existing gender bias, resulting in no effective policy change for women.

The broad equalities approach adopted by the Scottish government results in a conflation of terms which suggests an equivalence of concept and experience. For example, ‘tackling inequality’ is not the same as ‘promoting equality’. While SWBG welcomes the priorities set out in the EBS (p.22) as strategic interventions, we wish to highlight the need for clear analysis that distinguishes between the different problems identified across “equality communities” and the different structural and attitudinal issues that give rise to them. The conceptual bias furthermore results in inconsistency in policy and spending recommendations, as highlighted in the detailed discussion in this paper and reflected in comments from other organisations including Engender in their joint response on the Draft Budget submitted to the Welfare Reform Committee (attached).

The EBS states that the Scottish Government “will continue to mainstream equality across government in support of sound policy making and in effecting the best outcomes” (p.22). This statement, while very welcome, is indicative of one of the problems of the core approach to advancing equality evident in the Scottish Government’s policy making and tensions that arise in the format of the Equality Budget Statement.

The EBS aims to highlight specific areas of spending on “equalities” but, in doing so, fails to reinforce the need for and evidence of where substantive rather than ‘special’ spending programmes are informed and formulated around the intention to advance equality and eliminate inequalities. An example of this is the description of additional funding for Skills Development Scotland to progress equalities issues arising from the recommendations of the Wood Commission. £3m has been allocated to this spending stream, in addition to the core funding of £184m.

Further examples include the funding of the ‘Active Girls’ programme. This is an example of a positive project but which nonetheless is a very small amount of funding at the margins of major spending in public services. Effective gender budget analysis requires the whole of the budget, in this case the large portfolio covering sport and equalities, local government services and health etc. to demonstrate how the structural barriers are being addressed in the mainstream spending programmes and not only through small-scale Scottish Women’s Budget Group, November 2014
remedial or positive action projects. These recommendations were made in the early pilots on gender budgeting that specifically considered access to and participation in sport for women and girls, and proposed a dual approach of systemic change and specific actions.

A stated core purpose of the EBS is to report on how spending in the Scottish budget tackles inequality. This emphasis on reporting on specific equalities-specific spending undermines the focus on and imperative for advancing equality through mainstream policies and programmes. While an emphasis on opening up the reporting process is welcome evidence of commitment to transparency, action from government must focus on securing alternative policy outcomes and on policy making that integrates equality analysis to achieve significant shifts in policy content delivery and outcomes.

The EBS states that the Scottish Government will work with EBAG “to improve the quality of reporting on our equality analysis and assessment”. Again, the imperative here should be on improving the quality of the analysis and assessment processes to achieve improved policy outcomes in people’s lives, which are then reported on through the EBS and in relation to the Government Economic Strategy and the National Performance Framework.

PART TWO: Focus on key policy issues

Valuing the Care Economy
The current Scottish Government has consistently held up economic growth as the principal priority and purpose of government. While there is recognition by government of the need to revise and create new models for developing Scotland’s economy, the care economy is not yet at the heart of government thinking.

SWBG has consistently pressed for women’s unpaid contribution to the economy to be made visible in the budget and in public policy decisions in the Scottish Budget. The Government Economic Strategy is framed around key sectors. Why is the care economy not regarded as a key sector of the economy? 160,000 women¹ are employed in social care and other care provision, in addition to the unpaid care of parents, long-term carers, and kinship carers. They subsidise paid employment through their contribution. For many women, provisioning of care in the household and more widely constrains their participation in paid employment and reduces their income potential over the lifecycle, leaving them more vulnerable to poverty in old age. All this is well established and accepted as an economic and social reality by government, but it does not yet inform or frame public policy decisions as expressed in the budget.


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Economic participation
The Draft Budget places considerable emphasis on economic growth. SWBG has consistently challenged this priority focus - questioning how economic growth is defined and who benefits most directly from it - and pressing instead for a focus on achieving greater equality as a core political goal, not a secondary effect of economic growth. There remain considerable challenges arising from the ongoing focus on economic growth. Can the Scottish Government demonstrate that indications of economic recovery and re-emerging growth are benefitting women? Earlier this year researchers at Women in Scotland’s Economy Research Centre at Glasgow Caledonian highlighted a range of issues that women continue to face in accessing the labour market at a level commensurate with their skills levels and economic needs.2

Whilst there are clear indications of political commitment to improving women’s economic status, we see, yet again, a focus on work first and a lack of understanding of the economic input of women. SWBG welcomes the significant statements in the EBS on revision of economic models and improvements in data and analysis of the labour market. These actions, however, are somewhat lost in the detail (p.27), but are at the heart of what could and should be transformative economic policy to which the Scottish Government has repeatedly stated its commitment. It is clear from the statements in the EBS that the work outlined is at an early stage, but SWBG and others would welcome further detail on the proposals and the progress of this important area of work, specifically on the evidence base on women’s economic position and the European comparisons. SWBG is engaged with many gender equality organisations across the EU and so has a wealth of knowledge and networks that could support the Scottish Government in this area.

Women’s Employment
The Youth and Women’s Employment portfolio was created to support young people and those who traditionally face barriers to employment such as women and disabled people to find and sustain work. However, the narrative in the budget documentation suggests that this new portfolio is a portfolio for most equality groups, and not just women and young people, unless the government is referring to disabled young people and women as well as minority ethnic young people and minority ethnic women. It is important to clarify this to track relevance of projects and outcomes.

The Government’s proposals for this portfolio outline important policy priorities for women and young people in the coming year and in particular the additional spend on childcare services. Although a note is made about women’s employment being linked to unaffordable childcare it is not clear within this portfolio where spend on childcare sits and how much extra ‘work-time’ this spend would allow for women. It is important to also link government policies and programs with their budgets. Also in discussing the types of spend in this portfolio, the government does not state which kinds of project would be


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undertaken to ensure that women access good quality work and over the life-course. No specific goals or targets have been set against which progress can be traced and therefore no specific gender equality commitments.

Unfortunately, proposals in this portfolio fail to make meaningful improvements and investments in programs that address the needs of lone parents (mostly women) and women from minority ethnic communities as low-income households who are most hit by the crisis. Government needs to put in place policies and investment to provide opportunities for low-skilled parents to enter the job market and address the immediate needs of low-income minority ethnic working families in accessing quality and affordable child care.

Childcare responsibilities have time poverty consequences that are also a barrier to participation. An investment in childcare that enables women to make more unconstrained choices about labour market participation would make better use of women’s skills. It is important for government to make clear how much such provision of childcare would contribute to the economy in terms of job creation in the care sector and increased labour market participation by women.

Strategic Group on Women and Work and the Council of Economic Advisers
SWBG, WES and others welcome the extension of the remit and membership of the Strategic Group on Women and Work. This Group has the potential to give clear and robust direction across government as well as the authority to scrutinise work across government and budget portfolios. SWBG looks forward to a strengthening of this Group under the new ministerial portfolios to it making recommendations on actions to drive change, including any actions from the Council of Economic Advisors report on maximising economic opportunities for women due later this year.

Support for women’s self-employment
In considering the implications of the Draft Budget for women’s self-employment and enterprise, SWBG has drawn on expert analysis from Women’s Enterprise Scotland for the following commentary.

WES welcomes the Scottish Government support for women’s entrepreneurship and for the efforts to help tackle unequal pay and occupational segregation. Facilitated by Women’s Enterprise Scotland, the Scottish Government has given its commitment to supporting the Framework’s implementation, and private sector support has also been received from a range of organisations including the Royal Bank of Scotland (RBS).

Self-employment figures are higher than at any point in the past forty years and the number of women in self-employment is increasing rapidly. Seventy thousand women are registered business owners in Scotland, and ninety four thousand women in Scotland are

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3 Self Employed Workers in the UK. Office for National Statistics. (2014)

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self-employed. The economic incentive to promote and resource female entrepreneurship was framed in the potential increase to Gross Value Added (GVA) contribution, from a current £5bn to a potential £13bn (a 5.3 % increase in Scotland's economy) if rates of women's business ownership equalled that of men.

A recent survey conducted by WES\textsuperscript{5} shows that women owned businesses in Scotland are overwhelmingly microbusinesses, employing 10 staff or fewer. The majority of them are sole traders or small private limited companies, and most have an annual turnover of £50K or less.

Over 80% of respondents stated they wanted to grow their businesses in the next two years, with only 12% using public funds to do so. The application process for many publicly funded loan and grant schemes was considered onerous for microbusinesses and quite off putting. Seeking investment for business growth for the future appeared to be problematic for microbusinesses. The focus of finance is sometimes misplaced and WES members identified a need for financing to focus small innovative businesses and on longer term plans rather than only receiving funding at the point of start-up. Businesses with a fairly small turnover (£50K p.a. or less) seem to be excluded from public investment. With the majority of women owned businesses falling within this category, this means the potential for growth amongst women owned businesses will stagnate. Any Scottish Government focus through Enterprise Bodies to, ‘focus efforts on growth sectors, growth companies and growth markets’ needs to be equality impact assessed so as to ensure that opportunities for growth amongst women owned businesses are not being missed.

The majority of women business owners are between 35 and 55 years old. A recent membership survey by WES showed that more financial support for the ‘older woman’ would be welcomed, possibly similar to current young persons’ support schemes.

\textit{Importance of improved Data Collection and its use}

The lifelong learning and science budget (previously employability and skills budget) has now been transferred to the new training, youth and women’s employment portfolio. Data tracking is now part of this portfolio. There is a lack of appropriate sex-disaggregated data on business start-up and business growth in Scotland, the UK and other European states. If we are to see genuine improvements in equality impact assessment models and results, and be able to critically analyse spend, this issue has to be addressed. SWBG and WES would wish to see any new information gathering methods are used to develop a more robust equality impact assessment of portfolio spending decisions.

\textit{Skills Development}

SWBG supports the comments from WES welcoming additional investment to Skills Development Scotland (SDS) to deliver ‘a range of equality activity’. Without explanation as to what this might be, it is difficult to speculate but it is hoped that any such activity will tackle the stubborn and serious issue of gender segregation in the labour market. WES


\textsuperscript{5} Survey of Women Owned Businesses in Scotland 2014. \url{www.wescotland.co.uk}

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would also like to see skills associated with self-employment and enterprise being developed and promoted to young people by SDS so that self-employment is considered as a significant career choice for young people.

The allocated budget of £16.6 million to take forward recommendations of the Commission for Developing Scotland’s Young Workforce is welcomed; however, the need for a robust equality impact assessment to address the significant gender differences in the labour market is critical. SWBG notes the proposed expansion of the Modern Apprenticeship programme numbers contained in the Programme for Government announced on 26 November. However, there are limited proposals in the Draft Budget to advance the equality recommendations from the Wood Commission

**Childcare**

In recent months, the Scottish Government has made ‘transformational childcare’ a priority in political debate and policy proposals. For the most part the arguments have been framed around the economic impact of increasing women’s labour market participation and the potential revenue that could accrue were those levers of public income available to the Scottish Government. In the absence of greater control over tax revenue, the focus reverts to childcare as a key part of the economic infrastructure of Scotland as both a means of supporting an increase in sustained labour market participation by parents, principally affecting women’s employment opportunities. The possibilities of expanding childcare provision through public investment in the workforce and in physical infrastructure also remain within the current powers of the Scottish Government.

In the Draft Budget, the Scottish Government commits to:

“reducing the barriers faced by women when seeking to participate in the economy. As part of the Children and Young People’s Act, we have committed £280 million over 2014-15 and 2015-16 to allow for expansion of childcare provision for three and four year olds to 600 hours and to extend this provision to the 27 per cent most disadvantaged two year olds. This will help to reduce the cost barriers facing parents with young children.”

SWBG welcomes the sustained commitment of the Scottish Government and the new First Minister to improving and expanding childcare, and urges the Scottish Government to progress the principles of affordable, accessible, and flexible childcare through an expansion of publicly funded childcare services, beyond expanding the hours available through local authority nurseries. The Scottish Government has the means and the opportunity to develop a system of publicly funded childcare, affordable to all, that is based on parental choice. This should act as a lever to channel women into employment, but also support sustainable employment and access to training for women and men.

Furthermore, there is significant opportunity for a more creative approach to childcare that, in addition to decoupling childcare from being a ‘women’s issue’, plans childcare infrastructure as part of wider investment in social care facilities, creating multi-user and multi-purposes spaces, with opportunity for increased participation and management by local users and communities. Facilities that combine day-care support for the elderly and

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childcare facilities with special provision for disabled children should form part of future investment plans by the Scottish Government. Such investment can be financed by Local Government borrowing. With flows of funds from council tax, authorities could borrow from various sources including municipal bonds, for example.

Current childcare arrangements through local authorities, while of a generally high standard, are constrained and lack the flexibility required by many parents, especially parent carers who are caring for other children or family members, and parents and carers seeking to access training opportunities.

WES welcomes the recent announcement that the Scottish Government has committed almost a third of a billion pounds (£329m) over the next two years to expand annual funded early learning and childcare. Childcare was mentioned as a particular issue for women business owners in the WES recent survey. Many women find themselves struggling to meet the demands of a business as well as bringing up a family. Recent research from Citizens’ Advice Scotland has highlighted the impact on low income families of the high costs and inflexibility of appropriate and accessible childcare provision.

As well as a lack of affordable childcare, the opening hours and accessibility are important for microbusinesses. Childcare is an issue for many women, employed and self-employed. The limitations on flexible provision present problems for self-employed women too, as evidenced in the WES survey, “Entrepreneurial women desperately need pre-school/after-school/wraparound care.” Many women business owners agree that it is important to make 100% of childcare costs tax deductible on earnings. Childcare is an important issue for the participation of both women and men in the labour market, but the majority of the responsibility for care in the family still falls to women. Recognising childcare as an essential cost which supports business development and growth would greatly improve the situation for women in business.

The draft budget chapter, ‘Finance, Employment and Sustainable Growth’, states ‘Priorities include: increasing female and parental participation in the workforce through transformational expansion of childcare provision and improving the gender balance on boards.’ The issue of ‘childcare’ and the issue of ‘gender balance on boards’ are two separate issues. While both are crucial to promoting and achieving gender equality, methods to address both are, and should be, quite different.

**Social Care**

There is no clear focus within Equality Budget Statement on the impact of policy change on unpaid carers (mostly women) or on their health and wellbeing. The challenges in social care have gained a higher profile on the political agenda, both in the Scottish Parliament, and through civil society campaigns such as Scotland against the Care Tax. This is gaining momentum, with widespread debate about the nature, funding and

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direction of social care in Scotland. There is increasing evidence of cuts to local services, including social care, and an increasing human rights deficit as a result.

The Equality Budget Statement does not fully address the nature of the challenge we are facing, or the need to radically rethink social care. There appears to be limited understanding of how carers are challenging their lack of inclusion in the implementation of Self Directed Support.

Carers are largely rendered invisible in the Draft Budget and EBS. There is no detail on the Carer Information Strategy funding which has helped local voluntary organisations develop preventative programmes to support carer training such as lifting and handling and wellbeing support. How does wider government policy (not just health and social care) reflect the challenges carers face as highlighted by Carers UK and the ‘carer penalty’ identified in their “State of Caring and Finance” surveys? This analysis revealed that “2.3 million people have quit work to care and almost 3 million have reduced their working hours. Carers leaving work to care on this scale not only has a devastating impact on the finances of individual families but also on the Exchequer and the businesses which lose valuable employees” (Carers UK, 2014). There is no evident linkage between the Scottish Government Skills Strategy, investment in Skills Development Scotland and the focus on increasing female participation rates that reflects these challenges.

**Modern Apprenticeships**

There is an additional £3m to SDS on top of the £184m budget for their core functions. What is this additional funding intended to do? How will it be monitored? Are there specific gender (and other) equality objectives?

The addition of £3m for spend on addressing specific equalities issues is an example of marginal spend vs. core spend. The issues of unequal access, participation and outcomes raised by WiSE, EHRC, and others must be integrated into approaches to policy analysis, programme formulation and evaluation by SDS and not just within “equality specific” programmes. Some of the recommendations from the Wood Commission have been included, but there is very little detail on what the additional spend is for and how it is being allocated and to what (see pp. 92-93). Clear indicators, targets and milestones are essential if the systemic change essential in eradicating the in-built inequalities in the MA scheme are to be eradicated.

**Welfare Reform**

Analysis by the House of Commons Library shows that of the initial £8 billion raised in changes to taxes and benefits by the UK Government, £5.8 billion will be paid by women and £2.2 billion by men. Yet, this extremely unequal gender impact has not been reflected in the Scottish Government’s work to mitigate the worst effects of welfare reform.

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7 House of Commons Library (2012) *How have Coalition budgets affected women?*

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SWBG supports the position set out in Engender’s joint submission to the Welfare Reform committee, along with Close the Gap, Scottish Women’s Aid and Scottish Refugee Council. Specifically SWBG wish to reinforce the following points.

"[D]espite the higher profile given to welfare reform issues more broadly, gender remains unaddressed. In fact, a degree of incoherence emerges. Welfare reform is appropriately integrated as a key issue across portfolios, including in terms of Equalities (chapter 5) and Training, Youth and Women’s Employment (chapter 8), yet this is not reflected in the substantive discussion and breakdown of spending in chapter 12 on Investment, Infrastructure and Cities.

"It is imperative that gender issues are reflected in allocation of the resources ring-fenced for welfare reform mitigation. Without targeted support for women, patterns of inequality and discrimination that explain the gender imbalance of ‘welfare reform’ in the first place will be further entrenched. Failure to explicitly acknowledge gendered discrimination in the top-level policy response to ‘welfare reform’ makes women’s inequality invisible and risks compounding it. This can be redressed by use of gender mainstreaming, the integration of gender as a principal concern in decision-making from the outset.

"Critically, without such an approach, the Scottish Government’s broad range of commitments on gender equality stands to be undermined.

"Projections that child poverty is set to rise as a result of welfare reform hinges to a large extent on women’s reduced incomes. Lone mothers are particularly reliant on social security and women’s caring responsibilities for children partly explain the disproportionate gender impact.\(^8\) More broadly, the links between women’s and children’s poverty are well-established.\(^9\) The Scottish Government’s own analysis recognises the extent of women’s disadvantage and its links with child poverty,\(^10\) but spending plans do not take either set of issues into account.

"Different groups of women are being impacted in particular ways, often because of multiple discrimination. Lone mothers, rural women, older women, women affected by violence, women struggling to access the labour market, and refugee women with newly granted status, disabled women and unpaid carers face particular challenges."

Despite the increased thematic focus on ‘welfare’ in this Draft Budget, there is a comparative lack of detail on how spending will be allocated, within the mitigation programme. How will the earmarked funding be used to redress the hugely disproportionate impact on different groups of women?

Analysis of take up of the Scottish Welfare Fund by the Scottish Government showed significant differences in how women and men accessed the Fund and for which purposes. £29m (of £55m earmarked) was allocated in the year April 2013 - March 2014. Of the recipients, 44,000 were single people and 26,000 were families with children. 36,000 Community Care Grants (CCG) of an average value of £640; and 82,000 Crisis Grants

\(^8\) Engender (2014) *Gender and welfare reform: A joint position paper*

\(^9\) Women’s Budget Group (2005) *The links between women’s and child poverty*

\(^10\) Scottish Government (2013) *The gender impact of welfare reform*

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(CG) were issued at around £70 per award to cover food, heating costs, living expenses. This suggests a pattern of women applying for household support through CCGs in greater numbers than men whose individual take up of Crisis Grants was higher than for women.

This analysis by the Analytical Services Division of the Scottish Government provides useful information for improving take up of the Welfare Fund given the slow start and that almost half the monies were not accessed in the first year. It also highlights the importance of gender analysis, that is, understanding the dynamics of gender relations that lie behind the bare data on women and men and the need to link up policy response with service development and delivery.

The Welfare Fund Analysis identifies a category of the population as “Unique Households with vulnerabilities”. This category includes those “Fleeing domestic abuse” which accounted for 5% of CCG (410) and 2% of CG recipients (195), 3% (515).

These data on the impact of welfare and taxation reform by the UK government and the consequences of domestic abuse demonstrate the cumulative impact of factors which contribute to women’s economic and social inequality. Analysis of the cumulative impact of combined policy decisions requires far closer attention and integration in policy analysis and formulation by the Scottish Government and must be reflected in this and future Budgets.

SWBG also calls on the Government to provide gendered analysis of distribution of the £104 million intended to mitigate so-called welfare reforms. Such an analysis will offer critical intelligence for the design and local administration of future local safety nets.

Social Housing
Social housing is a significant area of public investment that requires to be supported by Scottish Government finance. Implications for women and men living in poverty, in inadequate and often expensive housing are significant. Women are disproportionately dependent on the social rented sector; Around a third of households with a female head of household are in the social rented sector (30%), compared with fewer than one in five households with a male head of household (17%). Households headed by women are also more likely to live in overcrowded or substandard homes than those headed by men.

For women fleeing domestic abuse, access to social housing is also problematic. The shortage of social housing across Scotland limits the options available to women trying to leave an abusive partner. If they succeed in getting access to Women’s Aid refuge or other temporary accommodation, the lack of suitable social housing means they are unable to move on into permanent accommodation. This in turn means that women and children

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11 Scottish Household Survey 2010

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who need emergency/crisis accommodation are unable to access refuge. Investment in affordable social housing would significantly support vulnerable women and their children. Furthermore, increase in appropriate and accessible social housing that meets the needs of disabled people and for households with long-term care needs is essential. The Scottish Government’s offset of the ‘Bedroom Tax’ is welcome, but also further highlights the need for investment in social housing stock that meets the needs of diverse groups of the general population.

**Council Tax Reform and Local Government**

SWBG welcome the announcement in the *Government Programme for Scotland 2014-15* (26 November) that

“[t]he Scottish Government will … convene an independent commission to examine alternatives to the existing Council Tax system that would deliver a fairer system of local taxation to support the funding of services delivered by local government. We will seek the involvement of all political parties in this commission which will commence in early 2015 and report in the Autumn. In conducting its work, we will expect the Commission to engage with communities across Scotland to assess public perceptions of the emerging findings and to reflect this evidence in its final analysis and recommendations.”

During this period, however, the Council tax freeze remains in place. Nine months of consultation will run in parallel with ongoing cuts to local authority budgets and personnel and consequent reductions in services to the most vulnerable in our communities. Women will be disproportionately represented in jobs lost and women and children will be disproportionately represented in those affected by service cuts. SWBG urge the Government to address the problem of local revenue and spend with more urgency than demonstrated in the Programme. Women’s and children’s lives cannot be ‘put on hold’ while the Government consults.

SWBG has consistently stated its opposition to the ongoing council tax freeze due to the impact on council revenue and subsequent reductions in spending and employment. The freeze takes power away from local communities and reduces the accountability of local government.

The main disadvantage of the present council tax is that it is regressive. This can and must be remedied *while the new commission consults and its recommendations are implemented.*

A more progressive short-term measure to meet Councils’ need for funds is to leave houses in bands A to G more or less unchanged and divide band H which at present has no upper limit into seven or eight more bands. Meanwhile, revaluation of the total housing stock, which has not been carried out for over 20 years, can be completed in an orderly manner for a more thorough reform of council tax to bring in more funds.

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In addition, SWBG assume that the new Commission will be gender-balanced and that the Government will ensure that consultation mechanisms address women’s ongoing lack of access to public space and their consequent diminished influence on public consultations.

In the EBS the Scottish Government state that there is a parity of “impact” of this policy and that it benefits low income households. SWBG challenge those assertions on the basis that the reduction in revenue to local authorities has contributed to the withdrawal and shrinkage of services relied upon by these same households. That has had the effect of women withdrawing from paid employment to redouble efforts in unpaid care, and to increases in other areas of spending from the household budget including increased transport costs and other costs incurred in accessing alternative/replacement services where such are available. Can the Scottish Government give an account of the benefits that have been identified as a result of the Council Tax freeze and how these have been monitored, including relevant analysis by gender?

**Taxation**

Operationalising new tax powers is a significant development in Scotland’s public finances. The attention of the Scottish Government to date has been expressed through a focus on tax administration and not on personal taxation. It is likely to that a degree of personal taxation will be devolved as a consequence of the Smith Commission and the devolution of additional powers. SWBG insists that robust gender analysis of any future tax structure and tax regime is imperative. The focus on technical competence and monitoring by the administrative agency in the EQIA does not move beyond expected compliance. SWBG is arguing for improved analysis and consideration of alternative measures to ensure gender justice in the taxation regime and across public income and expenditure measures that may come to Scotland in the near future.

The Scottish Government has repeated its approach to the newly operational tax powers as based on Adam Smith’s maxims that include taxation being ‘proportionate to the ability to pay’. This single phrase underlines the need for a detailed EQIA, informed by an understanding of the structural and circumstantial differences that affect women and men’s obligations under and ability to pay different kinds of taxes. Furthermore, taxation such as VAT has a greater adverse impact for low income families and individuals and is an example of the type of regressive tax measures that SWBG would wish to see reduced.

SWBG wishes to see greater priority to widening the tax base by increasing sources of public income through increased taxation of wealth and assets. Tax exemptions of all kinds reduce the tax base and invite tax avoidance: less revenue comes in and others have to pay more. We support equal treatment, equal citizenship and transparency. SWBG therefore welcome the land reform and associated taxation measures announced by the First Minister in the Programme for Government.

The removal of charitable status from independent schools, advocated by the Educational Institute of Scotland (EIS) is one example of taxation change that SWBG supports. It would contribute to: tackling inequality in the structure of tax regimes; simplification of

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taxation; extension of the tax base; and a less divided society. This call follows an investigation by the Office of the Scottish Charities Regulator (OSCR) into how far the sector opens its doors to poorer pupils. These schools get 80% relief from business rates, their investment income is tax free, and they do not have to pay corporation tax. Indeed, for the sake of equality, citizenship and transparency, we call for reconsideration and further pruning of the 23,000 charities in Scotland with similar exemptions.

**Funding for Equalities**

Commitments to maintain funding for violence against women prevention and protection are restated repeatedly in the EBS. SWBG welcomes this commitment to maintaining allocations to the Funds in the current financial constraints. However, the present situation is not sustainable as organisations are functioning within standstill budgets which must be remedied in future Scottish Government Budgets.

From 2016, SWBG urge the Scottish Government, of whatever composition, to ensure an uplift and restructuring of funding to remedy years of standstill funding, ensure effective targeting of funding to appropriate agencies, and finally to ensure that resources are allocated in line with clearly articulated equality objectives not just for equalities organisations, but across the budget lines.

**SWBG Recommendations for Action**

There is clear and welcome commitment from the Scottish Government to advance women’s equality and to tackle inequality. The comments from the new First Minister on women’s equality and increased economic and social opportunities are very welcome.

SWBG propose a series of actions to support improved gender analysis and awareness in policy making that would be reflected in improved outcomes for women and from public spending in the future.

**Action Plan**

As further powers are devolved to Scotland, it is imperative that these deliver greater equality for women in Scotland. SWBG have consistently highlighted the lack of gender analysis in proposals from all parties. In taking forward recommendations from the Smith Commission and future legislation, women’s equality must be a central political priority, and effective gender analysis and gender mainstreaming must be the hallmark approach to policy making.

Involving SWBG and other women’s organisations in Scotland in development and implementation of future powers for Scotland is essential.

The First Minister should create a Women’s Advisory Group and resource regular consultation events with women across Scotland to ensure their voices are heard and can directly influence the Scottish Budget and the Scottish Government programme.

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Expand women's representation and involvement in national and local politics. The current focus on women’s representation on public boards is positive but limited. Dismantling institutional sexism in representation and in policy making requires a range of actions, including much more robust and progressive application of the Public Sector Equality Duties.

Any improvement in women influencing policy at national level must also be reflected in how they influence policy and spending decisions at local level. Women's organisations will be looking for significant improvements in participation and engagement in policy making.

Ensure policy makers are effectively and widely involving, and not just "consulting" with women before they create policies and during the policy making/implementation processes. Officials and elected members in local and national government must make more effort to engage with women through a range of processes. This should include improving participation in Community Planning processes and local authorities should be subject to closer scrutiny by the Equality and Human Rights Commission on the use of requirements to consult under PSED.

Equality impact assessment practice is poor in general. In relation to the budget process a significant amount of work remains to be done to improve understanding among policy makers and parliamentarians to improve policymaking and spending decisions across all areas of spend that can demonstrate progress towards the elimination of inequalities and advancement of women’s economic, social, and political inclusion.

The early years of the Scottish Parliament promoted its approach to family friendly working and accessibility. That priority has diminished over the years and must be rekindled in practice and as a political objective. We can make the Scottish Parliament the most family friendly parliament in the world.

SWBG has consistently called for a range of activities funded by the Scottish Government to make the budget process more transparent, accessible, and easily understood by all. Over the years many examples of how other countries have created resources to "jargon bust the budget" have been passed on to the Scottish Government. SWBG is again calling for increased effort from the Scottish Government to resource better public understanding of and participation in the budget process.