



OFFICIAL REPORT
AITHISG OIFIGEIL

Economy and Fair Work Committee

Wednesday 28 September 2022

Session 6



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ECONOMY AND FAIR WORK COMMITTEE

21st Meeting 2022, Session 6

CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

DEPUTY CONVENER

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

COMMITTEE MEMBERS

- *Maggie Chapman (North East Scotland) (Green)
- *Jamie Halcro Johnston (Highlands and Islands) (Con)
- *Fiona Hyslop (Linlithgow) (SNP)
- *Gordon MacDonald (Edinburgh Pentlands) (SNP)
- *Graham Simpson (Central Scotland) (Con)
- *Colin Smyth (South Scotland) (Lab)
- *Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

- Tom Arthur (Minister for Public Finance, Planning and Community Wealth)
- Ruth Boyle (Close the Gap)
- Carolyn Currie (Women's Enterprise Scotland)
- Neil Ritchie (Scottish Government)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament
Economy and Fair Work
Committee

Wednesday 28 September 2022

[The Convener opened the meeting at 09:33]

Interests

The Convener (Claire Baker): Good morning and welcome to the 21st meeting of the Economy and Fair Work Committee in 2022. Our first item of business this morning is a declaration of interests from Graham Simpson MSP, who joins the committee today, replacing Alexander Burnett. I place on record my thanks to Alexander Burnett for his work on the committee and wish him well in his new role. I am pleased to welcome Graham Simpson, who I know was a member of the Economy, Energy and Fair Work Committee in the previous session. I invite him to declare any relevant interests.

Graham Simpson (Central Scotland) (Con): I have no interests to declare.

The Convener: Thank you.

Decision on Taking Business in
Private

09:34

The Convener: Our next item of business is a decision on whether to take items 6 and 7 in private. Are people content that we do that?

Members *indicated agreement.*

The Convener: Thank you.

Subordinate Legislation

Consumer Scotland (Transfer of Functions) Regulations 2022 [Draft]

09:34

The Convener: We move to an evidence session on the draft Consumer Scotland (Transfer of Functions) Regulations 2022. I refer members to paper 1 and I welcome to the meeting Tom Arthur, the Minister for Public Finance, Planning and Community Wealth, who is joined from the Scottish Government by Neil Ritchie, head of unit, energy services and consumer policy, and Susan Robb, solicitor. I invite the minister to make a short opening statement.

The Minister for Public Finance, Planning and Community Wealth (Tom Arthur): Good morning to the committee. I am grateful for the opportunity to speak to the draft regulations. The regulations are, in effect, the final piece of the jigsaw in implementing the Consumer Scotland Act 2020. Earlier sets of regulations have already been through Parliament, as has a United Kingdom Government order pertaining to reserved aspects.

The regulations in their simplest form will add “Consumer Scotland” or replace references to “Citizens Advice Scotland” with “Consumer Scotland” in Scottish acts to allow the transfer or sharing of functions between the two consumer bodies. This is a technical instrument, which brings transparency around the transfer of functions and also recognises Consumer Scotland as Scotland’s independent consumer advocate. The functions that are being transferred relate to the devolved policy responsibility for water. Without the transfer of functions from CAS to Consumer Scotland in the areas of consumer advocacy and general advice, Consumer Scotland would not be able to carry out its duties.

You may be wondering why we are not transferring all functions to Consumer Scotland. Consumer Scotland and CAS, although they are both consumer bodies, have extremely different roles to play in the consumer landscape. CAS will continue to provide advice via its network of bureaux and the extra help unit. Consumer Scotland, as part of its statutory functions, has the ability to provide advice, along with making proposals on consumer matters to the Scottish ministers and public organisations in Scotland, and to other organisations where needed.

Consumer Scotland has now been up and running since July, carrying out a wide range of activities, influencing and adding value where it is

needed most. For example, in relation to water policy, Consumer Scotland is already a key player, campaigning for a fair deal for customers and assisting with policy development. As a member of strategic stakeholder groups, Consumer Scotland scrutinises the delivery of Scottish Water’s investment programme to ensure that ministers’ objectives are being delivered. I welcome this engagement as an assurance that customers and communities have high-quality representation. Consumer Scotland will also be carrying out its own research to identify the potential impact that future increases in water and sewerage charges may have on low-income households.

This legislation is an opportunity for us to ensure that consumers have a voice, that their interests are represented, and that their own capacity to drive change is harnessed. The cost crisis that we find ourselves in now has revealed how important it is that customers have access to the information that they need and are mindful of the impacts of their own behaviour.

We began this process of establishing Consumer Scotland because we recognise that consumers are the life-blood of our economy and, in the months ahead, consumers will be vital for rebuilding our economy and supporting businesses. We will continue this process and one of the ways of doing this is for the committee, I hope, to agree to recommend the approval of the draft regulations. On that, convener, I will conclude. I am happy to take any questions that the committee may have.

The Convener: Thank you, minister.

Graham Simpson: Could you explain to us whether Citizens Advice Scotland is losing functions and they are being transferred, or is this just duplication?

Tom Arthur: The role of Consumer Scotland is set out in the Consumer Scotland Act 2020, which was passed unanimously at stage 3. Its primary role is as Scotland’s independent consumer advocate, but citizens advice bureaux will still be the first ports of call for many people looking for advice. It sits within that broader landscape of consumer support. There is Consumer Scotland, there is Advice Direct Scotland, there is CAS and there are, of course, trading standards departments as well. The role of Consumer Scotland will be in providing national advocacy as set out in the legislation and working to co-ordinate a lot of the activity that goes on in Scotland.

Graham Simpson: As a consumer, if I had an issue with Scottish Water, could I still go to my local citizens advice bureau?

Tom Arthur: Yes. The role is around advocacy. Neil Ritchie might want to explain the distinction between the two bodies.

Neil Ritchie (Scottish Government): Yes. One of the things that we have been doing in helping Consumer Scotland to set up is to increase the transparency about where consumers go if they need any support and help. There are other organisations out there that play a role, such as Advice Direct Scotland and, as the minister has mentioned, trading standards. Yes, consumers can still go to the bureaux, or to Advice Direct Scotland or trading standards. Which one they go to will probably depend on the nature of the issue, but I am hoping that the work that we have done to simplify the consumer journey has helped.

The other point that might be worth making is that the staff who used to undertake the consumer advocacy functions in CAS were transferred under TUPE—the Transfer of Undertakings (Protection of Employment) Regulations—to Consumer Scotland in May of this year.

Graham Simpson: What is Citizens Advice Scotland's view on this? Has it been consulted?

Tom Arthur: Yes, it has been consulted. As set out in the legislation, there was a requirement to consult Consumer Scotland and Citizens Advice Scotland, and they were consulted.

Graham Simpson: What was Citizens Advice Scotland's view?

Tom Arthur: Ultimately, this is about the implementation of an act that was passed by Parliament, so I think that it recognises that this is a decision that Parliament has taken to set up an independent body, Consumer Scotland, which is a non-ministerial office. We have engaged carefully and listened and we have worked through the TUPE process to ensure that Consumer Scotland is now operational. As I said, the instrument completes the journey. It is a technical instrument that is fundamentally about implementing the legislation that Parliament has passed.

Maggie Chapman (North East Scotland) (Green): Good morning, minister. Thank you for what you have said so far. To follow up on Graham Simpson's questions, I note what you say about the TUPE-ing over of staff from CAS to Consumer Scotland and the responsibilities that have shifted. In the consultation process, did Citizens Advice Scotland identify any potential barriers or pitfalls that we should be aware of, especially given that we know that CAS will be very busy in the coming months? Are there potential pinchpoints or areas that we need to be alert to?

Neil Ritchie: No. We worked closely with CAS during the process, particularly with the Scotland

Act orders. The minister mentioned the extra help unit, which sits within CAS and which gives further support to vulnerable consumers in the energy and post spaces in particular. We had a lot of discussions with CAS to get that sorted properly so that there were shared responsibilities, particularly where the extra help unit needed powers. My team wrote to CAS on these instruments and its chief executive confirmed that he was happy with them.

Jamie Halcro Johnston (Highlands and Islands) (Con): Good morning. There has been a lot of change in this sector. When will the first performance review of Consumer Scotland be?

Neil Ritchie: I believe that the legislation sets out that Consumer Scotland will be expected to undertake a review of how it has performed within five years. There will also be regular discussions with officials and the minister to review how it is getting on. That is part of the joint working that I know the minister is keen for us to have with all the public bodies.

Jamie Halcro Johnston: In terms of scrutiny by either this committee or other committees, will we see an on-going review, rather than just the review within five years? Will we have by, say, next year an indication of how things are performing?

Tom Arthur: The reporting requirements are set out in the legislation, but I want to stress that this is set up as a non-ministerial office, so it is directly accountable to Parliament. Indeed, this committee as the lead committee in this area in Parliament can directly engage with Consumer Scotland on these matters. I am conscious, with it being an NMO, that I do not want to overstep my mark as a minister.

Jamie Halcro Johnston: Lastly, you talked about user pathways and how there are a number of organisations out there, and it has been suggested that there is the risk of duplication or overlap. Will how clear user pathways are, how clear information is and who people should go to for advice be part of the reviews?

09:45

Tom Arthur: Again, I would not want to get into the territory of commenting specifically on the work programme and the work that Consumer Scotland will undertake, but clearly, as Scotland's independent consumer advocacy body, it can play an important role in working with other stakeholders and working in partnership with others to maximise coherence and accessibility within the consumer support landscape. I do not know whether there is anything that Neil Ritchie wants to add.

Neil Ritchie: There is only one extra thing that I would say. Co-ordination between consumer bodies came up very strongly in the bill process and, in the wake of the pandemic, we set up the consumer network for Scotland, which drew a lot of these bodies together in one space. Now that Consumer Scotland has been established, we have stepped back from that to allow it to take leadership of that group. We set that group up when we did—probably at least 18 months earlier than was expected—because, from spring 2020 onwards, we needed to capture that information coherently from consumer bodies to understand what issues consumers were facing and feed that into policy decisions across Government and elsewhere. That has been effective in helping a lot of the bodies speak more clearly together.

The Convener: Thank you.

As there are no other questions, I invite the minister to speak to and move motion S6M-05257.

Motion moved,

That the Economy and Fair Work Committee recommends that the Consumer Scotland (Transfer of Functions) Regulations 2022 be approved.—[*Tom Arthur*]

Motion agreed to.

The Convener: I thank the minister and his officials for joining us this morning. I will briefly suspend the meeting while we change the panel of witnesses.

09:47

Meeting suspended.

09:50

On resuming—

Pre-Budget Scrutiny 2023-24

The Convener: Our next item of business is an evidence session as part of the committee's pre-budget scrutiny work. The purpose of this session is to inform the committee's pre-budget scrutiny with the aim of influencing the budget before spending priorities for the next financial year are set out. The focus of today's session is support for women in business. I refer members to papers 2 and 3.

I welcome Ruth Boyle, who is policy and parliamentary manager at Close the Gap, and Carolyn Currie, who is chief executive of Women's Enterprise Scotland. Thank you for joining us this morning.

As I said, this session is about our pre-budget scrutiny. We had a statement from the Government last week, or two weeks ago, about proposed changes to the budget. We are expecting a more substantive statement after the recess. I come to Ruth Boyle first. I am interested in your views on the decisions that have been made. I recognise that we are in a very tight financial situation and that the Government chose to spend money in areas that will in some cases benefit women. The Scottish child payment went up; that is positive. However, there was also the £53 million cut to employability services. We got a letter from the minister just last week that describes the money as money that would have been focused on support for parents. The letter refers to activity in employability that would bring it up

“to scale and enhance available support for parents this year.”

I recognise that we are in a tight financial situation, but do you have an understanding of what the impact of that might be? Where would you like to see the focus on employability services if we are looking at the statement that will come after recess?

Ruth Boyle (Close the Gap): Thank you for inviting Close the Gap to give evidence today. We are delighted that the committee is looking into women in the economy as part of the pre-budget scrutiny process. We think that that is a good indication of where the committee's priorities lie.

First, however, we need to be mindful of the fact that, in general, budget decisions are not neutral. When we make decisions about how we allocate resources, we have the opportunity either to dismantle inequalities or to reinforce them. That is why it is important that we do gender budgeting analysis in the budgetary decisions that we make.

That accompanying gender analysis enables us to understand how different spend impacts men and women differently based on socioeconomic inequalities.

The question that you asked raised some underlying issues in terms of the transparency of the budget. For example, is difficult to completely understand what that £53 million cut to employability services means in terms of delivery because, as we know, it is very difficult to look at budgets across different years and understand how money has been spent.

On employability in general, I think that there has been some indication that the £53 million cut would come from the delivery of the parental employability support fund. Close the Gap has looked at that fund to try to understand what the outcomes have been for parents. It is very difficult to see how that money has been spent at the local level. It was given to local authorities to deliver in the different ways that they saw fit. However, we have had a look at local authority budget lines, and we cannot see how that money has been spent or how it has delivered outcomes for women. If that money is being cut, we would be very interested to know what that will mean. Is it actually delivering on the ground? I guess that that would indicate how concerned we would be about that.

In general, we know that generic employability programmes do not meet women's needs because they do not take account of women's caring responsibilities or occupational segregation, which is the clustering of men and women into different types and levels of work. When we look at job matching within employability, for example, those models are very keen to funnel women into types of jobs and sectors that they already dominate, which reinforces the position of women in low-paid work in the economy.

We need to make sure that we have specialised programmes that deliver for women—particularly women with caring responsibilities and other marginalised groups of women—but also mainstream delivery programmes that take account of women's needs.

That brings me back to the point—I am sure that we will make it a lot today—about gender mainstreaming and having the data so that we can see how programmes are delivering for women. We know that the mainstream fair start Scotland programmes have had some difficulties in meeting women's needs. There has been a failure to meet the targets for the groups that the programmes wanted to be able to engage with. We would be concerned if we were to lose a specialised programme that was delivering for women and instead rely on mainstream engagement, because

we know that such engagement is not yet meeting women's needs.

I think that it is important that, as we move to the emergency budget review, we have that robust gender analysis of how we are spending that money. During times of economic crisis, it is important that we target resources to get the most out of the Scottish Government's spend. However, we do not yet have the data about who is experiencing poverty. How can we tackle that to make sure that we are targeting resources? The "Tackling Child Poverty Delivery Plan 2022-26" has a priority group model, and we are supportive of that because it allows that targeting of resources. However, we do not yet have the data to demonstrate how that spend is benefiting those groups. Indeed, Audit Scotland highlighted in a report this week that we particularly lack data on families who fall into one or more priority groups. That comes back to the intersectionality point—understanding that different groups have different needs and that they might fall under multiple protected characteristics.

Our takeaways would be better data and making sure we are doing that gender analysis as we move into the next stage of the budget, particularly in the current economic context.

The Convener: Thank you. Other members will focus more on the issue of data as we go through the session.

I move on to Carolyn Currie. We will have the budget and more information after the October recess. It is now more than six months since the 10-year economic transformation strategy was published, but we are waiting on the sectoral reports, which should have come within six months. What are you looking for from the budget and how it will deliver on that 10-year economic strategy? When it was published, some questions were asked about whether it prioritised women enough and whether it recognised women's businesses. I think that there was some language around supporting women but maybe a lack of detail on how that will happen. I do not know whether you have had any discussions with Government around the six-month plans and what your expectation is, but how do you think the budget will support that work?

Carolyn Currie (Women's Enterprise Scotland): On the budget and the opportunity before us, the current landscape is clear: inequality is heightening and women are getting a raw deal. They got a raw deal during the pandemic, and we are now in a cost of living crisis. We are concerned that inequality is accelerating. In fact, on the point about mainstreaming that Ruth Boyle made very eloquently, mainstreaming is not changing the status quo; arguably, it is accelerating inequality.

We were pleased to see the word “women” in the economic strategy. Previously, we have seen continued references to inclusive growth with no definition of what lies behind it. Unless we start to dig into what we mean by “inclusive growth”, there will be no change. We are not getting the data on the subsections of inclusive growth that we need to address that.

For women, what we need is data that informs us as to where we can invest wisely. We have already talked about budgets being cut, so we need to be wise with where we invest. To do that, we need data. We have a history of investing blindly and expecting inequality to be addressed. We invest just expecting mainstream services to target women and that all will be well. That is not working. We need to see targeted strategies, investment in women’s needs, an understanding of women’s needs, and design and delivery of services that are set up to address women’s needs.

Economically, that should not come as a surprise. It is the same for any sector of the economy. We have strategies to help food and drink, for example, and other economic sectors. It is the same for women, but it has not yet happened. We want services and support that are specifically designed for women. We expect such services and support to be delivered by expert organisations, not by the mainstream.

10:00

We also expect to see investment in the Women’s Business Centre commitment. We have just talked about a £53 million cut, and I am interested to understand where that money will be invested. I am looking for a clear insight on where and how the £50 million Government commitment will be invested in a Women’s Business Centre model.

The problem at the minute, with an economy that is in a state of flux, is that there is a lack of certainty, so businesses procrastinate. I urge the Government not to procrastinate and to invest now in a targeted way in what we know is needed and what we know works. We know that the model works: we have the international comparators and we know that it is successful because we have swathes of research telling us that. We need to act, and action and strategic delivery for women’s services is what I would like to see in the budget. Too often when investment has been made in women’s services, it goes to small, short-term programmes that do not join up.

One example of the growing strategic need is the increase in violence against women during the pandemic. Economic abuse is a key element of violence against women, but there is no

sustainable strategy for helping women to recover economically, to get on their feet and to develop. In that sense, having a strategy that helps women out of difficult times and to rebalance, regain their skills and progress would be incredibly valuable, but such a strategy is missing. We keep giving crisis funding instead of looking at being much more strategic. Starting up a business or an enterprise is a valuable path out of poverty, out of difficulty and out of poor health situations.

The Convener: The women in enterprise framework and action plan came in in 2014 and was refreshed in 2017. At the moment, we are waiting on the Ana Stewart review into women in enterprise. You are saying that we know what needs to be done, but we are waiting on another review. Has Ana Stewart engaged with Women’s Enterprise Scotland? I think that the review is due quite soon. What do you want to see in that review that you think will make a difference? Do you think that it will be a key document for the Government’s approach to and understanding of the issue?

Carolyn Currie: I think that we have a good understanding of need and what the issue is. We welcome reports. Reports put another lens on a particular point in time. The review report undoubtedly will do that and will be valuable, so, yes, we need to see it. My sense is that we need to take action. We may be delaying action because the report is not out, but every day that we delay has an economic cost. That is a fact of productivity.

We are relying on the status quo, which is not delivering. We need to start to take action. I hope that the Stewart review will come out soon; as soon as possible, I would urge. We have an economy in a state of flux. Women are not being well served currently. I think that we are all agreed that we want to see equality and that we want to see women and children and families—because they are linked—lifted out of poverty. Enterprise is a strong path towards doing that and it is imperative that we start to take those actions.

We know pretty much what needs to be done. Our own consultations are pretty consistent. We have 10 years of research and data pointing to the same consistent challenges: access to finance and access to support that understands women and their ideas, supports them to progress their ideas and gives them the confidence to go forward. Our most recent consultation was absolutely clear that women are actively being discouraged and their confidence is being eroded, rather than being supported and progressed.

Fiona Hyslop (Linlithgow) (SNP): We are doing pre-budget scrutiny and we want to put women at the centre. It is perhaps an understatement to say that there is volatility in the economy and the fiscal situation as we speak.

Therefore, budgets will be tough. I hear you saying that you want mainstreaming, but you also want targeting, and it would be helpful if you could unpack that.

Budgets will be tight. What is already there that you want to keep? It may be at risk, because everything will be looked at. Ideally, everyone wants more money, but that will be a challenge. What would your priorities be? What is already happening that you would say is a priority to keep? Could you explain your position on mainstreaming and targeting a wee bit more, because there is a bit of a contradiction there?

Carolyn Currie: We need to keep business start-up services. That is a priority. We absolutely need to keep Business Gateway—that is what I would refer to as mainstream. There is no cost to access it, it is available across Scotland and it is easily accessible. It is absolutely imperative that we keep that.

That should not be confused with where we see the gaps in the mainstream service. Our research has looked at end-to-end business support, from the “pre” stage, when an idea is being considered, right the way through to scale and exit. Some of the services work okay for women—they are progressing. Others are extremely leaky. We would be looking to put in women-specific support at the very early stage of idea creation, because we know that that will strengthen those ideas. It will see businesses coming through in areas where there is currently no access to the economy and no economic contribution. We have run programmes and pilots that have evidenced that. We would like to see that specific targeted support at that very early stage.

We would also like to see levels of support in the early-stage start-up services. Business Gateway does a good job of getting over some of the basic information. We have it all in one particular portal, the access is better than it used to be and the landscape is slightly less cluttered.

Nonetheless, it is absolutely imperative that women get the support that they need in an environment that makes them feel like their ideas are valued and makes them feel confident about progressing. We would say that that is where a women’s business centre model comes in: a place where women can go, be together, discuss their ideas with like-minded people, and gain the support and the extra skills and knowledge that they do not have as individuals to strengthen and add resilience to their business ideas, then go forward from there.

In that start-up phase, it is a case of complementing some of the Business Gateway services. We do that already. We have the digital portal: womensbusinesscentre.com. That worked

well during the pandemic, but we need a physical place where women can go to be together and network. We all know that digital has its positives—it absolutely does—but there is nothing like getting together with your peers to discuss things or getting that one-on-one expert support, coaching or mentoring, which can make all the difference to strengthening the opportunities for your business and to you feeling that you have the capability to do it. We would look for support there.

The other area where we see a gap is the pipeline between Business Gateway and the enterprise agencies. That is incredibly difficult for women to come through. The agencies are looking at traditional economic sectors. As Ruth Boyle has already said, women tend not to be in the sectors that we might categorise as the growth sectors.

The agencies operate on a growth sector model, in terms of access. We see a need to put in women-specific support to ensure that businesses come through that pipeline and do not just leak out. The data tells us that although we are seeing phenomenal rates of women starting up businesses, they are leaking out. They are not coming through that pipeline to then continue to establish and grow.

We see it as very important to put in that support, particularly support around leadership, strategic development, assessing your first year or so in business, and then looking at your learning and insight to see what you need to do to sustain that growth and keep that momentum. Intervention is needed there and we would urge that to be women-specific.

Fiona Hyslop: That is extremely helpful. Would it be reasonable to say that we need to be pressing the Government on getting better value for the public purse from women’s contributions? That is a good economic argument, because the benefits of having more women being successful will have a disproportionate impact on tackling inequality. In a tight budget, that in itself will provide value from existing budgets.

Carolyn Currie: Yes. There is an argument that in some cases you will be transferring people from being reliant on the public purse to contributing to that public purse, so there is a double benefit in there. That is undoubtedly the case.

I do not think that we have enough time to discuss this today, but there is a real issue with how services are procured and invested in. I have mentioned mainstream delivery already. In the way that procurement works, much of the service provision is delivered by large mainstreaming organisations that are good at mainstreaming. That is what they do—they mainstream; they are generalists. We are speaking here about the development of specialist services, and the people

best placed to deliver that are specialist organisations. That is where you get value for money, and where you would expect an uplift. It is pretty much economic common sense in that case.

However, we are not seeing that coming through the current procurement structures. It is not being funded. There are many layers of structural inequality in procurement and I would urge the committee to address that. This is not just about where we invest, but about how we invest and how we ensure that we deliver the impact that we all want to see.

Fiona Hyslop: That is very clear. Thank you very much.

Michelle Thomson (Falkirk East) (SNP): Good morning. You have touched on so many different areas. I will ask one open question now and I may want to come back in.

I am on the Finance and Public Administration Committee, which yesterday took evidence on the budget from Engender. It said it had concerns regarding the lack of attention that the Scottish budget process pays to structural gender equality. You have talked about data and outcomes, and you have given some specifics. How can our budget process move beyond having regard to systemic barriers for women and take the bold steps needed to effect real change? You are here today, so the question is: have you been to every other committee to give similar evidence that is aligned to them, given the cross-cutting issues that you have started to outline? Have you been invited to do so? What comment could you give about the actual process? That would be useful as well.

Ruth Boyle: I am happy to take that first. This is the only committee that Close the Gap is giving evidence to on pre-budget scrutiny. I will be fair to the Parliament and say that we tend not to engage as vigorously on the budget as some other women's organisations. We would expect the Scottish Women's Budget Group and Engender to be appearing at more committees to give that gendered evidence.

On the process, often equalities organisations get very narrowly focused in parliamentary engagement with just the Equalities, Human Rights and Civil Justice Committee, and that engagement needs to be mainstreamed across all the committees. When it comes to budget scrutiny, looking at how the budget is delivering equality is seen as the priority for the Equalities, Human Rights and Civil Justice Committee, but that should be a priority for every single committee, including the finance committee.

On improving the budget process, we would point to the recommendations that came from the equality budget advisory group. Those actions

could become a ready-made action plan for how we improve the budget process. It comes back to the point about leadership and prioritisation. It is down to all MSPs and all committees to prioritise improving that process and think about how that spend is delivering for women. Until we get that collective responsibility for prioritising equality, we will be quite limited in how we are able to progress that.

We know that this is a time when it is particularly important to think about structural inequalities. If we look at the Covid crisis and the cost of living crisis, we see they have illuminated the fact that structural inequalities remain rife in Scotland, and we have an opportunity to do something about that.

To pick up on the point about the way that we think about gender equality, often gender equality is seen as being a cost to the taxpayer or a cost to the public purse, but it should be seen as an opportunity for economic growth. Analysis from Close the Gap found that if we close the gender gap in employment, that will be worth £17 billion to the Scottish economy. There is an increasing evidence base that gender equality is good for economic growth, but the reverse is not necessarily true. We cannot just presume that economic growth will solve these structural inequalities, because we have decades of evidence that has shown that that is not the case.

10:15

Similarly, thinking about the things that we need to maintain, we would be adamant that we still need investment in the childcare sector. There is a strong return on investment in childcare, because it enables women to enter the labour market or to increase their working hours.

During the cost of living crisis, we see that there is a sense that individuals can just increase their working hours in order to increase their earnings, but that ignores the gender barriers that women experience because they are more likely to be primary care givers or to have wider caring responsibilities for older people or disabled people. Research that was done across the UK by the Centre for Progressive Policy showed that if women had access to adequate childcare that enabled them to work the hours that they wanted, that could generate £28 billion in economic output.

It is also about shifting the way that we view gender equality. Rather than seeing it as something that you do when times are good, it is something that needs to be embedded in every policy decision and every budgetary decision, because it will be good for the wider economy. I will leave it there for now.

Michelle Thomson: In essence, you are utterly reframing the issue as an economic problem to be solved rather than an equalities problem to be pigeonholed. That is coming through quite clearly.

Ruth Boyle: Definitely.

Michelle Thomson: Carolyn, do you have anything to add?

Carolyn Currie: Yes.

Michelle Thomson: I am sure that you have. [*Laughter.*]

Carolyn Currie: It is absolutely an economic problem to be solved. We are all good at wanting to see greater equality: we all want that to happen, we all talk about that and it is part of the national strategy for economic transformation—rightly so. However, we are very poor at reminding ourselves that the same old processes need to therefore be changed and adapted.

To answer your question, no, this is the only committee that I have been asked to give evidence to. That in itself is a fairly damning indictment of the process. In fairness, however, as an organisation, we struggle to resource as much engagement as we would like.

During the pandemic, we were fortunate enough to secure emergency funding so that we could transform our model and keep providing our support. However, the one element of our application that was declined was a request to support a policy manager role. It is now arguably the greatest time of need to engage, as inequality is heightening, and we are operating with one arm behind our back, because I have no policy manager resource. Things like this evidence session today are done pro bono, bluntly—that is what we are relying on. That is not good and it does not help anybody.

We need to get better at the processes that we are implementing, at holding ourselves to account, and at having dashboards and measures that remind us of the equality impact of policies and plans. Processes need to be changed and dashboards and data and accounting systems—the systems that hold us to account and remind us—need to be in place to ensure that that happens.

Michelle Thomson: I will just ask one more question, because I know that other people want to come in.

We have not talked all that much about conditionality yet, but it follows on naturally from data collection. If there is one or a few things that you would recommend about conditionality—assuming that the data is in place, which is a whole separate discussion—what specifically would you recommend for the budget? You can

give me your top three, because there are quite a lot of things, I suspect.

Ruth Boyle: Do you mean in terms of—

Michelle Thomson: If you are really going to effect change, you could say, for example, that no public body should award any grant funding unless it is entirely equitable. It is more complex than that. We know that women may not apply for grants, for example, and that is a cultural barrier, but that is a very simple example. The issue is about effecting change, which goes back to the point about things being systemic. If I were a budget holder, I might be inclined to do that, particularly for women in business. I understand that the issue is complex. There has been tinkering thus far, which has been very well meaning, but maybe we need to be bolder. If you were in charge, what would you be doing about allocation of funding?

Ruth Boyle: I will leave it to Carolyn Currie to talk about women-led businesses, but we have a focus on women across the labour market and we know that procurement could and should be doing more to tackle the undervaluation of women's work. We procure a large amount of services in sectors such as childcare and social care, where women's work is vastly undervalued and underpaid. Those women were critical to the successful pandemic response and we saw something of a societal shift in how we talked about those roles. Those women have not really seen any long-term tangible benefits of that societal shift, because their work remains underpaid, undervalued and underprotected.

When we think about the fair work first criteria and procurement of public services, more could be done on paying the real living wage. The Scottish Government has committed to paying the living wage to childcare staff who are delivering the 1,140 hours commitment, and that is a great start, but we would like to see that going further so that all childcare staff are being paid the living wage. Similarly, there will be real opportunities to embed fair work in the national care service and in the procurement for its services. There are definitely be things that we could do around procurement.

If I were to give you three examples, one would be gender pay gap reporting for the organisations that are procuring services. We need to make sure not just that the figure is reported, but that those organisations have to change and take action to tackle the gender pay gap. We see the lack of that as the flaw in the UK Government's gender pay gap legislation. Pay transparency is a good start, but because the legislation does not require organisations to take action on their gender pay gap, they are not bothering to do so.

We need gender pay gap reporting and the real living wage, and we need to think about security of

work as well. We know that women's work in sectors where they are undervalued is becoming increasingly precarious, and that has gendered implications for women's financial security. It reduces their financial resilience during the current a period of economic crisis. That is my long-winded way of getting to three.

Carolyn Currie: Conditionality is a brilliant tool that is potentially underused. We have seen it used really well in the field of fair work, for example. If you are applying for a Government grant, fair work conditionality is one of the requirements, and we have seen that working well to drive change. We would welcome greater use of conditionality to drive much greater equality.

I would love to see conditionality in procurement. Where expert services for women are being procured, it could be a condition of that procurement that expert organisations are given the opportunity to apply. The system should value their expertise, so that we do not end up simply procuring the lowest common denominator in support and then being surprised that there is no impact on delivery.

On how procurement could have conditionality in it, where we are procuring for women, we would like to see organisations whose services are being procured have fair and equal representation. It is very easy for organisations to say, "Look—here are some women in the organisation". That is good and helps to drive gender-balanced teams, it helps to drive innovation and productivity, and we know that is good for the economy. That is a good step.

However, it is only a good first step. What is really important, if we want to see change, is that we need organisations to have gender-balanced leadership and ownership. Those are the two areas where I would like to see conditionality applied. All too often, when we look at organisations, we are saying, "Look. It's good. They have a bit of gender balance—there is a woman or two in the leadership". However, we need to see gender balance in the people who have power and are taking the decisions, because that is where change happens in those organisations. That is where people can take the decisions that will ensure that they are delivering top-quality services, with the advantages of equality and diversity. If organisations have diverse teams, diverse ownership and diverse thinking in terms of decision making, we know that that drives innovative thinking of the type that brings in novel and competitive ways of doing things, which improves our economy.

Doing that would be investing wisely, because that would put resilience into the delivery organisations and the delivery structure. We would welcome that tomorrow, please.

Maggie Chapman: Good morning. Thank you for what you have said so far. You have covered an awful lot. I am very aware that what we are trying to unpick here is decades of structural and systemic inequalities in all our structures. You have mentioned procurement. Even in the way in which we think about the economy as a whole, there are clearly very deeply embedded inequalities. As Michelle Thomson said, and as our witnesses have both referred to, it is blind to expect the same old, same old to deliver change by just throwing money at it—I think that "blind" was one of the words that Carolyn Currie used.

Given the context in which we are now, facing a cost of living crisis and a cost of doing business crisis, if we look at how we were able to respond—and the benefits and problems that came with that—to the Covid crisis a few years ago, we see the cultural shift that you have referred to in how we have revalued some women's work and some of the priorities that we give that.

Carolyn Currie talked about things such as the digital portal working well, but during Covid there was a very clear increase in violence against women and economic abuse and control. What lessons can we learn from the policy and cultural responses to Covid to inform our decision making now? What are the consequences for and potential impacts on women in the workplace and women-owned businesses if we get it wrong? We are talking specifically about this immediate budget, but I am also thinking of the longer-term economic strategies that Claire Baker has mentioned.

Ruth Boyle: That is a really good question. Close the Gap, alongside Engender, has done a lot of thinking about how we facilitate a gender-sensitive economic recovery in the aftermath of Covid. Obviously, we did not expect to be hurtling straight from that crisis directly into a cost of living crisis. There has almost not been enough time for the dust to settle to learn those lessons. However, you are right that it is important that, during this period of crisis, we look at what happened during Covid and ensure that we do things better.

When we looked at the response to the Covid-19 crisis, it illuminated things that we knew already about the lack of data and lack of gender mainstreaming. Even Governments that have an express commitment to gender equality often deprioritise that during times of economic crisis, because it is seen as secondary to the crisis response rather than as something that should be embedded.

If we look back at the response to Covid, we see that the quality of equality impact assessments deteriorated even further. It would be quite shocking to equalities organisations to think that that was even possible, because they have not

been done particularly well from the outset. They have been completed to an increasingly poor standard and significantly too late in the policy process. The point of an equality impact assessment is that it is done at the earliest possible point so that changes can be made to the policy. However, legislation is often passed in Parliament for which the equality impact assessment arrives two weeks later. That is far too late in the process to influence the policy.

10:30

There was definitely a deprioritisation of equalities work, and we saw the impact of that in the response to the crisis not being well gendered. In a UK Government example, from the start, the introduction of the furlough scheme did not meet women's needs, because there was no clause to say that someone could be furloughed for caring responsibilities, for example. That came much later. However, if the equality impact assessment had been done at the outset, that could have been embedded in the policy. It is important to learn the lesson that deprioritising gender equality means that policies will not meet women's needs.

Data was another issue. We did a lot of work on the impact of the pandemic on women's employment, but we were hindered in that by the lack of data to demonstrate those things. There was some data around the furlough scheme, but it was not intersectional. There is still no way of determining, for example, how many black and minority ethnic women were furloughed or how disabled women experienced furlough. We cannot deprioritise the work on improving data, so that is another important lesson.

In case we get it wrong on what the impact of the cost of living crisis will be for women, we should note that poverty in Scotland is gendered, so women are already more likely to experience poverty, including in-work poverty, and are more likely to find it harder to escape poverty. What we saw in Covid and see now in the cost of living crisis is that women are disproportionately impacted because of their pre-existing inequality in society. Women are the majority of low-paid workers and are already more likely to experience poverty. As I have mentioned, they face gendered barriers to increasing their working hours and their earnings in order to respond to the cost of living crisis. Women have lower levels of savings and wealth than men and are more likely to be in debt, which reduces their financial resilience.

Women are twice as likely to be reliant on social security, and they still function as poverty managers in the home. It is often women's responsibility to make household budgets stretch, which means that they feel the physical and mental health implications much more acutely

during the cost of living crisis. Some forthcoming research from the Scottish Women's Budget Group shows that women are already skipping meals in order to feed their children—even women with pre-existing health conditions for whom that will have a detrimental effect on their long-term health.

If we get this wrong, we will further embed women's inequality. We will push to the brink women who are already under enormous financial pressure. Because of the inextricable links between women's poverty and child poverty, if we push women into further poverty as a result of the cost of living crisis, it is almost impossible to see how Scotland will meet its child poverty targets. We know that action to improve women's equality in the labour market to increase their earnings is critical if we are to address child poverty.

The stakes are high and it is important. Your question is great, because we need to look back to the previous crisis to understand how to do things better.

Maggie Chapman: Thanks, Ruth. That is very clear. The response does not seem to be mobilising in the same way as it did around Covid for any of the next few months, which I find quite concerning.

Carolyn Currie: It is extremely concerning. We are undoubtedly in a crisis of inequality. We are talking about a cost of living crisis, but the debate about the crisis of inequality that we face is not being held.

On what we can learn from Covid, when the pandemic first hit, we were part of the UK Women's Enterprise Policy Group—I think that that is the right name, but you get the gist. It is a group of UK organisations, and we came together during the pandemic to lobby the Government together. Right at the start, we said that, if the Government did not cast a gendered lens over its policies and over the emergency support that was going out, women would come off worst. It would not help equality; in fact, it would drive inequality. Right at the start, we said, "Get a gendered lens over what you are doing as soon as you can and be cognisant of the issue". That did not happen.

Women's inequality has been heightened—exactly as we had feared. The committee might well remember that, when I gave evidence last year, we had just completed analysis of two of the Covid-19 business relief grant funds, which were two key funds that were put out there to help businesses during the pandemic. Our analysis showed that women-led companies received less than 11 per cent of those capital funds, which is clear evidence that women are not receiving their fair share of support.

In itself, that is concerning, but, if we look at the construct of women-owned businesses, we see that they are much smaller than male-led businesses. They are about 44 per cent of the size of male-led businesses. They are highly vulnerable. They were in the pandemic—they were often among the first businesses to close and the last to reopen. They have been highly vulnerable to and hard hit by the pandemic. We are now going into another crisis, and those businesses are worse off than they were before and—it is impossible to believe—have a heightened vulnerability to the cost of living crisis.

I have some statistics from research that we have done. In a 2021 survey that we ran, 89 per cent of respondents said that Covid had had a negative impact on them and their business. In June this year, we did a follow-up survey in which 41 per cent reported that they and their business income were still negatively impacted by Covid, and almost 30 per cent said that their income was a lot lower. Ruth Boyle has mentioned the serious impacts on mental health. In the survey that we ran this year, 44 per cent said that Covid was still having a negative impact on their mental health and 48 per cent said that it was still having a negative impact on their physical health. That is not a good foundation for economic growth or for nurturing women's business ownership and seeing equality thrive.

We desperately need to learn from what happened during the pandemic, get a gendered lens over our policies and target women and women's enterprise support with the help that is needed to boost the resilience of these organisations and get them through the cost of living crisis. Otherwise, we will see what the statistics have already told us is happening. More women will start up in business because they have no other option, but they will leak straight back out again. That is a problem, too. They and their families might never consider enterprise again, which is not good for our economy. We need to support and nurture them through this crisis.

Maggie Chapman: I will leave it there.

Jamie Halcro Johnston: Good morning. I want to ask a little bit about rurality and remote areas but, as ever with such interesting and concerning sessions, a lot of other issues have come up in the evidence that has been given, so I have a couple of other very quick questions.

Is the data there to produce an annual or biannual report that looks at the areas of most concern to you, whether that is specific to equality, access to gendered support or access to procurement? Would the data be accurate, or do we simply not know the wider picture?

Carolyn Currie: The data is not there. It is astonishing that there is such a lack of data. For us to do the gendered grant analysis, we had to buddy up with an external company that had the data feeds—it gets them from Companies House. The data is not publicly available, which is utterly appalling.

We mentioned at the start of the meeting that the women's enterprise strategic framework was refreshed in 2017, the key change from which was to add in the need for gender-disaggregated data. Five years on, the data remains pretty much the same—it is appalling. Part of that is because of the feeds that come from the UK Government, so that is not under our control. However, we are not investing in data production, which is a serious problem for our economy. If we have no data, we have no insight to inform us and make us confident that our investment choices are choices that will, ultimately, drive change.

We would not be able to provide a report. I would welcome a report based on available data, because it would show us what the status quo is, and we could identify the gaps and work together to build an improvement. A report would give us a start point. We desperately need a start point, and we desperately need to establish what the data tells us and, therefore, where we can invest wisely now and how to build on that picture for the future.

Jamie Halcro Johnston: The Scottish Government has just appointed a chief entrepreneur on considerable remuneration. You are struggling to get somebody who does the policy side. Who is the person in the Scottish Government—not at ministerial level but in the Scottish Government—who is there to push women-led and women-owned businesses and women in the workplace? Who is the most senior person doing that? Is there somebody specific?

Carolyn Currie: No—there is not. I welcome the appointment of a chief entrepreneur. I am delighted to see an economic strategy that will be founded on entrepreneurship. Small businesses are the backbone of our communities, and they are vital to economic regeneration, particularly in a rural context.

I would be absolutely delighted if somebody were appointed with the remit that you have described. It would be a great response to some of the issues that we have already talked about—the lack of consistency across committees and ensuring that a gendered lens is in sight. In fact, that is a well-used tactic. I used to work for a large bank and, at board level, I had a champion who was responsible for equality and for the initiative that I ran, which was women in business. That ensured that there was accountability and a laser-like focus through the organisation. It was very successful.

Ruth Boyle: On the labour market data point, we know that there is more data that is just not being analysed. From pre-existing data gathering, we could definitely improve the data that relates to women's experiences of the labour market. On the intersectionality point, such data is not currently being gathered, so that would have to be established.

The Scottish Government is currently consulting on the draft equality evidence strategy. From a labour market perspective, we are disappointed in the draft strategy. There is no action in it to improve the range of gender-sensitive, sex-disaggregated data that is being gathered so, in our response, we will call for that to be strengthened.

Skills is another area of the strategy in which there is a key gap. We need to understand how upskilling and reskilling initiatives are delivering for women, particularly at a time when the number of women's jobs is likely to decline in sectors such as retail, because of automation, the rise of online retail and so on. In the sectors in which the number of roles and jobs are expected to increase, such as the green sector, women are currently underrepresented.

Ensuring that upskilling and reskilling is working for women is critical; to do that, we need data, but there is no reference in the draft equality evidence strategy to skills data. We know that Skills Development Scotland already gathers more equalities data than it publishes, so there is a clear ask from the Scottish Government to the delivery agencies to utilise the full range of equalities data that they have at their fingertips. The draft equality evidence strategy is very much aware of the resource context, but a lot of the data gathering is already being done, so it would come at a very low cost.

There is a lot more work to be done for us to have the range of labour market and skills data that we would like to see.

Jamie Halcro Johnston: Okay. I had better move on quickly to my main question, which is about the Highlands and Islands, and remote and rural areas. I think that skills will probably be part of this. What are the particular challenges that businesses and people who are looking to start up businesses face in those areas? I do not want to focus on the women's business centre because I know that others will talk about it, but it would be a central location. How can we make sure that the experience and expertise there will be available to people across areas such as mine?

Carolyn Currie: Interestingly, one of the islands is interested in using one of its buildings as a women's business centre. We can perhaps speak offline about that, but we are very cognisant that

the centre should not just be one central location. There should be a hub-and-spokes model so that we can get the maximum impact. It is important to say that—the centre should be not one central building, but the start of a wider strategy.

We have done a fair bit of work with women who are based in remote and rural locations. As you will know, enterprise is a key route into employment because, often, people who have migrated to and stay in such places have skills that do not match with the local economy, so starting up businesses is really important.

One of the issues that people face is a crisis of confidence. Many people have not started a business before and they do not know where to go or where to start. If someone has had a bad experience or they feel that the official-looking Business Gateway does not look as if it is there for people like them, they are not going to engage in the first place.

That is the point that I was trying to make about pre-start support. It is critical that, in rural areas, we nurture those germs of entrepreneurship. Often, these women have great ideas. That is what we saw coming through our programmes. About 70 per cent of the participants that went through our 10-week start-up programme started a business. It is just a short programme, but it has given people the confidence and self-belief that they can do it.

10:45

Our mainstream agencies are great. They just do not serve everybody's individual needs. Investing in supporting women as a critical mass is economically justified, particularly to give them confidence at start-up, but also perhaps to give them access to skills that they do not have.

An example is the building of e-commerce platforms. Many people will know that they can sell, but they can maybe only sell limited amounts within their immediate area. With an understanding of e-commerce and distribution, their products could suddenly have a much wider appeal. We have worked on that. I think that I mentioned that we ran some e-commerce training that was phenomenally well received. We have seen a bit of an uplift from that and we want to keep it going.

That also shows the value of digital platforms, because women engage digitally. They are much more digitally literate than they were at the start of the pandemic, and we should harness that. It is crucial for rural economies, and the injection of diversity can suddenly see the ecosystem and the landscape transform and have much more innovation capability because diverse thinking and

experiences are being injected into it to strengthen it.

The Convener: I am sorry to interrupt, but we have to make some progress. I have allowed members to ask a few questions each, but we need to move on. If we have time at the end, members can come back in. I ask members and witnesses to keep questions and answers as short and concise as possible.

Gordon MacDonald (Edinburgh Pentlands) (SNP): Good morning. I want to ask about grant funding. Carolyn, you carried out some research into the pandemic funding and you have highlighted that women-led businesses formed 16 per cent of recipients of funding from the hospitality hardship fund and 10 per cent of recipients of funding from the resilience fund. For clarity, do you have the percentages for those two funds that relate to businesses that are equally led by men and women?

Carolyn Currie: We only pulled the data for majority women-led companies. The data would potentially be there and accessible, but our data came from a private company that we worked with. It was a bit of pro bono support for us, if you like, under its corporate social responsibility strategy. We were really grateful for that. The data is there and it is possible to access it, but we looked only at that one feed. That brings me back to the resource question.

Gordon MacDonald: Do the percentages for the pandemic funding that you have highlighted reflect the wider grant funding that is available for women-led businesses? I am thinking of the self-employed income support scheme and indeed the grants that are issued by Scottish Enterprise.

Carolyn Currie: It comes back to where we can access the data. We know from some analysis of the self-employed income support scheme that more women were entitled to that support than received it, so there was a disconnect. The percentages of men who were entitled to it, applied for it and received it were much higher than the percentages of women who were entitled to it, applied for it and received it. We saw that coming through with the businesses that we support.

Many women simply did not know how to access that support. They did not know that it was for businesses like them. A proportion of them are still not engaging with our formal enterprise support structure, so they found themselves wholly disconnected. We did a lot of work to reach out, contact and inform women. The data certainly reflects our experiences on the ground.

Gordon MacDonald: Was part of the problem the lack of targeting of sectors where women have substantial numbers of businesses? Looking at the

UK numbers, we can see that a lot of female-led businesses are in health, education and hospitality. Was there enough targeting of funding to those areas or is it the case that, as you have highlighted, a lot of women were just not aware that the funding was available?

Carolyn Currie: I think that, to be fair, it is mostly a lack of awareness, which comes back to the fundamental issues with the way that the system operates. It does not engage with everybody. It does not engage with some people in the community.

It comes back to the point that I made about mainstreaming. Mainstreaming does what it is supposed to do. It works with a critical majority. In this case, the critical majority in business are men. It does not work so well for women and, therefore, they leak out of that system, hence our argument that we should have specific services that would stop that leakage and ensure that women are better able to access such funding and grants.

Ruth Boyle: I was desperately trying to find my phone in my bag so that I could check a statistic, but I was unable to do so.

During Covid, we did some analysis looking at access to the furlough scheme and the self-employed income support scheme, and it highlighted the points that Carolyn Currie has made about the respective sizes of men's and women's businesses. When we did an analysis of the amounts of money that male-led businesses and female-led businesses were getting, we could see that men were getting the most valuable grants because that reflected the size of their businesses. The schemes highlighted some of the pre-existing structural issues that we know exist around women's enterprise.

Gordon MacDonald: I have a side question that relates to Jamie Halcro Johnston's questions about rurality. I was looking through the Global Entrepreneurship Monitor report for Scotland and it highlights that, in the Highlands and Islands, the number of female start-ups was higher than the number of male start-ups. Is that because, as you said, there is no alternative, or is something else happening in the Highlands and Islands that we need to reflect on?

Carolyn Currie: Traditionally, communities in the Highlands and Islands are very entrepreneurial out of necessity. There is an argument that part of that will be driven by a background in entrepreneurship—by women knowing family members and people in their networks who have successfully entered entrepreneurship to make a living and as a career. However, we know from the statistics that, for all the reasons that I have talked about, women turn to entrepreneurship out of sheer necessity. The problem is that we do not

necessarily have the systems and support in place to ensure that they endure.

The GEM report talks about that. Start-ups and early-stage activity are great to see and are important parts of entrepreneurship, but we are failing to keep the momentum going. It is not translating—it certainly does not in the GEM report—into evidence of established businesses and activity. The statistics show that it drops off a cliff. We are just not seeing the early-stage desires to start a business and those dreams and aspirations transposing into the establishment of businesses and the ability to make successful economic contributions.

Colin Smyth (South Scotland) (Lab): I return to an issue that you have both mentioned quite a few times, so it is clearly important, and that is data. Ana Stewart has said that she is committed to focusing on “robust and resilient” data that can be used to benchmark in the coming years as part of the women in enterprise review. You have touched on a number of gaps in the data. What are the reasons why we do not gather the data? Is it just that we have never gathered it or are there particular difficulties in gathering the data that you want to see? Are there any other gaps you have not mentioned yet?

Carolyn Currie: It is partly that it has aye been. The system has always reported and used particular sets of data. I do not think that there is a process in place that says, “Where is the gender-disaggregated reporting for this?” As Ruth Boyle said, there are potentially some quick wins in the system where the data is there, but nobody is actually casting a gender-disaggregated lens over the data to look at the insights from that perspective. There are other situations where the data is wholly absent because we are not collecting it in the first place.

Colin Smyth: Where are the gaps? You mentioned a couple in reply to Jamie Halcro Johnston, but where do you see the gaps in the data?

Carolyn Currie: We are relying on GEM, for example, to tell us where the split is, what the start-up rates are, which regions are doing well, whether they are doing well out of necessity and what is happening behind that. That is an example of where data and insight would be really helpful.

Where are the regions where female entrepreneurship is thriving? Where is it not thriving? Which areas or sectors are seeing good start-up rates and managing to sustain them through to established businesses? Is that happening in particular geographic areas? Is it happening in particular sectors? We could get valuable learnings and insights into best practice

from that data that could then be applied out in the broader sense.

There is also an argument that it would be really helpful to look at urban-based data versus rural-based data and consider where the successes are within that and where the best practices are that could be applied.

All of that would help us to invest wisely and to tease out the policies and practices that are making a difference at the minute, but also to identify and bin the policies and practices that are not working or that need to be adjusted and changed.

At the other end of the spectrum, we need to be able to find out where the women are who are quietly getting on with establishing and delivering amazing businesses, but who are not on anybody’s radar. They are not coming through and they are not visible to the enterprise agencies. Where is the data that shows us where women role models are doing amazing things? Again, we could harness their expertise and use them as sources of inspiration, because inspiration is a crucial tool in times like this.

We run a role model project with 70 women-owned businesses that are based in different sectors and locations across Scotland, and that makes a phenomenal difference. We try to get their stories into the media so that people are aware. Understanding where all these women are and promoting their stories is crucial to inspiring the next generation to come through and it helps with mentoring and coaching.

The Convener: I have a question for Ruth Boyle. The committee has asked previous witnesses, including large organisations and businesses, whether they do gender disaggregation. That is another part of the picture. Do you find that that is happening to the extent that you want it to happen? How have organisations and businesses engaged with that agenda? Do you have a view on that?

Ruth Boyle: I do not think that they have been engaging with it to the extent that we would want. We do some analysis of the reporting under the public sector equality duty, which requires public bodies to gather data on, for example, their employees. We see that that is done very poorly and it is not consistent. Even where there is a legal requirement, we do not see it being done consistently, which is testament to the fact that it is not being prioritised.

There have been a couple of plans lately that have highlighted some actions around data, but we are not seeing them being prioritised. In the gender pay gap action plan, there is an action to improve the gender-disaggregated data on beneficiaries of the flexible workforce development

fund, but there is no clarity on how that has been progressed since the plan was published. Similarly, the climate emergency skills action plan contains an action to gather gender-disaggregated data on beneficiaries of all skills programmes that are developed to support the transition to green jobs but, again, it is unclear how that has been progressed since that plan was published.

The other example that I will give is the tackling child poverty delivery plan. The previous plan highlighted an action to remove our reliance on household-level statistics in order to be able to measure women's poverty better. Again, there has not been much progress on that. We see data not being prioritised.

11:00

I will raise another issue to do with the way that public bodies and employers are responding. We are increasingly seeing organisations use the general data protection regulation as a rationale for not gathering equalities data, despite the fact that it could fall under legitimate use. We urge the Scottish Government to provide clarity on that, particularly for public bodies, so that it can no longer be used as an excuse.

In particular, that excuse has been used for not gathering data on caring responsibilities when people are doing skills programmes, despite the fact that such data is critical to understanding women's experiences. It would be really positive if there was guidance on the GDPR as part of the equality evidence strategy.

Graham Simpson: It has been fascinating to listen to you. I am really impressed by your enthusiasm for the subject.

Carolyn, you said that women are not visible to the enterprise agencies. I think that that could equally apply to men. A lot of people are not visible to the enterprise agencies because they do not necessarily go through them. The enterprise agencies do not necessarily capture everyone. You are absolutely right to say that, when we find examples of successful women, in this case, we should highlight them.

I want to ask you about the idea of a women's business centre. I picked up earlier that there is a price tag of £50 million. Given that we are doing pre-budget scrutiny, perhaps you can explain to me why we need a women's business centre when we have existing services that you admit are doing a good job. I know from my patch that business support services are doing a good job and that, in many cases, they do target women.

Carolyn Currie: Your point about visibility is right. There are a number of people who are not visible to our enterprise agencies. However, in the

case of women, the data tells us that there is a heightened invisibility compared with men coming through, and that is the case for much of the evidence base for a women's business centre. Many of the issues that we highlight are faced by men—they are common to people starting up in entrepreneurship—but the degree to which women face those issues is different. That is what the research points to. It is important to say that.

On the idea of a women's business centre, supporting services work well for the mainstream, but they do not work well for women. We have 10 years of research and data on women's experiences with mainstream services that are simply not meeting their needs.

In our most recent consultation, which was just a few months ago, women in Edinburgh and East Lothian told us that they expected to get support and insight and to have their ideas supported and encouraged, but that did not happen. They left feeling less confident about their ideas. They did not get the assurances that they were looking for and they were directed to different places of information. A younger woman said, "It's daunting enough being a new mum and dealing with that. I did not want to just be signposted to go and find all the information myself and then pull it together".

The mainstream is doing its job. Arguably, it is working for the critical majority, but it is not working for the considerable number of women who are now seeking to use its services. My point is that we need to be smart and leverage what we believe is working within that infrastructure, but we absolutely need to change and adapt the bits that are not working well.

We have experience from the digital Women's Business Centre that we were able to set up at the height of the pandemic thanks to private sector support. We have seen thousands of businesses. We have just upgraded that portal because it was not designed for the amount of traffic that was coming through it. That might help to answer your question. We certainly see that giving us a really strong bed of information and engagement that we can lift into a physical model. As we all know, digital has been great—it is very effective and efficient—but there is nothing like face-to-face support.

We are going to design and set up our women's business centre on the back of those 10 years of research and data. In the most recent consultation, women told us where their needs are being met—it is important to say that—as well as where their needs are not being met, and we will design the centre to have the maximum impact.

The first centre, which we consulted on, is to be based at Queen Margaret University in East Lothian, on the border with Edinburgh. We are

working closely with Business Gateway services and Edinburgh services. Business Gateway East Lothian is actually co-located on the university campus. That is a really good model as it brings service providers together in one space to leverage the value out of each set of expertise to the benefit of business creation and the economy in Scotland.

Graham Simpson: That is not where the Scottish Government's women's business centre is going to be, is it?

Carolyn Currie: I certainly hope that it is. I am going to be lobbying very hard that it should be there.

Graham Simpson: Okay. I was going to ask what stage we are at on that, given that the Scottish Government has pledged to establish one.

Carolyn Currie: We await insight on how that is going to be applied. As I said in response to Jamie Halcro Johnston, it is really important that this is not seen as one centre that will deliver for everybody. We see it as a hub-and-spokes model whereby best practice from regional centres can be identified, pulled into the centre and, therefore, leveraged back out. We want to have that model, which works so well in an economic context, but ensure that it can be flexed according to the needs of each region and each place that it will serve. That is our vision for how a women's business centre model can make a significant impact on the economy in Scotland.

Graham Simpson: How am I doing for time, convener? I know that we are up against it.

The Convener: I will move on to Colin Beattie, but I will bring you back in at the end if there is time.

Carolyn, will you clarify a point that arose from Graham Simpson's questions? The Government mentioned £50 million over five years. Is that exclusively for the women's business centre?

Carolyn Currie: That is my understanding. The commitment to a women's business centre model and the £50 million were the response to our manifesto, which called for a women's business centre model.

Colin Beattie (Midlothian North and Musselburgh) (SNP): Coming in at the tail end, I have had the opportunity to listen to your very comprehensive replies. I must thank you for them: you have covered a lot of ground.

I would like to ask you a couple of daft laddie questions. Since I can remember, we have been talking about support for women, helping them in the workplace and so on. It seems that over the years that has not been as successful as we might

have hoped. Why is that? We are all talking about it, so why has not more happened? Is it because of lack of money? Is it lack of something else? We seem to talk about it all the time, but we do not actually make the progress that people would like. Maybe Ruth Boyle could first give us her thoughts on that.

Ruth Boyle: That is a fair question. It probably reflects the points that Carolyn Currie and I have made today about prioritisation, leadership and gender mainstreaming to ensure that gender equality is embedded in all policies. We were really pleased when, a few years ago, the Scottish Government published "A Fairer Scotland for Women: Gender Pay Gap Action Plan", which was the first gender pay gap action plan. That was a positive indication that the Scottish Government takes tackling women's labour market inequality seriously.

The plan highlights that the causes of the gender pay gap stretch beyond the workplace; it highlights the diverse causes of the gender pay gap in relation to childcare provision, transport, skills and economic development. We need to prioritise gender equality across all those areas in order to make progress on women's inequality in the labour market. We cannot do it by focusing on employment policy alone.

Some barriers remain. Often, we hear that a key reason why we cannot tackle the gender pay gap in Scotland is that we do not have devolution of employment law, but so many of the causes of the gender pay gap are not unlawful and therefore sit outside employment law. They are things such as part-time working, women's disproportionate responsibility for childcare and the need for more good-quality part-time work. Those are all things that we could deal with now; it is about prioritisation.

What we see in a lot of strategies and plans that have been published lately is that the gender pay gap action plan is having increasingly to do the heavy lifting in terms of directing action on women's labour market inequality. If we look at "Scotland's National Strategy for Economic Transformation", we see that it is not well-gendered: it does not have a gendered analysis of women's experiences of the economy, nor does it have any specific actions to actually tackle women's inequality in the economy, but instead points to the gender pay gap action plan. One of our criticisms of the retail strategy is that it does the same thing. It is as though all the policy-making that has to happen in the labour market is being done by the gender pay gap action plan.

We would like to have seen the actions and the analysis from "A Fairer Scotland for Women: Gender Pay Gap Action Plan" being mainstreamed throughout all the strategies, so

that it would not matter which stakeholder was taking forward “Scotland’s National Strategy for Economic Transformation”: when they had that document in their hands, it would be explicitly obvious to them that gender equality is something that they should be considering.

We welcome the Scottish Government’s continued focus on fair work. That is particularly important in the current context because of all the reasons that we have outlined today. However, we are clear that the fair work policy frameworks and the supporting tools need to be gendered better if they are to facilitate transformative change for women. The fair work action plan, for example, is not well-gendered and does not have enough specific actions that would allow us to make progress in facilitating fair work for women.

I will also say that there is a key role for employers. The Scottish Government can have great policies on gender equality, but unless employers are taking those forward they will be only so effective. We know that employer complacency remains a key barrier to action being taken on women’s inequality in the labour market; employers are not yet prioritising women’s inequality within the workplace. That might stem from—again—a lack of understanding of the business case. As well as all the reasons that we have put forward today for why gender equality is good for economic growth, it is also good for a business to be able to recruit from a wider talent pool to be more productive and more innovative. We are not yet seeing employers prioritising that.

That is demonstrated in relation to equal pay. We see that 94 per cent of employers have an equal pay policy, but only a third of employers have actually done an equal pay review, which is the methodology for uncovering unequal pay.

Similar to the point that I made about gender pay gap reporting, employers are seeing it as being sufficient to merely report their figure, rather than seeing the gap as something that they have to tackle.

There is a combination of gender equality not yet being prioritised across all policy areas that would benefit women’s equality at work, and employers not yet understanding why they should prioritise gender equality.

For my final point, I return to the fair work policy framework. Because the supporting tools are not explicitly focused on gender equality, it is very hard to see how employers could operationalise fair work for women within their workplaces.

Colin Beattie: Given that we are talking about budgets and that everything, at the end of the day, comes back to money, has the money that has been put up for gender equality been well spent?

Ruth Boyle: That is a very difficult question. As Carolyn Currie has touched on, often projects that we are funding to facilitate gender equality in the workplace are very small-scale projects that are difficult to scale up. We were discussing that before we came into the room. They often facilitate change in very small areas, be that geographically or on one particular issue, and scalability of the projects is difficult.

For example, we see a lot of focus on the gender pay gap being about getting more young girls and women to study science, technology, engineering and mathematics subjects so that they can move into STEM-related roles. However, if we look at the problems with the attrition rate, we see that only 30 per cent of women who have studied STEM subjects actually work in STEM-related industries.

11:15

That points to problems with employment practice. For example, STEM-related industry either does not have high rates of flexible working or male-dominated workplace cultures are not welcoming to women, which means that it is difficult for women to stay in the roles. We are directing so much money into getting women to study STEM without tackling the structural issues that actually cement inequality, so perhaps the focus is wrong. The money that is spent on gender equality is, for us, always well spent, but there is probably more that we could be doing across a range of areas.

Colin Beattie: Carolyn, do you have a view?

Carolyn Currie: Yes. As Ruth Boyle said, it is not happening because the action that we are taking is fragmented—it is not strategic and it is not joined up. You get the odd project over here and another project over there, but they are not connected. The learning is not coming through and investment is not strategic. That is my first point.

Where we are running programmes, we are not measuring them. We are not seeing data on the impact of the investment that we have made here or there, in order that we learn from data and review it to consider where we can leverage funding and what we can build from that. If we do not have those insights and learning, there is no change. We should not be surprised by that.

We are not setting ourselves up for success; we are choosing to set ourselves up for failure. We are not investing strategically at all. Strategic joined-up investment will deliver success in this field and in every other field. That is not anything new; it is how economic development works. Investment needs to be strategic and joined-up. The more strategic and joined-up it is, the more

we can leverage it and the more we can change the economy.

We mentioned earlier having enterprise at the centre of the economic strategy, and I welcome that. One of the issues that we are currently facing is that enterprise organisations are, as others are, facing budget cuts. Just at the time when we want to catalyse entrepreneurship and support, entrepreneurs and small businesses and other organisations that we work with are seeing their budgets being cut and are struggling to maintain support and operation.

There is also an issue of trust and poor communication. Trust is being eroded; trust in the enterprise community and between that community and the Government is absolutely vital. I want to highlight, while I am here today, that that is a serious issue.

We are part of that wider ecosystem and we see the pain that some organisations are going through. We are struggling ourselves, as well: it is important to say that. We need to rebuild that ecosystem, and to rebuild trust and communication so that we, too, can capitalise when investment comes through.

The Convener: Thank you. I will just cast a brief question at the end. I read the members' business debate that my colleague Michelle Thomson held—I think it was in May. The minister who replied talked about a project involving Investing Women Angels Ltd working with the Scottish National Investment Bank. The Scottish National Investment Bank comes under the remit of this committee in respect of investment. Do you have any knowledge of how that project is progressing?

Carolyn Currie: I have no knowledge of that whatsoever, which in itself is not great. There was an announcement that there would be a women's fund that would be of significant magnitude. That was slightly unexpected, because normally, when a fund like that is announced, it works on the basis of leverage, so the methodology and partners or investors would be all lined up when the announcement is made. We have not heard anything, however. An announcement has been made but nothing has happened. We are not clear where the £12 million is coming from, who will be involved in leveraging it, where it will be targeted and what the aspirations for it are. I would certainly welcome much more insight, because such a fund is potentially transformative.

The Convener: Okay. That is helpful, thank you. I thank both witnesses for giving of their expertise and insights this morning. It is much appreciated.

11:19

Meeting continued in private until 11:37.

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