

Equalities, Human Rights and Civil Justice Committee

6th Meeting, 2021 (Session 6), Tuesday, 5 October 2021

Note by the clerk

Pre-Budget Scrutiny 2022-23

Introduction

1. All Committees now undertake pre-budget scrutiny of the Scottish Government's draft budget which is subsequently published later in the calendar year. The purpose of pre-budget scrutiny is for Committees to produce, report and provide comment to the Scottish Government with the aim of influencing the budget when priorities are set.
2. A key feature of the full year approach to scrutiny involves each Committee writing to their respective Minister with their pre-budget report at least six weeks prior to the publication of the budget.
3. The report should set out the Committee's views on the delivery and funding of existing policy priorities, any proposed changes and how these should be funded. This should include its finding on the impact of spending on outcomes and the implications of these findings for future spending plans including any suggested changes to policy priorities or allocation of resources. The Committee intends to publish its pre-budget report at the end of October.
4. An emerging area for the Equalities, Human Rights and Civil Justice Committee is to consider the implications of human rights for the budget. For example, a key recommendation of the [National Taskforce for Human Rights: leadership report](#) is to incorporate the International Covenant on Economic, Social and Cultural Rights (ICESCR) into Scots law, as well as rights for women, disabled people and minority ethnic communities.
5. This includes the:
 - Right to an adequate standard of living, including the rights to adequate food, clothing and housing, and the continuous improvement of living conditions
 - Right to the enjoyment of the highest attainable standard of physical and mental health;

- Right to education;
 - Right to social security; and
 - Right to take part in cultural life.
6. While there is more to delivering human rights than ensuring the right budgets are in place, the taskforce report also says, specifically on the budget “it will be essential that human rights budget scrutiny and monitoring forms part of the framework implementation”.

Call for views

7. This year the Committee agreed to focus on budget scrutiny from a human rights perspective. To inform its consideration, it issued a [Call for Views](#) to run from 1 to 24 September.
8. The Call for Views takes account of some of the questions raised in a [blog on human rights](#) budgeting by Dr Alison Hosie of the Scottish Human Rights Commission in relation to resource generation, resource allocation and whether budget processes are transparent, participative and accountable.
9. [Published responses](#) are available on the Citizen Space platform and can also be accessed via the Committee’s [website](#).

Oral evidence

10. The Committee agreed to take evidence over four sessions. On [28 September](#), it heard from economists and budget experts:-

- Chris Birt, Associate Director for Scotland, Joseph Rowntree Foundation
- Dr Alison Hosie, Research Officer, Scottish Human Rights Commission
- Dr Angela O’Hagan, Chair, Equality Budget Advisory Group (EBAG)
- Emma Congreve, Knowledge Exchange Fellow, Fraser of Allender Institute

And then from stakeholders:-

- Adam Stachura, Head of Policy and Communications, Age Scotland
- Jatin Haria, Executive Director, CRER (Coalition for Racial Equality and Rights)
- Eilidh Dickson, Policy and Parliamentary Manager, Engender
- Rob Gowans, Policy and Public Affairs Manager, Health and Social Care Alliance.

11. This is the final evidence session planned before the Committee reports. At this meeting, Members will take evidence from two panels firstly from those tasked with implementation of policy (public bodies/local authorities/third sector) and

then from the Cabinet Secretary for Social Justice, Housing and Local Government and Scottish Government officials—:

Panel 1

- Cllr Alison Evison, President, COSLA
- Nina Munday, Chief Executive, Fife Centre for Equalities
- Paul Bradley, Policy and Public Affairs Manager, Scottish Council for Voluntary Organisations (SCVO)
- Mark White, Director of Finance, NHS Greater Glasgow and Clyde

Panel 2

- Shona Robison, Cabinet Secretary for Social Justice, Housing and Local Government and Scottish Government officials:-
- Trevor Owen, Head of Mainstreaming and Strategy Unit and Emma Harvey, Head of Finance & Business Support Unit, Directorate for Equality, Inclusion and Human Rights, Scottish Government

Next steps

12. The Committee will consider the evidence it has heard at a later meeting and thereafter write to the Cabinet Secretary with its recommendations.

Committee Clerks 29 September 2021

Annexes

The following documents are included for this meeting—

- Annexe A COSLA response to the Committee's call for views
- Annexe B [Fife Centre for Equalities](#) response to the Committee's call for views
- Annexe C [SCVO](#) response to the Committee's call for views

Annexe A

Equalities, Human Rights and Civil Justice Committee

Pre-Budget Scrutiny 2022/23

Submission from: COSLA

COSLA is a Councillor-led, cross-party organisation which champions Councils' vital work to secure the resources and powers they need. COSLA works on Councils' behalf to focus on the challenges and opportunities they face, and to engage positively with Governments and others on policy, funding and legislation. We're here to help councils build better and more equal local communities. To do that we want to empower local decision making and enable Councils to do what works locally. COSLA launched a [Blueprint for Scottish Local Government](#), it will allow Local Government to build around an ambitious vision for Scotland's future – one based on the empowerment of people and communities.

Summary of key points in the submission

- Local Government is the key partner in achieving rights realisation across Scotland and must receive a fair settlement to support this.
- In addition to fair funding, Local Government should be empowered to raise revenue to fund local services and infrastructure to support the realisation of rights.
- There should be clear links between the Budget, the Programme for Government and the National Performance Framework to support rights realisation.

Introduction

1. COSLA is pleased to present a response to the Equality, Human Rights and Civil Justice Committee call for evidence. Local Government touches everyone's lives daily and is therefore critical in the contribution of the realisation of rights. Local Government additionally delivers over 60% of the outcomes in the National Performance Framework (NPF).
2. We welcome this opportunity to inform the pre-budget scrutiny and to highlight how the approach taken to public finance, particularly the way in which resources are raised and allocated to support local delivery of services, is crucial to the progressive realisation of human rights and our ability to invest in the most urgent and pressing needs within our communities.

Resource generation

The Government has an obligation to use the maximum of its available resources to progressively realise rights:

Given the main sources of government revenue should the government further increase revenue available to it, and if so how?

3. The COVID-19 pandemic has sharply exposed the extent of inequality and inadequate realisation of rights within our society. Addressing these issues and upholding human rights are important principles for local government and guide public spending decisions locally. However, it is a challenging and resource intensive objective to deliver.
4. The diversity of our population and communities in Scotland demands that the public sector invest continuously and progressively in these goals; achieving this requires sufficient revenue to maintain and improve essential public services, whilst also having the flexibility to make them accessible and inclusive of a diverse range of needs.
5. These specific needs – and the resource requirements to meet them - vary from community to community and change over time. The public sector needs to be able to increase funding for education, social housing, health and social care priorities over time, and also have the flexibility to target additional funding to meet the needs of the most marginalised and disadvantaged communities within a local area.
6. For example, in some parts of Scotland there are needs to invest in services that meet the unique needs and circumstances of migrant and asylum-seeking communities and culturally sensitive services for our Gypsy and Traveller communities – all of whom face acute threats to their rights. In other areas the challenges may be ensuring there is sufficient supply of good quality affordable housing to meet the rising and changing needs and demands of our young people, our ageing population as well as those on lower incomes. This is alongside the need for all local areas to develop services that can address inequalities faced by children and young people, older people and those living with long term health conditions or disabilities, keep women and girls equally safe from violence and abuse and address rising mental health inequalities.
7. Budgets continue to be under pressure and it is anticipated that there will be increased threats to household incomes, human rights and equalities outcomes through the pandemic recovery. Scottish Government should therefore use the tools available to increase revenue appropriately and proportionately, to fund the whole public sector to support the realisation of rights over time. To achieve this, under our human rights obligations, all spheres of government should be applying the principle of non-regression of rights which impacts both revenue raising and allocation.

8. A key route for this is for Scottish Government to create the fiscal conditions to support and empower Local Government. This includes more stability and certainty in relation to multi-year funding as well as powers to raise revenue locally, mirroring the things that Scottish Government wishes to see in the review of its Fiscal Framework with the UK Government. Local Government is the key partner in the realisation of social, economic and cultural rights as we deliver services and investment in every aspect of these rights including housing, education, culture, social care and more. Therefore additional revenue raised by Local Government could be usefully used to fund the progressive realisation of rights, improving outcomes for individuals and communities.
9. Critically, the Scottish Government should not seek to maintain a Council Tax freeze. As set out by Dr Hosie in the blog linked by the Committee, the Council Tax freeze is likely to benefit higher earners, as those on the lowest income are exempt or already have access to reduced Council Tax due to interventions already in place and therefore the funding could have been targeted better elsewhere. Councils should not be restricted by a national policy when considering and setting local rates, which could be more appropriately based on local need for services and local priorities set by communities.
10. Secondly, Scottish Government should urgently work with COSLA and Local Government on the reform of Council Tax. There has been significant work already in this area and it should be taken forward as a matter of urgency. While this may not result in increased revenue for Local Government, it can be taken as opportunity to ensure that the revenue generated is non-regressive and does not adversely impact the realisation of rights nor contribute to inequality within our society.
11. There are a number of options for revenue raising that Local Government could be empowered to use and Scottish Government should additionally work to establish a fiscal framework which enables Local Government to invest in their communities and services, thereby improving outcomes and supporting the progressive realisation of rights. This could include utilising Local Government powers to set planning and building control fees locally, ensuring full cost recovery, or the power to introduce a “tourist tax” if deemed locally appropriate. This particular option has been used successfully in other countries, and only impacts on those who are able to pay.
12. When considering resource generation options, the Scottish Government should look at options which shift the balance away from the taxation of income and instead to the taxation of wealth. In particular, consideration could be given to wealth in the form of land and property as there are significant issues within our current society about intergenerational fairness and the impact that our current property and land markets have on the ability of Local Government and

the wider public sector to realise rights, specifically with regard to housing and the right to an adequate standard of living.

How might particular groups be affected differently by efforts to raise revenue?

13. When designing and implementing revenue raising measures the impacts on different groups must be considered to ensure that they are non-regressive and non-discriminatory. In particular, assessments must ensure that those on the lowest incomes and with least financial security are considered and protected as far as possible to avoid measures increasing or exacerbating poverty and inequality. If the impact of revenue raising is not considered, and this must be on a cumulative basis, there is a significant risk of unintended consequences which would negatively affect those that need support most and/or are financially insecure.
14. Where risks of negative impact on protected groups are identified, mitigations should also be built into the system. Current and new revenue raising measures should also be evaluated to assess whether they are achieving the intended outcome of ultimately supporting the realisation of rights across Scotland.
15. This means that in particular there should be focus on Equality Impact Assessments, the Fairer Scotland Duty and when considering Business and Regulatory Impact Assessments the focus should be on whether any revenue raising aimed at businesses affects access for those who are furthest from the realisation of their rights. Ensuring that there is a gendered analysis is critical – the way revenue is raised will have a different impact on women and men.

What kinds of analysis are necessary to ensure that resources are raised (and allocated) in such a way that supports the progressive realisation of rights?

16. As above, analysis on the impact for those with protected characteristics and those on low incomes and facing financial insecurity must be at the forefront of consideration. Any revenue raising should be non-regressive. Critical to raising additional revenue is ensuring that it is invested in services and infrastructure which contribute most to the realisation of rights.
17. Scottish Government should align budgets to the NPF and the realisation of rights. Additionally, there should be analysis of current policy, legislation and Scottish Budget to ensure that is supporting the progressive realisation of rights. This should be included in all future Programmes for Government as well as the budget process to ensure that new policies, legislation and budgets are best designed and utilised.

18. This means Local Government must receive a fair settlement as we are most engaged with those who are furthest from the realisation of their rights and deliver over 60% of the NPF outcomes.

Resource allocation

The Government has three obligations:

1. 'Minimum Core' - to allocate resources in a way that reduces inequalities whilst ensuring, at a minimum, a basic level of rights enjoyment for all.
2. 'Progressive Realisation' - to generally increase allocated resources, in line with increased revenue, to achieve the further realisation of rights.
3. 'Non-regression' - to ensure there is no unjustified reduction in allocation leading to regression in the realisation of rights.

In terms of resource allocation what areas do you think are: sufficiently resourced, and/or under resourced and where resources need to be redirected to?

19. Local Government has been under significant and sustained financial challenge over the past decade. The recent report by SPICe on Local Government Finance: Concepts, Trends and Debates¹ sets out that between 2013/14 – 2021/22 Local Government's revenue budget has reduced by 2.1% in real terms, this is while the Scottish Government's resource period has increased by 2.3% over the same period. This is during a period of increased demand for services such as social care (due to demographic pressures, increasing complexity of need, and a move to care at home), and significant policies introduced such as the expansion of early learning and childcare offer to 1140 hours mean that a significantly increased proportion of the Local Government budget is tied up. So in reality, the 4 percentage point divergence highlighted by SPICe is much larger, which significantly impacts the ability of Local Government to progressively realise rights.
20. The Scottish Government's Budget for 2022-23 will need to fully recognise the importance of Local Government services in supporting communities to recover from the COVID crisis and to tackle poverty and inequality. Crucially there will need to be a strong focus on community and economic recovery, to support rights realisation, for which Local Government will need to be resourced and empowered to play its part. Councils are major employers in themselves and also play a key role in terms of local economies, commissioning and procuring services, creating jobs and providing employability services to support people into work. The pandemic has starkly exposed and exacerbated the inequalities

¹ <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2021/8/27/ccf6f2ab-1d70-4269-b67c-3d9cc4fb4429>

within our society and, to achieve a fair and equal recovery, significant long-term investment is needed in our communities, focused on addressing these.

21. In order to realise rights and deliver on the NPF, there needs to be fair funding in the Scottish Budget to Local Government. Whilst there has been much focus on the role of the NHS in dealing with the pandemic, with the promise of significant levels of investment, this must not come at the cost of critical services which Local Government needs to provide in recovery. Recently published research², based on English Councils, indicates that cuts in funding for Local Government might in part explain adverse trends which have emerged in life expectancy. Equally, Councils must prioritise areas such as education at the expense of other core Local Government services which also have a key influence on the social determinants of health and have the potential to improve wellbeing and deliver upstream intervention, which ultimately takes the strain off the NHS. Services including leisure and sports facilities; waste collection; homecare and homelessness prevention; and provision of community hubs, offer security to communities and contribute significantly to peoples' daily wellbeing. COSLA together with Public Health Scotland has produced a briefing on the positive contribution of physical activity and sport to Scotland, through a cross policy lens, which stresses the importance of physical activity for wellbeing³.
22. Demand for social care is likely to increase and potentially change as result of the pandemic as we see more people who may be affected by the long-term health and social impacts of the pandemic. This goes hand in hand with the desire to support people to stay in their own homes, which for those with complex needs is frequently more costly to provide. Alongside this, services such as environmental health, trading standards and local economic development help to ensure safe and growing inclusive economies. Historically these are the services which have faced reduced funding when difficult local decisions have had to be made, and there is a real risk that these services will be diminished further if there is not a fair funding settlement for Local Government, which has an impact on rights realisation. A wider view of targeting funding to improve health is therefore required. It is important that this investment is in outcomes rather than creating new structures. The establishment of a new National Care Service, as proposed, is a distraction from recovery which will take resources, time and capacity away from service delivery at the time we would wish to see a significant investment.
23. Investment in infrastructure, alongside investment in services, needs to be at the forefront of the Scottish Government's thinking on the Scottish Budget. Local Government has experienced significant reductions in its Capital settlement over the last 2 financial years and, in its five-year Capital Spending

² [https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667\(21\)00110-9/fulltext](https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(21)00110-9/fulltext)

³ https://www.cosla.gov.uk/_data/assets/pdf_file/0021/24942/COSLA-PA-Contribution-Briefing-V8.pdf

Review, the Scottish Government is indicating that the currently reduced position for Local Government will be broadly maintained. This fails to recognise that Local Government is facing serious Capital budget challenges which are exacerbated by the pandemic, with the continued provision of modern and well-maintained amenities such as community and leisure facilities under serious threat. This is exacerbated by cost increases of building materials and expected higher national standards, for example in building affordable housing and in retrofitting existing stock. In June 2021 the Association of Local Authority Chief Housing Officers (ALACHO) commissioned [a piece of research](#) on how Scottish and Local Government were progressing towards realisation of the right to adequate housing. The report cites housing specific General Comments within the UN Committee on Economic, Social and Cultural Rights (CESCR) which include seven conditions that must all be present if a State is to meet its obligations in terms of ‘the right to adequate housing’ – one of these is housing affordability. Currently, those living in the Private Rented Sector are more likely to be paying higher than deemed “affordable” in the report in housing costs, compared to those who own their property or live in local authority or housing association housing. This is why increasing the availability of affordable social housing is important.

24. There is a clear link between investment in new supply, affordability and poverty and Local Government has voiced concerns on an ongoing basis that the level of Scottish Government investment in the Affordable Housing Supply Programme (AHSP) has been much lower, historically, in the Council delivered part of the programme than in the Housing Association part. This lack of parity means that council tenants – members of our communities with often the lowest income and highest levels of poverty, are disproportionately contributing as borrowing to build new housing, as well as investment in existing stock, is funded through the rents of existing tenants. This is demonstrated through [the findings of the Joseph Rowntree Foundation](#) last year which set out the current position in terms of housing costs and child poverty, and in particular (on page 17) the relationship between this and the financial pressure on the sector. The justification provided by Scottish Government for the disparity in benchmark levels for the AHSP is that the cost of borrowing is higher for Housing Associations than local authorities. This is not the case, as it is dependent on a number of factors and is not straightforward, however if it was the case, it would make more sense for higher levels of support to be provided to local authorities in order to increase, at lower cost, the numbers of affordable houses that could be delivered. Councils also tend to provide housing for families with specific needs in terms of housing and support, which further emphasises the need to support council programmes.
25. Further, there is evidence to demonstrate that the quality of housing and overcrowding has a direct impacts on peoples’ health and wellbeing –

household size has been found to be factor in both infection and mortality rates⁴ during the pandemic.

How might resource allocation address inequalities and the gaps in the realisation of human rights for all?

26. To address the inequalities and the gaps in the realisation of rights, there must first analysis of where the greatest need is and assessment of how best this can be improved. This should inform the discussion about how priorities should be set and resources allocated to them. Through Local Government's commitment to allocate at least 1% of budgets using participatory budgeting, communities are being actively engaged in resource allocation to meet individual and local needs. Approaches to resource allocation which embed PANEL principles of participation, empowerment, and accountability such as participatory budgeting, community wealth building and the Scottish Approach to Service Design must be adequately resourced to deliver the realisation of rights for those who face significant barriers to participation. Allocation of flexible resources to enable Councils to further develop and embed effective and inclusive participation in co-design processes at local and community levels, will improve the realisation of economic, social, and cultural rights for all people in Scotland.
27. This needs to be done in a strategic and long term manner. As already stated, the lack of multi-year budget settlements severely impacts the ability for Local Government and the whole public sector to plan comprehensive, long term participation and engagement activity with communities of interest and place.

Overall, how effectively is public finance in Scotland being used to achieve economic, social and cultural rights (as outlined above)? What improvements are required?

28. Local Government needs absolute flexibility to manage funding locally and to respond to need, rather than be pressed into areas of specific spend or to be limited to using funding by an artificial deadline or within financial year. The outcomes that were jointly agreed in the NPF should govern how well Local Government's performance is measured and a much greater focus on how Local Government is achieving over 60% of priorities in the NPF, rather than the current landscape of siloed pots of national funding, with micro-management of each.
29. A more strategic approach is also required to enable Local Government to address the inequalities with our communities in a holistic manner. Ministerial engagement must demonstrate respect for Local Government and for Ministers

⁴ <https://www.health.org.uk/publications/reports/unequal-pandemic-fairer-recovery> pg 27

to trust Councils to get on and do the work they were democratically elected to do. The lack of multi-year budgets has knock-on impacts on the effectiveness of the whole public sector to plan and implement systematic changes aimed at tackling inequalities and improving outcomes across Scotland.

Budget process

The Government has an obligation to ensure the budget process is transparent, participative and accountable.

SPICe have set out the standard budget process. How easy is it for people to engage with the budget process? For example:

- **How easy is it to navigate and find the necessary information on the budget?**
- **Is there specific information or access to different information that would improve understanding and scrutiny?**

30. The Scottish Budget is a complex process due in part to the fiscal relationship with the UK Government *and* the range of responsibilities of the public sector. In any year, devolved nations will benefit financially from funding announcements in UK Government departments, with the “share” for devolved nations calculated using the Barnett Formula, generating what is known as “Barnet Consequentials”.
31. The situation in Scotland is further complicated by the devolution of tax, with estimates having to be factored into the Budget each year.
32. And to further complicate the situation, different parts of the public sector are funded in different ways and have different powers. Local Government, for example, is unique in having the power to raise revenue through council tax, to hold reserves, as well as being able to borrow under the prudential code to fund capital projects.
33. The situation is then further complicated by Parliamentary procedures and rules that govern how and when funding can be paid to different parts of the public sector. As part of the Local Government funding landscape, a funding ‘Order’ must be laid in Parliament and is subject to 3 stages of scrutiny. Once approved, the funding complexity doesn’t stop there – recent years have seen high volumes of “pots” of policy specific funding added in year. This could be funding to address very specific rights-based areas for example in relation to “appropriate adults” who provide communication support to vulnerable victims, witnesses, suspects and accused, aged 16 and over, during police investigations. These “in-year” pots of funding will not then be reconciled until the end of the financial year, meaning that any assessment of effectiveness is difficult and not possible until later in the year.

34. When SPICe provide analysis, they base it on *Local Government Finance Circulars*, published alongside the Budget. These documents are long and necessarily complicated as they cover a huge range of funding (including specific revenue and capital grants, and non-domestic rates), but do not make tracking budget decisions easy for the lay reader.

Do you feel that you, your organisation, and the evidence you gather, can genuinely influence government decisions on the budget?

35. Influencing the budget can be challenging as decisions on policy and budgets are often made without any prior engagement with Local Government on the true impact that they will have on our communities, or the accurate costing required to deliver them. Local Government and the wider public sector should be involved in policy and budgetary process earlier to enable strategic discussions about what funding is best used to achieve the intended outcomes and what budget would be required to deliver or whether there are better uses of the funding.
36. The situation described in the previous section also make reconciliation of the totality of funding complex, with Budget Revisions published periodically. COVID created another layer of complexity on top of this with Barnett consequential being announced on a frequent basis, something that SPICe commented on frequently within their blog posts.

How can the links between policy commitments, allocations and achievements of rights be made more transparent?

37. There should be greater explicit linkages between the budget, the NPF and rights. This should also feature as the key approach to developing policy and legislation, with the impacts set out within the Programme for Government. There needs to be an understanding of the opportunity cost of policy decisions and the opportunity cost of budgetary decisions to support existing and new policies.
38. Consideration should be given as to how Scottish Government, Local Government and the wider public sector can be measure improvements in the realisation of rights to provide evidence to inform future policy and service design. This should also support the prioritisation of budgets to continuously improve. Current reporting and data collection should be considered as to whether it is proportionate and captures information which supports the realisation of rights or if it risks driving behaviour with unintended consequences for rights. The focus must continue to be outcomes for individuals and communities.

Annexe B

Equalities, Human Rights and Civil Justice Committee

Pre-Budget Scrutiny 2022/23

Submission from: Fife Centre for Equalities

Resource generation

Given the main sources of government revenue should the government further increase revenue available to it, and if so how?

The government would gain not by tax revenue, but also in its fulfilment of Equality and Human Rights by enabling people from protected characteristics to fully participate economically. This should be done by addressing systematically the barriers equality groups face in accessing education, health, employment and full participation in public life.

We consider all protected characteristics in this respect, but highlight the persistent and economic quantifiable gaps (such as pay gaps) women, disabled people, and minority ethnic communities continue to face today.

When everyone is given the opportunity to thrive, we will experience an increase in household earnings, a reduction in unemployment, more tax contributions and less dependency on benefits to mitigate income poverty.

How might particular groups be affected differently by efforts to raise revenue?

We are of the opinion that raising revenue through taxation in earned income, where individuals are employed in valuable and worthwhile work is fair, redistributive and will have a positive impact on life outcomes.

What kinds of analysis are necessary to ensure that resources are raised (and allocated) in such a way that supports the progressive realisation of rights?

Analysis on long-term persistent trends (e.g. sustained positives destinations; gender, race and disability pay gaps, community safety, life expectancy, health and wellbeing outcomes) would be necessary, alongside with short-term measures at particular life points.

FCE's Different Paths project demonstrates that the quality of life each person has is determined by a series of opportunities / barriers afforded to the individual.

Resource allocation

In terms of resource allocation what areas do you think are: sufficiently resourced, and/or under resourced and where resources need to be redirected to?

We do not hold any opinion on this question.

How might resource allocation address inequalities and the gaps in the realisation of human rights for all?

Each of the significant policy areas such as early years, education, employment, housing, community amenities, safety, health, social care, transport and so on should be able to demonstrate how they address equality and inequalities within their resource allocation.

Overall, how effectively is public finance in Scotland being used to achieve economic, social and cultural rights (as outlined above)? What improvements are required?

It is evident that the Scottish Government and all local authorities are working hard in putting measures in place to tackle poverty. However, economic, social and cultural rights for people with protected characteristics are not always systematically taken into consideration when deciding public finance. The work of tackling inequalities and promoting equality and inclusion need to be more aligned with one another to ensure that indeed 'no one is left behind' and we are getting it right for every person.

Budget process

How easy is it for people to engage with the budget process?

The budgetary system is much clearer in terms of overall process (e.g. Fiscal Framework, Scrutiny) however this is still very far from being directly accessible or relatable to the daily experiences of different communities.

Improved understanding and scrutiny would derive from information about repartition of resources for:

- mainstream provision (intended to provide universal access)
- specialist provision (providing support for specific protected characteristic)
- repartition of these resources at national as well as local level
- and finally, information about the deployment of resources (not headline figures of amount allocated, but instead number of people from various communities benefitting)

This last point matters as funding that is allocated to national organisations does not always translate in tangible or sustainable services beyond the central belt. Improved understanding, scrutiny as well as better recognition of the work done would drive better equality for all across Scotland.

Do you feel that you, your organisation, and the evidence you gather, can genuinely influence government decisions on the budget?

FCE is a very small organisation to have any influence over decisions on the budget.

How can the links between policy commitments, allocations and achievements of rights be made more transparent?

As above, our position is that a clear evidence trail, would derive from accessible information and scrutiny about repartition of resources across:

- mainstream provision (intended to provide universal access)
- specialist provision
- repartition of these resources at national as well as local level
- deployment of resources at local level (communities and localities)

Any other views

Please share any other views you have on the Budget, from the perspective of equalities, human rights and civil justice.

FCE's General Response:

1. De-centralise the funding for equality initiatives

Ring-fenced funding should be allocated to local authorities for local distributions. Currently, the Equality and Human Rights Grants are administered by the Scottish Government. The majority of recipients are national organisation based in the central belt or main cities in Scotland. Equality is a matter that needs to be addressed at every corner of Scotland. We need to ensure that all those that live out with the urban areas are recognised to have the:

- right to an adequate standard of living, including the rights to adequate food, clothing and housing and the continuous improvement of living conditions
- right to an adequate standard of living, including the rights to adequate food, clothing and housing and the continuous improvement of living conditions
- right to education
- right to social security
- right to take part in cultural life

It is important that people with protected characteristics feel they can thrive and fulfil a good quality of life at where they live rather than feeling they need to move / travel to the cities to access more appropriate services. For example, people should be able to access good education, good jobs, good person-centred services and live without the fear of discrimination or harassment.

2. Investment for local preventative projects that foster good relations between different protected characteristics and assist those groups to utilise their rights.

FCE is a good example of a local initiative that helps bring together communities of different protected characteristics and working together to make Fife a fairer place to live, work and study. More importantly, we help build bridges on equality issues between the public sector partners and those who feel they have been disadvantaged. We won't take up the space and time in this response to cite the many examples, however we would welcome the panel to visit our website to see some of the work we have done so far, <https://centreforequalities.org.uk/>.

Re-iterating our earlier point about de-centralising the funding, without a local organisation that understands the makeup of the local communities, it will be hard for the national policy makers to clearly hear the negative impacts the budget may have on people outside of the urban cities.

We would also advocate that the investment allocation needs to be fairer. The assumption is that initiatives based in the cities will require more resources. For example, we see that national organisations will be given around £300k on an annual basis. At the regional level, an organisation with similar number of employees is expected to apply for £50k max per year. This creates a pay gap for those working in the cities in comparison to those working in the less urban areas. We should also bear in mind that the travel costs for those living in the less urban areas are a lot higher than those living in the cities. This pay gap creates a significant negative impact on local equality groups to compete for good candidates.

3. Heightened scrutiny in how Scottish Government and local authorities fulfil their Public Sector Equality Duties in preparation of their annual budgets

The public sector Equality Duty (PSED) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Public bodies should conduct impact assessments to ensure all their functions and policies are compliant with the PSED. Often the timeline of approving budgets do not allow sufficient time to conduct equality impact assessments. Hence limited information is available for the public to assess how any budgets proposed by the Scottish Government or local authorities will affect different protected characteristics.

Currently, local health and social care partnerships may aim to make savings by reducing day care services for people where people live. On paper, it may only affect a handful of people. In reality, it takes away friendship, security, local jobs, respite for their carers and connections within the community.

4. More support for people with protected characteristics to use Participation Request for them to highlight unmet needs within the budgeting process

From April 2019 to March 2020 Fife Council received 3 participation requests, we understand these were refused on the basis there was ongoing engagement. This may suggest that there is a lack of awareness and understanding regarding the

process or support available to help people to prepare those requests. On researching how accessible the information was regarding participation requests we could find no easy read or other accessible versions.

It may prove a useful exercise for local authorities to consider a proactive approach and deliver awareness sessions to encourage and engage with individuals, providing accessible formats to encourage participation from individuals and groups with protected characteristics.

Since September 2019, Fife's has been undertaking a large-scale test to mainstream participatory budgeting and Fife Centre for Equalities has been supporting the involvement of individuals and groups with protected characteristics. We would advocate that this type of support needs to be invested in.

At present the support available is an add-on to an organisation's activities, leaving support for individuals ad-hoc and not a priority, which needs addressed if participatory budgeting is to be successfully mainstreamed.

5. Better dialogue between MSPs and their constituents as part of the budgeting process

It would be more advantages for regional MSPs collectively to hold budgetary conversations with their constituents. This will remove the tension created by party politics, instead the public will feel their MSPs are working together to act in the interests of their constituents. These conversations will also help promote the value of being involved in the budgeting process.

These conversations would require to be open, transparent, accessible and constructive. They will likely expand the opportunities for the general public to engage with elected politicians. Co-producing, or opportunities, allow constituents to set the priorities and will help move away from the general public providing feedback on structured consultations, instead the constituencies will shape the agenda based on local needs.

6. Partnership

As an organisation that works with honesty, integrity, respect and transparency, and strives to demonstrate a fully inclusive approach in everything we do, we sincerely hope we can support both the Scottish Parliament and the Scottish Government in helping Fife's people with protected characteristics to better understand and engage with the national budgeting process.

Annexe C

Equalities, Human Rights and Civil Justice Committee

Pre-Budget Scrutiny 2022/23

Submission from: Scottish Council for Voluntary Organisations (SCVO)

Resource generation

Given the main sources of government revenue should the government further increase revenue available to it, and if so how?

The Scottish Council for Voluntary Organisations (SCVO) welcomes the opportunity to submit to the Equalities, Human Rights and Civil Justice committee our views on resource allocation. As the national membership organisation for the voluntary sector, our priority is to see a Scottish Budget that recognises the invaluable role that the voluntary sector plays in Scotland's economy, both in short to medium term recovery and in the longer-term economic transformation that Scotland needs.

Scotland's voluntary organisations are an integral part of the Scottish economy, and deliver enormous social benefit, often working with the most marginalized communities. The work of the sector touches on all parts of Scottish society, from tourism and housing to the justice and social care systems. The sector is comprised of an estimated 40,000+ organisations, from grassroots community groups and village hall committees to over 6,000 social enterprises, and approximately 25,000 registered national charities.

With an annual turnover eclipsing £6bn, and over 100,000 paid staff connecting with more than 1.2m volunteers, the role of the Scottish voluntary sector as a significant social and economic actor must be supported in this budget. SCVO does not take a position on the levels of revenue raised. However, we understand acutely the current pressures on financial resources and what is of primary concern to our organisation, and the wider voluntary sector, is that the best use is made of the revenue available. Alongside many of our members, we have long argued for a greater shift to preventative spend. Ten years ago the Christie Commission outlined cogently the case for early intervention, prevention, and working with communities and individuals to design and deliver better public services. Where funding has allowed, the voluntary sector has accelerated this agenda, but as much recent discussion has highlighted, much more needs to be done to realise the vision of the Christie Commission.

We know this person-centred approach not only better connects people to the services they are receiving, as well as generating employment, but crucially delivers better outcomes for individuals and communities which in turn makes medium to

longer term savings to the public purse. In a recent report (2020) from the Children's Hospices Across Scotland (CHAS), for example, the York Health Economics Consortium calculated that for every £1 of public money received, CHAS generated a remarkable £5.12 of value. By reducing the demand on health and social care services and other public services, the Scottish voluntary sector delivers an incredible return on investment which must be recognised in future budgets if Scotland is to get more value from its public finances.

That said, through its person centred approach, the Scottish voluntary sector delivers far beyond an impressive monetary return on investment. Unfortunately, the sector has found its contribution to the economy beyond money is not always recognized. Procurement is a prime example of this where a process focused on driving down costs, favouring outputs over outcomes, has often inhibited the voluntary sector from partnership building and realizing its true potential. Simply seeing the sector as a cost-effective way to fill gaps rather than by its transformational potential does little to support systematic change.

How might particular groups be affected differently by efforts to raise revenue?

SCVO supports a human rights-based approach to resource generation, ensuring rights are at the centre of revenue raising decision making. As such revenue raising must not discriminate against any group of people based on grounds such as race, ethnicity, gender, health, income, or sexual orientation.

There are multiple voluntary sector organisations with key expertise in these areas, including CEMVO Scotland, Inclusion Scotland, Engender, and the Scottish Independent Advocacy Alliance. They are very well placed to provide evidence, monitor, and scrutinise revenue raising decisions in relation to their impact on different groups.

What kinds of analysis are necessary to ensure that resources are raised (and allocated) in such a way that supports the progressive realisation of rights?

SCVO supports the progressive realization of rights and believes human rights should be placed at the heart of financial decision making. This includes ensuring that revenue raised and allocated protects the human rights of all and that allocation is directed towards reducing inequalities in rights fulfilment. There are multiple voluntary sector organisations with key expertise in these areas, as outlined in response to the previous question, who are very well placed to provide contribute to this analysis.

Resource allocation

In terms of resource allocation what areas do you think are: sufficiently resourced, and/or under resourced and where resources need to be redirected to?

As outlined previously, our priority is to see a Scottish Budget which identifies the incredible contribution which the voluntary sector makes to the Scottish economy, and enables the sector to realise its full potential. Central to this is the realisation of sustainable funding for the sector.

The Scottish voluntary sector plays an essential role in ensuring the protection, respect and fulfilment of human rights for our communities across Scotland. Many voluntary organisations also crucially identify where rights are not being realized and challenge insufficient action and practice. To enable this to continue, and be further solidified, SCVO believes the Scottish budget must invest in and recognise the voluntary sector as a significant employer, partner, and vital social and economic actor in Scotland's recovery from the pandemic.

The diversity of the sector is extraordinary, with organisations contributing to all aspects of Scottish society. Voluntary organisations are an essential part of Scotland's economy, encompassing an estimated 40,000+ organisations, from grassroots community groups and village hall committees to over 6,000 social enterprises, and approximately 25,000 registered national charities. The variety in size, scope and area of expertise means that a one size fits all approach is not possible to address the continued funding challenges experienced by voluntary organisations.

In order for the voluntary sector to continue to thrive, Scottish Government action on sustainable funding is required. Over recent years commitments made to addressing funding concerns have gone unrealised. In 2019, the then Equality and Human Rights Committee recognised in its pre-budget report the complex and precarious nature of voluntary sector funding. Its report set out a string of recommendations including calling on the Scottish Government to work with other statutory funders to improve partnership working, examine longer-term funding models, enhance inclusivity of application processes, strengthen the sector's role in decision making and to conduct a review of voluntary sector funding.

The Scottish Government response included a commitment to working towards three year funding but overall we found the response disappointing due to its lack of detail. On the back of this we urged the EHR Committee in 2020 to revisit these recommendations, and welcomed their reiteration for more progress. However, we are still awaiting significant movement on this, not least around multi-year funding and timely payments.

With its innovative practice and commitment to partnership working during the pandemic, the voluntary sector has received considerable praise and commitments to support recently from the Scottish Government at numerous key events and in various reports. Multi-year sector funding featured across the spectrum of 2021 political party manifestos and support for the sector was echoed by all

representatives who took part in our pre-election hustings in April this year. It is time to see warm words turn into decisive action for the sector.

There are several areas where progress needs to be made. A key change for the sector would be a shift to multi-year spending plans and ensuring good practice on multi-year funding currently in place is replicated across Government. We welcomed the inclusion of this in the 2021 Programme for Government and look forward to working with the Government towards its realization. However, this has been stated before and the sector very much desires action, not words, on multiple year funding. Its implementation would help reduce instability for organisations, as well as free up the capacity required to chase funding on a frequent basis.

Alongside this, greater flexibility, timely payments and addressing core funding challenges would be of significant benefit to the sector. Many voluntary organisations operate on a complex patchwork of statutory funding, fundraised income, earned income and grant income. As such, there is no silver bullet to funding issues facing the sector and the Scottish Government, local government, independent funders and the sector itself all have a key role to play in ensuring the financial sustainability of the sector. During the pandemic, a light was shone on the financial vulnerability of the sector, as trading for many organisations had to cease, public fundraising was halted, and in some cases demand for services and supports increased significantly.

As a result greater flexibility was brought into funding arrangements, enabling voluntary organisations to thrive. Due to the success of this enhanced flexibility, we are calling for these arrangements to be applied to non-covid related funds and funding decision making should be standardised to ensure timely payments to voluntary organisations in time for the new financial year. The voluntary sector has a proven track record of delivering high quality person centred services with an impressive return on investment. It needs to be given the power and trust to take this forward.

Alongside this, budget decisions must recognize some of the wider financial pressures facing the sector. Some organisations have not seen inflationary uplifts to their funding arrangements for over ten years. Particularly in this turbulent financial period, it's vital to supporting organisations behind the scenes and ensuring sustainability between project funding through financial support to cover core costs, something often ignored by funders.

On top of this, greater attention is needed around procurement and commissioning. The flexibility brought in to some procurement arrangements during the pandemic was very much welcomed and the voluntary sector responded by demonstrating innovative practice. That said, many voluntary sector organisations continue to feel the strain of competitive tendering processes, which discourages partnership working. Through its focus on driving down costs and outputs over outcomes, procurement processes are often failing to deliver what they are commissioned for and can threaten the very sustainability of organisations. Sufficient resources must be directed to ensure providers have the funding to deliver the best quality service and realise Fair Work principles.

The budget should play a key role in creating the necessary conditions for greater partnership working. The Social Renewal Advisory Board set a target for digital exclusion to end by the next parliamentary term and we believe it is imperative for the Government to build on the success of the Connecting Scotland Programme to support continued and solid infrastructure for digital inclusion.

Recognising the great work of the previous EHR Committee, SCVO requests that the Equality, Human Rights and Civil Justice Committee plays a key role in continuing to monitor the implementation of these pledges to improve the sustainability of voluntary sector funding.

How might resource allocation address inequalities and the gaps in the realisation of human rights for all?

As is well documented, inequalities have widened during the pandemic. As the most important policy document of the year, the budget should be directed primarily to the promotion of equality and the realisation of human rights. Several voluntary organisations are acutely placed to help identify and monitor current inequalities and gaps in human rights fulfilment. To do this they must be adequately funded and better involved in budget scrutiny and decision making. For this to happen, a more transparent budget process is required, centred on Open Government principles.

Alongside this, the wider voluntary sector plays an invaluable social and economic role in challenging inequalities and furthering the realisation of human rights. Voluntary organisations deliver across the spectrum, providing vital services and empowering some of Scotland's most marginalised communities. The sector contributes significantly to the protection, respect and fulfilment of human rights for communities across Scotland.

As outlined above in more detail, in order to ensure this vital work continues, sustainable funding is required. The flexible funding arrangements available during the pandemic should be applied to non-covid related funds and annual funding decision making should be standardised to ensure timely payments to voluntary organisations in time for the new financial year. The budget should be a demonstration of progress made regarding the 2019 request made by the then Equalities and Human Rights Committee that the government works with the sector to develop new funding models, drawing on innovative approaches developed with the sector during the pandemic. Important milestones which need to be reached include a shift to multi-year spending plans, better recognition of core and inflationary costs, greater flexibility and a stronger emphasis on collaboration in place of competition.

Overall, how effectively is public finance in Scotland being used to achieve economic, social and cultural rights (as outlined above)? What improvements are required?

Voluntary organisations in Scotland are at the forefront of ensuring human rights are realised. In many areas, from digital exclusion to employability, voluntary

organisations are utilising public finances for the advancement of rights and the reduction in inequalities.

That said, as identified previously, the lack of sustainable funding for the sector continues to hamper these efforts. Action on multi-year funding, timely payments, greater flexibility and innovative funding models, stronger partnership working and enhanced inclusivity of funding, is needed if we are to move away from the complex and precarious situation identified by the Equality and Human Rights Committee in 2019. This includes a shift away from competitive tendering to more collaborative approaches.

Alongside this, SCVO believes there needs to be a greater appreciation of the key role the voluntary plays in Scotland's social and economic life. SCVO and colleagues across the voluntary sector were frustrated by the sector's omission from the Cabinet Secretary's budget statement in 2021-22. While the Cabinet Secretary recognised many other parts of society for contributing during the pandemic, the sector was overlooked. The sector was also omitted from the recent Council for Economic Transformation.

SCVO find this disappointing given the significant return on investment which the sector delivers. As well as this, as mentioned above, voluntary organisations are often at the forefront in delivering person centred services, based on early intervention and prevention which not only deliver successful outcomes for individuals and communities but also make significant savings to the public purse. On top of that, the sector has a multi-billion pound annual turnover, with over 100,000 employed staff, working with over a million volunteers.

Budget process

How easy is it for people to engage with the budget process?

A pivotal role which the Scottish voluntary sector plays is ensuring the active participation of individuals and communities in local and national decision making. This is a fundamental element of a human rights based approach. The Social Renewal Advisory Board (SRAB) has echoed the calls long made by voluntary organisations for the need to involve those with lived experience of inequality in decision making. It is unclear how effectively the budget process is doing this. As outlined in SRAB, with funding the voluntary sector is key placed to ensure people with lived experience can participate. This should be established from the very beginning of the budget process, to ensure genuine participation, transparency and accessibility of all key documents and stages.

Do you feel that you, your organisation, and the evidence you gather, can genuinely influence government decisions on the budget?

Over the past few years, alongside many voluntary sector colleagues, SCVO has outlined a detailed case for sustainable funding arrangements for the sector, alongside parity of esteem and greater partnership working. In this endeavor, we received considerable support from the previous Equality and Human Rights

Committee (EHR Committee), who recognised the invaluable contribution which the sector makes to Scotland's social and economic life.

In 2019, the EHR Committee recognised in its report, 'Valuing the Third Sector' many of the key funding challenges facing the sector. It called on the Scottish Government to work with key partners to address many of these areas including partnership working, longer-term funding models, inclusivity of application processes, the sector's role in decision making and sector funding.

SCVO had hoped to see this as a key milestone but, as highlighted above, found the Scottish Government response underwhelming due to its lack of detailed commitment. We then engaged further the EHR Committee in 2020, resulting in a call from the committee for greater action. Despite the firm support of the committee in this, insignificant advances have been made, not least around multi-year funding and timely payments.

The sector continues to receive considerable praise from across the political spectrum, not least for its invaluable work during the pandemic. Multi-year funding was included all of the 2021 party manifestos, and, not for the first time, has featured in this year's Programme for Government.

While we have found a great deal of support for the sector through our influencing work, and this has led to many on paper commitments, warm words are not enough. In order to continue to deliver its outstanding services, the voluntary sector needs decisive action on funding, as detailed above.

How can the links between policy commitments, allocations and achievements of rights be made more transparent?

Greater accountability of how spending decisions are contributing to national and local outcomes would be a welcome step forward. SCVO previously supported Wellbeing and Sustainable Development Bill and welcomes its proposal to bring more rigor to the implementation of the National Outcomes and spending.

Alongside this, more accountability of how the voluntary sector is involved and invested in across all policy areas. Scottish Parliament can play a key role in challenging the sector's absence across the areas within remits of the committees. Policies are there in many cases but there can be a disconnect with practice.