

## **Engender submission to the Equality and Human Rights Committee scrutiny of Draft Budget and Spending Plans 2017-18**

### **1. INTRODUCTION**

Engender works in Scotland to advance women's economic, social and cultural, and political equality with men. We make visible the ways in which women's inequality impacts Scotland, and bring women together to make change happen.

We welcome the focus of the Equality and Human Rights Committee this year, as it anticipates the Draft Budget in its call for evidence. In response to the Committee's questions on priorities and gender gaps within Budget 2016-17 and the budget process itself, we make two key points.

Firstly, we describe the way in which Scottish Government topline policy priorities around gender equality are not adequately reflected in the budget, and the consequential impact this has downstream on policy outcomes. We have illustrated this with two examples: funding for violence against women services, and funding for support for women's enterprise. These illustrations include reference to how these specific policy areas are analysed in the Equality Budget Statement 2016-17.

Secondly, we describe a solution that could integrate policy priorities with the budget process, and ensure that public expenditure in Scotland was allocated in a way that reflected the needs of women and men in Scotland: adding gender budget analysis to the budget process. We assess the ways in which the existing equality budget statement process falls short of gender budget analysis, and the extent to which Scotland is falling behind European comparators in implementing gender-sensitive budgeting.

Tightening spending brought about by the UK Government's commitment to an ideology of austerity, and the profoundly gendered impacts of UK spending decisions around social security,<sup>1</sup> make it imperative that Scottish Government and the Scottish Parliament can take a cross-portfolio view of the ways in which the budget

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<sup>1</sup> Engender (2015) *A Widening Gap: Women and welfare reform*.

cumulatively impacts on women. The Scottish Budget should advance equality between men and women, and not entrench it.

## 2. THE GENDER GAPS IN THE SCOTTISH BUDGET

### 2.1 HOW GENDER EQUALITY IS FUNDED IN THE SCOTTISH BUDGET

#### 2.1.1 Central Equality Budget

There are relatively few elements of spend earmarked for activity to advance gender equality in the Scottish Budget. In the 2016-17 Budget, as in previous years since devolution, there is a **central Equality budget**. This has been frozen at £20.3m for some years.

This funds **strategic equality intermediaries** across the protected characteristics, including Engender and Close the Gap, to develop policy and advocacy work. It funds **equality projects** that organisations bid for on a competitive basis, including Women's Enterprise Scotland. It includes **violence against women funding**, which funds the policy, advocacy, and development work of Scottish Women's Aid and Rape Crisis Scotland, and their networks of member services, as well as Zero Tolerance and other local initiatives.

#### 2.1.2 Ad hoc programme spend

The spending period 2016-17 saw the continued disbursement of **£20m of spend in the Justice portfolio** for violence against women innovation, with a specific – if not exclusive – focus on criminal justice interventions. There are other smaller pieces of ad hoc non-recurring gender equality funding that are earmarked for specific purposes, including **£200,000 additional funding for returnship<sup>2</sup> projects** that was announced in April 2017, and **£300,000 to increase women's engagement in sport**, announced in July 2016.

#### 2.1.3 Mainstreaming

Outside of these specific and ad hoc funds, spend around women's equality is supposed to be mainstreamed across portfolios. Thus, transport funding is intended to meet women's and men's needs for public transport provision, funding for economic development agencies is intended to meet the needs of female entrepreneurs, and so on.

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<sup>2</sup> Returnships are interventions to support women returners to the labour market, specific occupational sector, or workplace after a period of sustained childcare.

## 2.2 GENDER AND THE ECONOMY: FOLLOWING THE (LACK OF) MAINSTREAMING ON WOMEN'S ENTERPRISE

The section of the Equality Budget Statement for 2015-16 that relates to finance and the economy has only one mention of gender, in a sentence that describes the contents of the Scottish Business Pledge.<sup>3</sup> The paragraph on enterprise agencies merely notes that these bodies will have “slight reductions in the day-to-day resource budgets”, but that no equality implications are anticipated.<sup>4</sup>

Although Scottish Enterprise’s business plan for 2015-18 says that the agency “also recognise[s] the key role we have, both as an employer and in our engagement with business, in developing actions to address the challenges women face in the labour market”, there is no further information about how that influences delivery within the agency or budget allocation.

The mainstreaming report from 2015, which sets out Scottish Enterprise’s equalities outcomes in compliance with its obligations under the Scottish specific regulations around the public sector equality duty, does not provide explanatory detail. Although some relevant outcomes are listed, it is not clear how Scottish Enterprise will act or invest to ensure that these are realised.

Women’s enterprise is profoundly gendered, and there is a significant gender gap in those who start and own their own businesses. **If the numbers of women-led businesses increased to equal those of men, it would lead to a 5% increase in GDP, equivalent to £7.6bn.**<sup>5</sup> It is possible that the number of women-led businesses could even exceed those of men-led businesses: many women move into self-employment to avoid discrimination in the labour market including unequal employment opportunities, and difficulties in reconciling work and caring roles<sup>6</sup>.

Despite the fact that only 3.4% of high-growth businesses are cited by Scottish Enterprise as women-led,<sup>7</sup> the agency has taken only very limited steps to target services and products at female entrepreneurs. This is despite considerable international evidence in support of, and domestic demand for, such a gendered

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<sup>3</sup> The gender equality component of the Scottish Business Pledge requires business to “make progress on a balanced workforce”. The pledge form asks businesses to answer the following question: “Are you working towards gender balance and diversity on your Board and in your workplace?”

This is an almost meaningless requirement as it relates to employees. While board diversity is a laudable aim both in terms of enhancing decision-making and in signalling a commitment to gender equality, gender balance it is not a relevant measure for employment at the enterprise level. It is possible to have top line gender balance within a workforce, but to have all of the men clustered in senior grades and all of the women clustered in junior grades. Gender balance within a workforce is therefore not used or recommended as an indicator in any context of which we are aware.

<sup>4</sup> Scottish Government (2016) *Equality Statement Scottish Draft Budget 2016-17* p.24.

<sup>5</sup> <http://www.cando.scot/partners/womens-enterprise-scotland/>.

<sup>6</sup> UK Women’s Budget Group (2016) *Here to Stay: Women’s self-employment in a (post) austerity era*

<sup>7</sup> Scottish Enterprise (2015) *Equality Mainstreaming Report 2015*.

approach. It is now a decade since the introduction of the gender equality duty,<sup>8</sup> which required public bodies in Scotland to mainstream gender equality concerns in their core business. Despite this imperative, Scottish Enterprise is still only committed to “explore why more high growth companies not led by under-represented groups and, *if required*, establish actions which will address this issue”<sup>9</sup> (emphasis ours).

The lack of consideration of gender as relevant to the allocation of resources for economic development work, coupled with Scottish Enterprise’s failure to mainstream gender in policy development, means that efforts to expand the number of women-led businesses remain entirely marginal. Rather than being integrated into the economic development budget, action is constrained to project-funding for Women’s Enterprise Scotland in the equality budget. This is impossible to scale up, and runs entirely counter to the notion of gender mainstreaming.

### 2.3 UNMET DEMAND FOR VIOLENCE AGAINST WOMEN SERVICES: HOW FAILURE TO GENDER BUDGETS WORKS AT THE SERVICE DELIVERY LEVEL

Violence against women is one of the greatest human rights violations of our age, and the Scottish Government has taken steps to create a bold strategy for its eradication, *Equally Safe*.<sup>10</sup> Commendably, this recognises men’s violence against women as both cause and consequence of women’s inequality.

A piece of economic analysis prepared for the European Institute of Gender Equality (EIGE) estimates **the total cost of gender-based violence against women to the European Union of €225bn**<sup>11</sup>. This measures lost economic output, health service spend, criminal and civil justice costs, social security, personal costs, physical and emotional impact, and the cost of specialised services. This aggregated figure represents a substantial and persistent cost to the public purse, to women’s incomes, to women’s health and wellbeing, and to women’s capacity to participate in public life.

The staggering costs of men’s violence against women are not reflected in the resource that is budgeted to prevent it or to meet the needs of its victim-survivors. The Equality Budget Statement 2015-16 identifies that “the Justice portfolio’s investment to support a robust response to tackling violence against women and girls will continue”.<sup>12</sup> This refers to a £20m fund announced by the First Minister in

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<sup>8</sup> The gender equality duty has now been replaced by the public sector equality duty, which is part of the Equality Act 2010, and includes a requirement to carry out gender mainstreaming.

<sup>9</sup> Scottish Enterprise (2015) *Equality Mainstreaming Report 2015*.

<sup>10</sup> Scottish Government & CoSLA (2014) *Equally Safe: Scotland’s strategy for preventing and eradicating violence against women and girls*.

<sup>11</sup> EIGE (2014) *Estimating the costs of gender-based violence in the European Union*.

<sup>12</sup> Scottish Government (2016) *Equality Statement Scottish Draft Budget 2016-17* p.35.

March 2015. Additionally, resources from the central equality fund include funding for Scottish Women's Aid and Rape Crisis Scotland and their networks of local centres and groups.

In 2010, Rape Crisis Scotland and Scottish Women's Aid campaigned to retain centralised funding for local violence against women services, in response to proposals to devolve these to local government. The maintenance of specific national funds for rape crisis centres (**Rape Crisis Specific Fund**) and violence against women (**Violence Against Women and Girls Fund**) has been the result, but years of standstill funding has of course resulted in real cuts of increasing significance. Scottish Women's Aid estimates that level funding for domestic abuse services from the Equality budget has delivered 10 to 20% reductions over the last 10 years.

### *2.3.1 Rape crisis services*

Sexual crimes have been on a long-term upward trend since 1974, and have increased each consecutive year since 2008-09. Reported sexual crimes are at the highest level seen since 1971, the first year for which broadly comparable crime groups are available.<sup>13</sup> At the same time, Scottish Government's Rape Crisis Specific Fund, which provides core funding to centres, has been frozen for ten years. Dundee Rape Crisis has seen a 67% increase in demand for its support services over the last five years, with Glasgow & Clyde Rape Crisis experiencing a 110% increase and Perth & Kinross a 160% increase in demand over the same period.

Rape Crisis Scotland advises us that trusts and grant-making bodies that fund service provision have skyrocketing demand for their funding programmes, and local authority funding is often frozen or non-existent. Many Rape Crisis Centres receive no local authority funding at all.

### *2.3.2 Women's aid services*

Women's aid services' funding is allocated by three levels of government. Refuge is partly-funded by housing benefit, the levels and qualification for which is the purview of UK Government, and local authority housing and homelessness money, administered by local authorities. Local domestic abuse services are therefore vulnerable to local political pressures, and women's aid groups must also design their services to deal with wide differentiation in process of disbursement. In some local authority areas services must submit weekly timesheets on a zero-hours contract basis to trigger the drawdown of funds. In others, service level agreements are in place that must be renegotiated each year. Services must fund sick leave and annual leave (and other core expenses) through other, increasingly scarce, sources.

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<sup>13</sup> <https://beta.gov.scot/publications/recorded-crime-scotland-2016-17/pages/6/>

This creates a high degree of precarity for workers, requires expensive and cumbersome financial arrangements, and substantively undermines the stability of services.

### 3. HOW GENDER BUDGET ANALYSIS WOULD HELP

#### 3.1 WHAT GENDER BUDGET ANALYSIS IS

Gender budget analysis is a gender mainstreaming tool. It is designed to ensure that adequate resources are allocated to meet women's and men's different needs, and can expose unwitting bias within budgetary processes that are otherwise assumed to be gender neutral. Used well, it will strengthen gender equality of outcomes across all public expenditure and government departments. An established definition of gender budgeting refers to "a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures in order to promote gender equality".<sup>14</sup> It is not a separate budget for women, nor is it about governments spending the same on men and women: it is about whether spending reflects both men and women's needs.

#### 3.2 GENDER BUDGET ANALYSIS IN SCOTLAND

Since devolution, Scotland has made some progress towards gender-responsive budgeting, primarily in the form of the Equality and Budget Advisory Group and Equality Budget Statement (EBS).<sup>15</sup> Published in parallel to the Draft Budget, the EBS assesses the Ministerial Portfolios' proposed spending plans for their impact on equality, and is currently the only process of its kind in the UK.

However, at present, the EBS is a list of gender and equalities-inflected spend, describing spending decisions that have already been made. It has limited impact on the budget process itself. The EBS requires a clearer purpose and better timing to substantively inform development of the Scottish Draft Budget, and to be used more effectively by MSPs and parliamentary committees in their budget scrutiny.

In Engender's 2017 Gender Matters Roadmap,<sup>16</sup> **we called for the Scottish Government to extend the Equality Budget Statement process into a full gender analysis of the Scottish Budget**, where the cumulative impact of spending decisions on women's equality is considered. **GBA should become embedded within the Scottish Government's normal annual routines of budgeting and of policy-making,**

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<sup>14</sup> Council of Europe (2009) *Gender budgeting: practical implementation*.

<sup>15</sup> Scottish Government: <http://www.gov.scot/Topics/People/Equality/18507/13477>.

<sup>16</sup> Engender (2017) *Gender Matters Roadmap: Towards Women's Equality in Scotland*.

<https://gendermatters.engender.org.uk/content/resources/Gender-Matters-Roadmap---towards-womens-equality-in-Scotland.pdf>

rather than be used only as an extrinsic form of analysis,<sup>17</sup> and Government should be able to demonstrate how GBA has informed resource re-prioritisation and re-allocation decisions across spending portfolios.<sup>18</sup> **We have, along with the Scottish Women’s Budget Group, also been calling for the resourcing of demonstration programmes to develop good practice in Scotland and to identify key intervention points throughout the year.**

One of the key roles that Parliament can play is to scrutinise this process, ensuring that Government officials are undertaking adequate gender equality analysis in each department and across each spending portfolio, and holding government to account for the promotion of gender equality in activities and investments across all sector areas.<sup>19</sup>

### 3.3 CREATING A STATUTORY FOOTING FOR GENDER BUDGET ANALYSIS IN SCOTLAND

Legislation and regulation could be used to make clear the requirements on Scottish Government to undertake GBA in all public spending and revenue-raising. This would strengthen accountability and make robust equality budgeting a legal obligation in Scotland. For example, amendments could be made to the Public Finance and Accountability (Scotland) Act 2000, or the Scottish-specific duties under the Public Sector Equality Duty.<sup>20</sup>

#### FOR FURTHER INFORMATION

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#### ABOUT US

Engender is a membership organisation working on feminist agendas in Scotland and Europe, to increase women’s power and influence and to make visible the impact of sexism on women, men and society. We provide support to individuals, organisations and institutions who seek to achieve gender equality and justice.

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<sup>17</sup> OECD (2016) *Gender Budgeting in OECD Countries*. <https://www.oecd.org/gender/Gender-Budgeting-in-OECD-countries.pdf>

<sup>18</sup> *ibid*

<sup>19</sup> *ibid*

<sup>20</sup> The Public Sector Equality Duty was created under the Equality Act 2010. The requirements of the Scotland-specific duties are contained in the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012, which have been amended in 2015 and 2016.