



OFFICIAL REPORT
AITHISG OIFIGEIL

Equalities, Human Rights and Civil Justice Committee

Tuesday 25 January 2022

Session 6



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Tuesday 25 January 2022

CONTENTS

BUDGET SCRUTINY 2022-23	Col. 5
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EQUALITIES, HUMAN RIGHTS AND CIVIL JUSTICE COMMITTEE
3rd Meeting 2022, Session 6

CONVENER

*Joe FitzPatrick (Dundee City West) (SNP)

DEPUTY CONVENER

*Maggie Chapman (North East Scotland) (Green)

COMMITTEE MEMBERS

*Karen Adam (Banffshire and Buchan Coast) (SNP)

*Pam Duncan-Glancy (Glasgow) (Lab)

*Pam Gosal (West Scotland) (Con)

*Fulton MacGregor (Coatbridge and Chryston) (SNP)

*Alexander Stewart (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Chris Birt (Joseph Rowntree Foundation)

Emma Congreve (Fraser of Allander Institute)

Dr Angela O'Hagan (Scottish Government Equality Budget Advisory Group)

CLERK TO THE COMMITTEE

Katrina Venters

LOCATION

Virtual Meeting

Scottish Parliament

Equalities, Human Rights and Civil Justice Committee

Tuesday 25 January 2022

[The Convener opened the meeting at 10:00]

Budget Scrutiny 2022-23

The Convener (Joe FitzPatrick): Good morning and welcome to the third meeting in 2022 of the Equalities, Human Rights and Civil Justice Committee. We have received no apologies.

Our first agenda item is a follow-up session on budget scrutiny. I refer members to papers 1 and 2. I welcome our witnesses: Emma Cosgrove, knowledge exchange fellow at the Fraser of Allander Institute; Dr Angela O'Hagan, chair of the Scottish Government equality budget advisory group; and Chris Birt, associate director for Scotland of the Joseph Rowntree Foundation.

Thank you for agreeing to give evidence today—you are all very welcome to the meeting. If you wish to come in on any question, please indicate that by typing R in the chat box and I will bring you in if time is available.

I invite each of our witnesses to make a short opening statement. We will start with Emma Cosgrove.

Emma Congreve (Fraser of Allander Institute): Good morning. Just for the record, my name is Congreve rather than Cosgrove—it is a common mistake.

The Convener: I apologise. That is my fault—I can see that it is typed correctly in my brief.

Emma Congreve: Thank you for inviting me back to the committee. I have just a couple of points to make; I will keep my remarks short.

Since we last spoke, we have had the next iteration of the Scottish budget. With regard to the issues that the budget raises that will be of interest to the committee, progress is still being made in relation to the intention of policy makers and analysts to look at where budget spend should or could have an impact on people with protected characteristics and on income inequality.

We are further along than we were a few years ago, when it could be quite difficult to even find figures on budget spend that could be linked to statements in the equality budget statement. We welcome the progress on transparency in that respect. However, there is still some way to go.

It is still clear from reading the budget documents that the commentary and analysis that look at some of the impacts on protected characteristics and income inequality come after the decisions have been made and potentially after the spending allocations have been finalised. It is rare to see examples where analysis that seeks to find areas where more spend is required to tackle inequalities is aligned to a level of budget spend, with a follow-through analysis of the impact that that would be expected to have on the areas of concern. We still have after-the-event analysis. Clearly, in order to better meet targets and improve lives, we want there to be a switch in focus so that there is a clear pathway between analysis of need and the money that is allocated through the budget. That is not just about the budget process; it is about the whole policy-making process and the improvements that need to be made there.

The second area in which we would like more progress to be made is in the adding up of spend that is allocated or thought to be related to some of the issues on equality and income inequality. At the moment, there are a lot of figures in there—£1 million here, £10 million there, £50 million here—but there is no sense of the totality of that, or even of how those millions are represented in the different portfolios and what that looks like as a proportion of the overall portfolio spend. We are missing a lot of context that would help us to understand how significant some of the spend is in the budget that is allocated to different areas.

We would like to see improvement in both those areas. Those improvements will take time. We are making some progress, but there is still a way to go.

The Convener: Thank you, Emma.

Dr Angela O'Hagan (Scottish Government Equality Budget Advisory Group): Good morning. I agree with much of what Emma Congreve has said. We can see really significant improvements, particularly in the equality and fairer Scotland budget statement. The presentation is much more accessible and it brings out some quite simple points that are very important in terms of conveying information about the budget and the direction of travel. Including infographics on the budget is an important step.

Another important inclusion is the specific human rights that are engaged in the different portfolio spends. That is very important as part of the collective action that is needed to build knowledge and understanding on human rights. We have a long way to go there, but we have high ambitions in that regard. We need to work collectively to build knowledge and understanding.

The annex that is attached to the equality and fairer Scotland budget statement is a tremendous resource. At 134 pages, it will be treated as a resource rather than a ready reckoner, but it could provide a ready reckoner for parliamentarians and those of us with an interest outside Government to look for some of the specificity across the portfolios that Emma Congreve highlighted. Again, there is a long way to go. This is the second iteration of that approach, and I hope that it is gaining some traction within the portfolios.

Likewise, the framing around the 10 risks helps to concentrate analysis around key interventions and the spending allocated. Obviously, there is a lot more that could be done.

Those are some of the key improvements, but—there is always a but—significant improvement is still necessary in respect of the issues that Emma Congreve raised. Again and again, I come back to the conceptual approach that policy makers and parliamentarians need to take in tackling inequality, advancing equality and securing the realisation of rights. That has to be the starting point for analysis, and the links to spend and outcome evaluation will flow from that.

Finally, I welcome the positive reception of the EBAG report and our recommendations to the Government. I am looking forward to seeing the actions that the Scottish Government commits to, along with how the EBAG recommendations and the processes that we are trying to push and support will link with the other exercises in Government on fiscal transparency within the exchequer, the open government activity on open budgeting, and the busy year that there is for financial scrutiny, with the various reviews of the fiscal framework and the resource spending review. Those are all key opportunities to see some significant improvements.

Chris Birt (Joseph Rowntree Foundation): I will keep it brief. I agree with the comments of Emma Congreve and Angela O'Hagan.

Since we last spoke to the committee, many things have happened. Our "Poverty in Scotland 2021" report followed hot on the heels of our most recent evidence session. That report showed where we thought that child poverty was going. There was also the budget itself. This week, Emma Congreve and her colleagues at the Fraser of Allander Institute, along with the Poverty Alliance, published an important piece of work on action that could be taken to meet the child poverty targets. Just this morning, the Poverty and Inequality Commission published its advice to the Scottish Government on the tackling child poverty delivery plan.

A fairly consistent conclusion emerges from all that work: there is a lot more to be done if we are

to meet our ambitions on reducing child poverty. Although some elements of the budget are more accessible in the ways that Angela O'Hagan described, it would be hard to draw conclusions from the budget as to its impact on child poverty. There are areas of particular concern that we would be happy to discuss in response to members' questions, but I will leave it at that for now.

The Convener: That is great. I thank you all.

Before we go to questions from committee members, I remind folk on the panel that if they want to come in, they should indicate that by typing R. Committee members will indicate which members of the panel they initially want a response from, but if anyone feels that they want to add something in particular, they can put an R in the chat box and I will try to bring them in. We have about an hour for the session.

The first question comes from Maggie Chapman.

Maggie Chapman (North East Scotland) (Green): Good morning, and thank you all for your opening remarks. It is good to hear recognition that this is, in part, a process, and that, while there have been improvements, there is still considerable work to do, especially in certain areas.

I will explore some of those areas in my initial question. I was struck by what was said about the adding-up issue and it not being understood exactly how allocations in the equalities and human rights base connect with one another or add up. I am interested in how that relates to our structural equality analysis and our understanding of where the issues are. Maybe that goes back to the cart-before-horse issue that Emma Congreve talked about.

Emma, could you start by saying a little more about where we should currently be looking for that structural equality analysis, and what we need to do to build on that for future budgets, given that we know that this budget probably does not meet all our ambitions? I am interested in your thoughts on looking at that through the lens of intersectional gender budgeting in particular.

Emma Congreve: I am happy to answer that. In our previous session with the committee, we spoke a lot about data limitations. I will not go over the same ground in answer to your question, but it is clear that there are limitations. We are not in a perfect world where we have all the data that we would like to have to enable us to understand the scale of some of the issues that need to be addressed. Nevertheless, we have enough data to know where there are issues that need to be resolved. We have things such as the national performance framework, which shows where the

Government is aiming in terms of its policy priorities.

I can talk about gender a little bit, but it might make sense to talk about child poverty. Chris Birt mentioned that the Fraser of Allander Institute put out a report this week, in which we looked at some of the big levers that are available to the Scottish Government and at how those could be broken down in policy terms. The report talks about childcare, employability and social security, and how those elements could be broken down in order to understand how many people a policy might affect and what the impact might be on household incomes as a result. Those two steps are key. For some other things, assumptions would have to be made, but we would expect policy makers to think through those steps as they make policy.

Policy makers can add those aspects up against household incomes, and look at what that means. When they add those up for all households that get more money, they can look at what that does to poverty and how far it takes them towards meeting the poverty targets. It is a model, so it is not perfect. People may disagree on the assumptions but, where possible, it should be based on evidence from, for example, evaluations—that is what we did in our model. We can then start to see that a certain policy will cost a certain amount and that we think that it will affect a certain number of people, and we can see the broad effect on incomes and what the policy will do for child poverty. That is the type of adding up that we mean.

10:15

Of course, there are intersectional issues, and gender is a key part of that. Many of the child poverty measures will improve income support for women, but you have to think about how to separate those out. You need to be transparent about the fact that things will overlap. In some cases, you might want to be clear about who the primary beneficiaries are intended to be and go through a process of adding those things up so that you can see the purposeful intent of policy.

It is certainly possible to do that in the systematic way that I have talked about for things around income, because of the household income surveys that exist and the types of models that are available. That is an example of what I mean. It could be done on the back of a budget-type analysis if there was more information. We know how much is spent on policy lines, but if we want to follow that through a little further, we will want numbers on how many people the money is expected to impact on and what we expect the impact to be. If we have those numbers, we can

start to add up those things to look at the scale of the impact.

Maggie Chapman: That is really helpful. I see from the chat that Chris Birt wants to come in as well, so I will hand over to him, and then I will ask Angela O'Hagan to come in.

Chris Birt: To take a specific example, in the equality statement, buses in particular seem to be a cure for many things. Hundreds of millions of pounds are being invested in buses, and it is noted throughout the statement that women and people on low incomes tend to use buses more and that disabled people can benefit from free bus travel and so on. However, that seems to be trying to do things for all people, and there is very little insight into what the specific impact will be for those people.

We know that travel patterns for women and men might be different. How is bus travel adjusting to that? Disabled people have access to free travel, but can they actually use that? Is it available and accessible? That is the sort of information that you just cannot see in the statement. We have bland lines that say that women use buses and we are spending lots of money on that, but that does not really tell us anything.

Maggie Chapman: Yes, there is a gap between the equality statement and the annex and then the level 4 data—there is something missing in between.

I will bring in Angela O'Hagan. Angela, you talked about the need for collective action. I am interested in how we break down some of the departmental silos. We have got to this point because departmental budgets have, for understandable reasons, been fiercely protected, and the connections or overlaps between them have not necessarily been seen clearly. Will you pick up on that point as it relates to the broader question?

Dr O'Hagan: We have been talking about that issue of improving the relationship between portfolios for a long time. It is absolutely central to the recommendations from EBAG.

There are a number of ways to approach the breaking down of some of that siloed thinking, and we have seen improvements. We have focused on sharing information, building knowledge and competence in equality and human rights analysis, and understanding what human rights means and what equality analysis looks like. I am talking about not just the way in which equality impact assessments are currently conducted—that is quite often not equality analysis—but the culture around policy making and public finance decision making, and the hierarchies and separations

between functions that may continue to exist that inhibit a more collaborative way of working.

The feedback on EBAG from policy makers in Government has been very positive because it brings together the finance, strategy and performance and analytical services divisions, the equality, inclusion and human rights directorate and our external members. EBAG holds a unique place there. However, there is a big job to do in Government and in Parliament in relation to that kind of scrutiny. I go back to my opening point that collective action needs to be taken that is based on a common understanding and commitment to identifying the structural inequalities that you talked about, understanding what causes and reproduces them and addressing those causes.

We need good data, but an intersectional approach to eliminating existing inequalities, advancing equality and realising rights is not just about counting people. It is about understanding how racialised discrimination and marginalisation compound and are compounded by class and income inequality, produce and reproduce health inequalities, and cut through and are cut through by gender. We need to improve the understanding and knowledge of policy makers and others around that.

The national advisory council on women and girls recommended that there should be a statutory footing for intersectional gender budgeting, which was a welcome reminder to Government, but that is already implicit—the requirement for that is already there in the public sector equality duty and the Equality Act 2010. What is missing is the practice, and there is an opportunity to address some of that collective action through the review of the public sector equality duty and the reforms to the budget and public finance processes that will happen this year.

Alexander Stewart (Mid Scotland and Fife) (Con): You talked about the pressures of transparency and the journey that we are on to ensure that equality and human rights budgeting processes are delivered. However, there are challenges and major pressures that will affect the delivery of equality and human rights budgeting in the coming years. We also have the added difficulty of managing the pandemic and its effects, which might unwind the priorities that were set. It would be useful to get a flavour from Emma Congreve and then Angela O'Hagan of what they think the challenges are in relation to allocating funds and supporting the way forward. Those priorities may be derailed, knocked back or knocked off course, so how can we manage those difficulties?

Emma Congreve: I am happy to come in on that important point. There are big challenges for

understanding what is happening in Scotland because everything has been thrown up in the air, and it is still up in the air. We are yet to understand where those pieces will fall.

For statisticians, that is an absolute nightmare, because unexpected events make the data very hard to interpret in terms of understanding trends. If there is a year-on-year change in some data, is it because of the pandemic or because the quality of the data that could be collected during the pandemic fell considerably? For that reason, it will be difficult to interpret what has happened from 2020 onwards; it will probably be a few years before that is understood.

Obviously, that puts policy makers in a difficult position when it comes to interpreting and knowing what has been knocked off course and what needs to be the focus. There will be a few years in which we have to take a broader approach to understanding what is happening, instead of relying on what we do on some of the key statistics, given the fact that household below-average income is the key statistical source for a lot of data on incomes. That will be very difficult to interpret over the next few years, which means that it might be difficult to understand whether we are on course towards meeting such things as the child poverty targets.

It will be difficult to understand the impact of things such as working from home and schools closing, including the long-term impact that they will have on women's earnings in the labour market. For example, promotions might have been missed because priorities had to be changed. All those things will take years to understand.

In a way, we know what a lot of the challenges are for policy makers. In the labour market, for example, we know which sectors have suffered the most and where there are skills shortages. There are opportunities there to think about reskilling different parts of the population. A lot of the low-paid jobs that have seen a lot of upheaval were held by people who, ideally, we would be thinking about when we take an equalities and human rights perspective.

Those things are known. What we really need to be thinking about is where the Government's priorities should be. We should be helping it understand what is likely to have got worse, what is likely to have got better and what do we not know, and, through all of that, what its priorities should be. We cannot fix everything before we know what all the potential problems are.

However, I am not sure whether the Government's priorities will have changed through the pandemic. A lot of things have got worse for a lot of people, but they are the same people who were struggling before the pandemic. If we think

about it that way, it is a real, steadfast “Okay, we need to carry on—the national performance framework still stands”. Within that, however, there needs to be the flexibility to realise what has changed and where things might need to be ramped up in response to things such as the cost of living crisis that is now coming down the line.

It is difficult to be a policy maker, and I think that we have to realise that. However, that does not mean that the priorities that existed before the pandemic should be the same ones that exist after it.

Alexander Stewart: Thank you. Angela, in your opening statement, you talked about how individuals and organisations were affected across the piece. How do you see the priorities changing and having to be adapted to ensure that people are not lost or that they do not fall through the net?

Dr O’Hagan: I will start to answer your question where Emma Congreve left off. The pandemic has revealed existing inequalities, and it has exacerbated them—it has made them worse. Some policy choices also made them worse. Existing isolation, existing health inequalities and so on made the effects of the pandemic worse.

10:30

If anything, that means that we need to make gender and equalities and human rights budgeting our cornerstone approach much more than ever. It is not a case of simply saying, “Let’s set these things aside while we focus on something else.” The fact is that this process and approach to policy making helps to reveal the kinds of dynamics in the data and the outcomes that Emma Congreve was talking about.

There is also a role for improved parliamentary scrutiny. The different points in the cycle of the budget process could be used to take that backwards and forwards look at allocations and outcomes, with a focus not on the politics of the budget as such but on the policy and outcomes from spending allocations and policy priorities and on taking and supporting decisions to reorientate spend and priorities where necessary.

We also need to use human rights standards as a framework. Are basic rights to food, security, housing, health and education being realised? Is that floor or minimum core in place, and if so, how can we build on it? Has there been regression—in other words, the unwinding that Mr Stewart referred to in his question? Are things being rolled back? The fact is that they cannot be rolled back, because we have a legal duty to avoid doing so, as well as other political and moral imperatives. Is a particular policy discriminatory or does it lead to unequal or different outcomes? We should know

those things through improved data and the kinds of analysis that Emma Congreve has talked about.

The national performance framework has huge potential, but we need to see more specific and dynamic actions that are more clearly linked to spend and outcomes through the NPF.

Finally, with its calls to action, the social renewal advisory board has made specific recommendations that directly link to pre-existing inequalities and the conditions that have been produced through the pandemic, but they are also actions that can be pinpointed and scrutinised as we move through the next stages on our way out of the pandemic, and can be linked to the national strategy for economic transformation and other strategies that are coming down the line. Indeed, they make those linkages across such big set pieces much clearer. Those of us who push for this sort of transparency externally feel that parliamentarians should be pushing for such links across the big set-piece strategies to be made much more transparent, particularly through the budget reporting.

Alexander Stewart: Thank you. Chris Birt, did you want to respond?

Chris Birt: I just wanted to highlight and underline the point made by Angela O’Hagan and Emma Congreve about the pandemic highlighting and exacerbating existing inequalities. It has created new problems for people, but it has also shown us how the immune systems of our economy and public services work and whom they work to protect. People on middle and higher incomes have been able to save more money while those on low incomes have been piling up debt. People in our more deprived communities are twice as likely and those in minority ethnic communities significantly more likely to die from Covid. For those who have had to shield, their inability to travel, go to work or socialise with their friends, which existed prior to the pandemic, has been exacerbated until it has become crushing.

The impacts of the pandemic should therefore be a warning to us. When such shocks happen, our country’s immune system does not protect the very people whose lives your committee is striving to improve.

Karen Adam (Banffshire and Buchan Coast) (SNP): I thank the witnesses for their extensive answers so far. You have probably already touched on the question that I was going to ask in the previous couple of responses, but I should say that the committee has started to explore what a human rights-based approach to budgeting could mean. There have, for example, been clear recommendations to integrate intersectional gender analysis with the Scottish budget process. What would that look like in practical terms?

We know that investment in particular areas can have unintended consequences, good and bad, so I want to ask not just what the investment looks like in practice but what outcomes we want to see from it.

How much of the investment is mitigation? At the moment, there are rising food and energy costs and rents, which we know will disproportionately affect women. Is there anything that we can do to ensure that we make the most of the money for the long-term vision? The pandemic and our exit from the European Union have compounded a lot of the issues.

What I am trying to say is this: we have this money and we are trying to get particular outcomes from investment in certain areas, but what does that look like in practice, and what exactly can we do to ensure that the money gets to the people who need it the most, to help and support them in the long term?

Dr O'Hagan, will you respond first?

Dr O'Hagan: I had a feeling that you were going to ask me to come in. Wow, what a huge question.

With a human-rights based approach, we should be working to a minimum core when it comes to the basics of what should be happening. If we are not already doing that, there is a clear starting point, so that policy has the objective of ensuring that people have a decent income, access to safe and secure housing and space, freedom from violence, and access to food. We are dealing with such basics, but nearly 25 per cent of children in Scotland live in poor households—how can that be tolerated? It is about expressing policy priorities that recognise the current state of play and what causes inequalities, driving resources to address them.

We talked about the social renewal advisory board. How the public sector works together and in concert with the community and voluntary sectors is key. There is a big how, which we need to work on, as well as the what.

Yes, policies have unintended consequences, but the better we get, collectively, at the up-front analysis—that starting point that seeks to identify what is currently happening and why—the better we should get at making targeted interventions.

You asked how much of the investment is mitigation. That links to Emma Congreve's point about shifting priorities. There is a cost of living squeeze, and decisions around council tax and tax policy in general are all held in fine balance between different variables, given how those variables interact. If we always come back to the starting point, which is consideration of the transformation that policy and public finance seek

to achieve, we have a guide to take us through all that.

The Italian Government recently published its gender budgeting approach, which is interesting. There is a good framework and a range of useful categories from which we could learn, including revenue and tax policy analysis, time use and care, labour market policy, legislation policy and Government employment. Spending is categorised according to three criteria: addressing gender inequalities; gender-sensitive expenditure; and gender-neutral expenditure. That is a useful way to structure our thinking.

Over many years, the Organisation for Economic Co-operation and Development has recommended that the approach to equality analysis in the budget process should happen in three stages: ex ante, that is, policy formulation and appraisal; concurrent, that is, scrutiny of policy as it is implemented; and ex post, which is about what happened as a result of policy decisions. That is something that we tried to build into the budget review way back in 2016, and there is still room for significant improvement in that regard, in the budget cycle process and in the parliamentary scrutiny process.

Karen Adam: I see that Chris Birt wants to come in.

Chris Birt: It is absolutely key that we have the right data. Emma Congreve and Angela O'Hagan have highlighted the importance of that. Having the right data is the only thing that will allow us to shift course if we start to get things wrong.

However, as the pandemic has shown us, we cannot wait for perfection. The example of buses that I gave in response to Maggie Chapman is a really good one. We are throwing a big chunk of money at an issue to mitigate a cost. We are saying, "Transport can be expensive, so we'll make that free." That is fine. Funding bus travel mitigates that cost but, structurally, we have a transport system that is set up to focus on urban areas and traditional commuting, and we know that that discriminates against women in particular and carers.

We need to think about how we can make decisions that will drive a different outcome of people being able to travel between caring spaces and work, rather than just directly to work, and how we will know whether those decisions are working and having the outcomes that we want them to have. We have to get to a point where we suck it and see where we get to.

In such areas, we cannot expect general policy to make things happen by osmosis and to have magical impacts on groups without targeting them. It is extremely important that we target decisions and find out whether they work.

Emma Congreve: On your question about intersectional gender analysis, it might be worth reminding the committee that work has been done on Scotland's gender equality index, which has been produced by analysts in the Scottish Government. That is an example of where we would see such analysis. It goes through a number of different areas, some of which Angela O'Hagan mentioned, such as time use, issues around power, and violence against women. It looks at a stretch of different types of important indicators and shows how Scotland is doing on those.

That could be a really good starting point for a piece of budget analysis that says, "These are the things that are important, and this is where Scotland is on some of them," and which looks at how the decisions in the budget align with those. It would be even better if, before the budget, it was asked what kind of measures could make a difference in that respect, what kind of numbers that would involve and what the pathways through to such impacts would be. Those are the kind of tools that can be used.

A lot of data already exists and a lot of good work goes into looking at some of the issues and trying to break them down. The bit that is missing is what connects that to policy making and budget allocations. The gender equality index is an example of what that might look like, and it could be a good starting point.

That leads us on to thinking about some of the longer-term issues. We know that many of the issues for women—especially mothers—are around care, whether for children or older relatives. The childcare infrastructure and, potentially, the national care service are areas in which long-term structural changes could be made that could bring about a shift in the long term, as well as helping in the short term.

10:45

Pam Duncan-Glancy (Glasgow) (Lab): Thank you for joining us and for the evidence that you have given. I have been struck by a lot of what you have said. In particular, the comments about the immune system response of the economy really struck a chord. Thank you, too, for your written submissions.

I hope that the convener and the panel will indulge me, as I have a few questions to ask. First, I want to touch on the area of care that Emma Congreve has just highlighted. The Scottish women's budget group has described action on care in the budget as "an opportunity missed", and I agree. Will Dr O'Hagan tell us her views with regard to paid care—and, in that respect, her expectations of and views on the wage floor of

£10.50 per hour and its impact on women's inequality—and also unpaid carers, who have faced a significant increase in the number of hours for which they provide care. We know that that is having an impact on their ability to work in the workplace, and not least on their personal circumstances.

As you will know, the Government introduced a bill last year to double the carers allowance supplement in December. That uplift was brought in during the pandemic to recognise the additional responsibility. The Government said at the time that it had included in the bill provision for the supplement to be doubled again this year through regulations, but that has not been included in the draft budget. I am keen to know whether the panel have any concerns in that respect and what they expect the impact will be on carers' ability to realise and enjoy their rights if the supplement is not doubled.

I would like to go back to a couple of other areas, convener, but that is probably enough to be going on with.

The Convener: I will bring in other members to ask their questions and I hope that we will be able to come back to you if you have a different area that you want to ask about.

Dr O'Hagan: Thank you for the questions. The Scottish women's budget group said in its response that this was "an opportunity missed" and that the £10.50 wage floor, although it is a good starting point, has to be seen as "only ... a first step". It is indeed a first step in shifting the dial a little bit on valuing the provision of care. I still have deep-seated concerns about how care is being conceptualised and approached in economic policy making. There is a disjuncture in that respect, with care and social care being seen in a health context and not an economic context.

The care economy lies at the heart of our economy. Indeed, that follows on from Chris Birt's analogy with the immune system. Unless we recognise that unpaid care supports any so-called productive economy and unless we value that care in a monetary sense as well as conceptually and politically, economic strategies will not deliver transformative economic policy outcomes. That means that we have to invest in care as part of our infrastructure and in quality services that are not subject to a postcode lottery but still give flexibility for the person who receives care services, as well as unpaid carers. As the carers lobby has said clearly and strongly, unpaid carers are consistently ignored and overlooked.

This all links to Maggie Chapman's point about consistency across policy portfolios. Care does not fall only within the domain of social care; it should be front and centre in a whole range of policies,

including, as Chris Birt said, transport policies in recognition of care journeys and so on.

It comes back to what should be the starting point for policy. When we think about the carers allowance supplement or additional payments for carers, the starting point should not be an approach that is formulaic and rather mendacious, not necessarily in intent but in execution, and which wants to know, for example, the exact number of hours that are provided by carers and how that is distributed between the different people for whom they care. That is absolutely the wrong starting point for policy making with regard to supporting people whose income is severely curtailed because of the care that they provide to someone or multiple people.

If the policy decision-making process is to activate or give effect to the political commitments in the programme for government to becoming a “Caring” nation, a “Land of Opportunity” and

“An Economy that works for all”

and to ensuring that people live better, it has to start with valuing and investing in care.

Emma Congreve: We reflected on the absence of much on care in the last budget. We expect that to be more of a focus in the next six months or so as the Government brings forward new proposals on the national care service that will feed into the bill process. We expect that the level of analysis that you would have hoped to see in the budget will start to come through in the next few months. In particular, we hope that there will be a financial memorandum that is very detailed on the impact of the proposals.

Independently, we are looking at understanding what the proposals for future improvements will be and how they will correspond with costs. We expect that that understanding will then follow through to future budgets, in that it will be reflected in allocations, and that there will be a clear read-across between the proposals, the bill and future budgets. There is not always the kind of read-across that we would like to see, so we hope that that will be an example of where we will see that happening in real time. If it is not happening, we can raise questions at the time as to why.

I understand that there was not a lot in the budget, but because of the way that the process is moving—I hope that we will get the consultation and the proposals soon—I hope that that is to come.

Chris Birt: I will add to Angela O’Hagan’s point about care, which I firmly associate myself with. Who could have suffered more than unpaid carers or low-income single parents, for example, as a result of the pandemic? Its impact has been absolutely crushing for those groups. We have

used the analogy of the immune system. Those groups of people have been the immune system for so many people, yet they have received so little support to do that. Not only is that morally wrong but, for the reasons that Angela O’Hagan set out, it completely misunderstands the impact of that lack of support on the economy. That is why things such as the minimum income guarantee are important: they provide a way for us to rethink the value that we put on care in every shape and form in our society. It is absolutely key that we do that properly.

Pam Duncan-Glancy: Thank you for that and for further—*[Inaudible.]*—immune system. *[Inaudible.]*—a really strong one.

My other question is about social security. Some 170,000 children receive the Scottish child payment through the bridging payment, but my understanding is that it has not yet been doubled. Will Chris Birt comment on the impact that not doubling the payment for that group might have?

Chris Birt: I have spoken at length about how we would like that payment to be doubled as quickly as possible. We have heard a lot about the rising cost of living this year and the energy cap moving. For some people, the uplift in the energy cap will be about the equivalent of those bridging payments. The full roll-out of that payment for all children cannot come soon enough. I hope that the Scottish Government and the agency are working to do that as quickly as possible, and I am pretty sure that they will be, because it will be an enormous boost to families. The families who are getting it talk about its positive impact. You are right that it cannot come soon enough.

Pam Gosal (West Scotland) (Con): Good morning, and thank you for your opening statements and all the detailed responses that you have given to the questions.

My question comes on the back of Pam Duncan-Glancy’s question on the child payment. The Joseph Rowntree Foundation has said that the Scottish Government’s plan to double the child payment by the end of 2022 is not, on its own, enough to meet the child poverty target. Given that councils are responsible for vital service provision, council cuts could impact the service provision that is available for children who are living in poverty. What can be done to improve the co-ordination of policies across all areas of the budget so that, when one has a positive effect, it is not negated by a policy in another area?

My question is probably for Chris Birt first and then the other witnesses.

Chris Birt: It is absolutely vital that all policies push in the same direction. If we have a national mission to end child poverty, that should impact on everyone working across public services. There

are areas where we have to think carefully about whether the impact of one thing negates the positive impact of something else. For example, increases in council tax will impact more on low-income families than on those who are better off. Rising energy bills and so on have a greater impact on those with lower incomes than on those with higher incomes. Although the increase in the child payment will be positive and it should have a positive effect on the overall numbers on child poverty, because of those other things, the impact on people's quality of life will be held back.

Wider council services can be vital in helping families to get by. The commitment to family wellbeing services that was announced in the budget is very welcome in that regard. However, I agree that increasing social security while stripping back other services will not reduce child poverty in the sustainable way that I think we all want.

Dr O'Hagan: I will jump in quickly on the process point that Pam Gosal made about working across portfolios. My point links to a number of questions that members have asked. To use really old-fashioned language—I say that every time I make this point to the committee and other committees—it is about joined-up thinking.

My point is about the importance of making linkages across portfolios and recognising that equality and human rights are relevant to all of them. That would mean that, in future, we would not see statements such as the one from the rural affairs and islands portfolio that says that its spend "does not tend to reduce inequalities for groups with protected characteristics".

That is an unacceptable statement in the equality and fairer Scotland budget statement. There has perhaps been some unfortunate editing and shorthand, but does that point to a lack of understanding and analysis? What is meant by it? How does that portfolio know that inequalities are not addressed? To use the Italian categorisation, there might be some spending lines that are neutral, whereas others will be sensitive and others will specifically address inequalities. However, that analysis has to be done before you can even contemplate making such a statement. Given the surrounding statements and analysis, I am not convinced that that has happened.

We still see those weaknesses across Government in some of the presentations in the equality and fairer Scotland statement and in the budget, as Emma Congreve clearly articulated at the top of the meeting.

11:00

Fulton MacGregor (Coatbridge and Chryston) (SNP): I am very impressed with the

quality of the responses so far. It has been a really good meeting and I thank the witnesses for that. I have a question for the panel about tax policy. How could the Scottish Government use tax policy to meet human rights and equalities obligations?

Chris Birt: We touched on this issue in our previous evidence session. The way in which we raise taxes is very important. Like most parliamentarians, we would urge the Government to do that in as progressive a way as possible; in other words, it should be related to a person's ability to pay, so that those on lower incomes contribute less. The income tax system, for example, is generally progressive, which is good, and in the past few years the Scottish Government has taken steps to make it more progressive than the UK system.

However, the comparison with the UK system should not be at the top of our minds when we are talking about impacts on child poverty. Ultimately, what makes the biggest impact is how we spend that tax money. If we have raised more money, and in a progressive way—which is good—we need to consider how we will spend that to redistribute income across our economy.

We need a big debate about how wealth is distributed across our economy in Scotland. It could be led by the Parliament or by the Government—it does not really matter. Income inequality is bad in Scotland and wealth inequality is eye watering. That locks people into poverty over time. Much of that is related to our housing market, which is the economic security for many families. However, for many people on low incomes, getting on the property ladder is a pipe dream. That is something that we need to look at.

Dr O'Hagan: I will take off my hat as chair of the equality budget advisory group, because I have no policy role there, and speak as someone who is on the human rights budgeting working group and a member of the Scottish women's budget group.

I have got quite a lot to say on tax. We are moving towards a more open conversation with the Scottish Government about tax. There was an opportunity, some of which was missed, in the recent tax policy consultation. I echo many of the points that Chris Birt has just made about the positive flexibilities around income tax. Yes, there needs to be the debate that Chris talks about, but there also needs to be political boldness across the piece and across the parties when it comes to having a conversation with the public about the central role of taxation in raising revenue for the quality and character of public services that we want to have. That means being prepared to look at a range of tax instruments, which can and, in my opinion, should include wealth taxes, looking at land value tax and the valuation of property, which links to council tax and its fitness for purpose as a

funding mechanism. That links us into Chris's point about how revenue is allocated, and the process of allocation on one-year cycles as opposed to three-year cycles, which inhibits longer-term planning and sustainable services. We need to see revenue raising in step with allocation processes and the purposes of allocation.

The point that I want to underline is the need for boldness in our approach to tax—we must not shy away from having conversations about taxation and tax policy in Scotland that are about raising the revenue that is necessary to deliver the quality and character of public services that we would all like to see.

Emma Congreve: I will throw in a few points. Something that we have talked a lot about at the Fraser of Allander Institute is the need for a grown-up discussion about tax. The income tax policy that we have in place is progressive—or more progressive than that south of the border—but, although some of the income tax decisions that are made at budget time look as if they are going to help lower-income households, when you look at the detail, things are not so clear cut.

With, for example, the proposal to raise the starter and basic-rate income tax bands by the rate of inflation, we found that, when we looked at the detail, that did not mean that the point at which you started to pay tax would rise at that rate. It meant instead that the size of the income bands above the personal allowance increased by the rate of inflation, which had an impact on some of the amounts that people paid. Compared with a decision to freeze thresholds in cash terms, that uprating meant that those earning more than £25,000 gained just under £5 a year while those earning below £25,000 but above the personal allowance threshold benefited by less than £1 a year. Given the issues that arise when we look at the detail of some of these things, we are neither getting the level of transparency that we would really like nor having an intelligent conversation with the population and, sometimes, the Parliament about these decisions.

We also saw something a little bit odd with non-domestic rates. The desire to make Scotland's tax policy look good in relation to UK policy led to an increase in the poundage rate for income tax that was slightly below what the UK Government put in place and resulted in businesses saving only around £30 a year. That might sound immaterial, but the fact is that there will have been a big impact with regard to the amount of money lost from the budget as a result of that decision, which in turn will have had impacts elsewhere.

We need to have a conversation about tax to ensure that everyone understands what is going on; indeed, we have almost used the phrase “tax gimmicks” to suggest that the conversations that

we are having about tax are not as straightforward as they need to be. These things are important, because as more levers become available and as more difficult decisions need to be made, people need to really understand what is going on.

Fulton MacGregor: I am happy with those responses, convener.

The Convener: I note from the chat function that Angela O'Hagan would like to make a point. Perhaps you would be better to make it now, Angela, to ensure that it is on the record.

Dr O'Hagan: With regard to a human rights-based approach, we would argue that the legal requirement in the International Covenant on Economic, Social and Cultural Rights places a duty on states to maximise available resources—through, for example, having an effective and efficient tax policy—to secure the progressive realisation of rights. In other words, if the incorporation of the covenant goes ahead as we would like, there will be a legal requirement to drive compliance.

However, this is about much more than compliance; it is about having the flexibilities, the boldness, the innovation and the inventiveness, not the gimmicks that Emma Congreve referred to. It is about continuing, in good faith, the positive conversations about tax policy that are going on. There has been a lot of effort on the part of the exchequer to improve in that regard. We are on the right road, but there is a lot more positive work to do.

Pam Duncan-Glancy: I want to ask Emma Congreve about the report that the Fraser of Allander Institute published yesterday. You noted that the Scottish Fiscal Commission's outlook is disappointing, with the tax take revised downwards. What is your analysis of the reason for the downward revision? What are the implications for the equalities budget? You described the effect of using social security versus—I know that it is not as simple as that—longer-term economic policy, and you talked about the impact that some employment policies have on equalities groups and the ability of people with protected characteristics to work. Will you say a bit more about your analysis, to help us to understand the impact of tax take on equalities and how much money we will have to address inequalities?

Emma Congreve: Yes. The Scottish Fiscal Commission's forecasts at the time of the budget contained relatively bad news, in that forecast income tax revenues for 2022-23 were revised downwards, due to lower earnings growth than was expected—employment and earnings have grown less quickly in Scotland than they have done in the rest of the UK since 2016-17. Given the mechanisms of the fiscal framework, that

means that less money is forecast to come into the Scottish budget. That was a key story in the budget.

As we think ahead about policies that will potentially reverse such effects by tackling poverty and inequality, a key route is to improve access to the labour market. The report to which you referred, which we published yesterday, looked at structural barriers and how they can be removed. In particular, we looked at childcare—it was a report about child poverty—and at how parents, and mothers in particular, can be helped with skills, their CVs and so on, through the employability support that exists.

Those are relatively expensive policies, but they can be seen as big investments in people and in the economy. There are returns over time, through the boost to the supply side of the economy, that is, the number of people working and the hours that they can offer, and productivity as a result of, we hope, a less stressful environment for people who are no longer trying to deal with living in poverty—we could not quantify that last bit, but we tried to look at the other two issues. There is a big payback for the investment, and improving people's access to work feeds through to things such as tax revenues.

In our report we made assumptions on, for example, how 50 hours of childcare would remove barriers to work for mothers, and it was clear from the comparative data that we used that childcare is not the only barrier to work. Chris Birt talked about that. It is about transport—the cost of commuting and whether there is a bus that can get the person to work at the right time or to school to pick up their kids. It is about whether there are the right jobs in a person's area, given their skills. There are so many factors—the Government could start to pick off barriers as it goes along, which would be an improvement.

11:15

Our report also looked at social security, which is a direct way of getting money into people's pockets. When you start raising those payments, questions will always be asked about the other impacts, such as work incentives. To be honest, I do not think that the academic evidence on that is clear cut, particularly because there have been changes in the structure of the economy over the past 10 years or so, and the pandemic will have changed things again, so understanding how people make those decisions is difficult. However, people on lower incomes tend to spend more of their money—because they need to—on essentials, so putting money into people's pockets gives a boost to the economy.

One of my report's key findings is that putting money into tackling poverty and getting money to people who cannot work as a result of caring responsibilities for very young children or their own disability or ill health also has benefits to the economy. We should not think of it as a zero-sum game of putting money in and getting nothing back. To come back to Pam Duncan-Glancy's original point, if we think about it in budgetary terms, that money could come back in terms of beneficial income tax revenues in the future. I hope that that answers enough of your question.

Chris Birt: I will follow that up briefly, because it is important to gently remind everyone across the political spectrum in the Parliament that they all signed up to the 2030 child poverty targets, which mean a very different Scotland from the one that we have today. Emma Congreve's report has helpfully highlighted some of the choices and trade-offs that are involved in achieving those targets. As Emma said—and I will say more forcefully—a fairer Scotland, with very low levels of poverty, will be a better country than the one that we have today. We can all sign up to that, but we will not get there by accident. We cannot make those changes by just tootling along as we are now. We need a big discussion about, for example, the value of care, as we talked about, and there is not a free way of doing that. Of course, we can change the ways in which we spend money, and not all discussions need to be about tax, but there are big questions, and big changes need to happen. Everyone has signed up to the targets, so we all need to get on with achieving them.

The Convener: Thank you.

Maggie Chapman: I know that we have heard a lot, so I am sorry for coming back in. I appreciate that this is potentially a big topic, but I would like the headlines, maybe from Angela O'Hagan.

We are talking about a multiyear resource spending review, and many of us on the committee are interested in how we engage and ensure that we get the right participation from people. Do you have any top tips or key recommendations for us to think about as we look at how to make our budget processes more participative? How can we hear from the voices that we have not been hearing from, in a way that still allows us to analyse data and gather expert evidence? Specifically, I am thinking about that in the context of the multiyear spending review.

Dr O'Hagan: Very briefly, you can do that by being much more proactive—not only as a committee but across Government and the Parliament—in bringing together different committees to do proactive engagement with a range of community organisations, particularly around social care and the voices of unpaid

carers, who access a range of services, so they have a lot of experience of engaging in public services but less experience in informing how those services are designed and delivered.

With the utmost respect, from an equalities and human rights analysis perspective, there is also a need to build the knowledge base among parliamentarians as well as the range of functions in the Parliament, so that the quality of the scrutiny and analysis is more intense and robust.

Recently, the consultation and evidence request timescales have not supported effective participation or responses and are a source of huge frustration to many of us, particularly in voluntary or unresourced roles but also across the piece. It needs to be said that real consultation takes time and should not be about creating what colleagues call “busy work” for the rest of us, external to Government, when we in effect repeat evidence that we have given on many occasions and we are asked to repeat it in successive consultations.

I welcome the participation framework that was mentioned in the budget documents and I would like to know more about that and how participation in public finance decision making will be supported, as the framework is developed. Good stuff is happening through the fiscal transparency project that is coming out of the Scottish exchequer, as well as open government and open budget work. In answer to your question about how to make your budget processes more participative, part of that is about making much better links across those different areas of work that are already going on.

Maggie Chapman: Thank you. That is very helpful.

Chris Birt: I have a very quick point to back up what Angela O’Hagan said. These things, if they are done well, take time. It is almost February, the spending review is due to be published in May and a traditional consultation is out just now. People will be sitting in the Government writing the review already, so it is perhaps a chance for the Parliament to be a bit more muscular. As we sit here today, what genuine ability do people have to impact on the outcome of the spending review? To me, the ship appears to be sailing, and that is a challenge for everyone who is involved in the process.

Maggie Chapman: Thank you for that, Chris.

The Convener: I offer a huge thank you to our witnesses. It has been a very helpful session, not just for us as a committee but, I think, for others in the Parliament and elsewhere.

11:21

Meeting continued in private until 11:49.

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