



The Scottish Parliament
Pàrlamaid na h-Alba

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The Scottish Government

The Equalities and Human Rights Committee
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Dear Minister,

BUDGET 2021-22: PRE-BUDGET SCRUTINY

I am pleased to set out the Equalities and Human Rights Committee pre-budget scrutiny views for the forthcoming Scottish Government's draft budget 2021-22.

Also, I would like to thank the Minister for her letter of 27 October, which provided follow-up information from the Minister's evidence provided on 8 October 2020, on issues that fell outwith your direct portfolio responsibilities.

If you have any further questions, please contact the Clerk to the Committee at equalities.humanrights@parliament.scot or phone 0131 348 6040.

Yours sincerely,

Ruth Maguire MSP
Convener
Equalities and Human Rights Committee

BUDGET 2021-22: PRE-BUDGET SCRUTINY

Introduction

1. The purpose of pre-budget scrutiny is for committees to reflect on a range of financial matters that they have considered throughout the parliamentary year. They can then provide views and recommendations to the Scottish Ministers to enable them to take into account these views in advance of the publication of the draft budget. The revised Agreement on budget scrutiny envisages a more outcome-based approach, with the focus not just on the figures, but how effectively resources are targeted and on what they deliver.

Stakeholders views

2. To support its pre-budget scrutiny the Committee issued a short [call for views](#) covering three broad areas:

- making equalities and human rights central to budget decisions
- how inequalities highlighted by Covid-19 can be addressed in Scotland's economic recovery
- the financial impact of Covid-19 on third sector equalities and rights organisations

3. The consultation closed on 18 September 2020 and 13 submissions were received from third sector organisations, human rights and equalities organisations, and local authority bodies.

4. The Committee would like to thank those who submitted responses and those who gave oral evidence. We know organisations have faced increased pressures on their resources during this health pandemic making it more difficult to respond to calls for views.

5. To further inform our report, the Committee has also drawn from its parliamentary work this year on equalities and human rights, and where relevant last year's budget work.

Budget process

Context for this budget

6. It is important to put the Committee's pre-budget scrutiny into context. On 25 August 2020, Kate Forbes MSP, Cabinet Secretary for Finance, indicated that the Scottish Budget 2021-22 was due to be published in December.¹ The intention was that it would be published at the same time as the Medium-Term Financial Strategy (originally planned for May 2020) and the next set of Scottish Fiscal Commission forecasts; however, now that the UK Government has cancelled the Autumn budget,

¹ Letter from the Cabinet Secretary for Finance to the Convener of the Finance and Constitution Committee: https://www.parliament.scot/S5_Finance/General%20Documents/MTFS_2020_-_update_on_timing_to_Finance_Committee_-_August_2020.pdf

and following a further statement from the Cabinet Secretary on 29 September², it is unclear what this means for the timing of the Scottish Government budget.³

7. Christina McKelvie MSP, Minister for Older People and Equalities referred to the previous 2020-21 Scottish budget, which had been affected by a delay in the announcement of the UK Budget. She said this had been problematic. For budget year 2021-22, the Minister explained the Scottish budget depends on the UK Government's tax policy and other announcements about the UK budget and, although there are figures, these are volatile and do not allow for proper planning.⁴

8. In addition, the Minister said, "attempting to either cope with or recover from Covid compounds the difficulty exponentially". She added the potential for a no-deal Brexit or a poor-deal Brexit, at the end of this year makes it "incredibly difficult". On the actions being taken to address these issues, the Minister advised finance secretaries from the devolved Administrations had written to the UK Government on 7 October.⁵

9. The Committee is acutely aware of the unique context in which the Scottish Government will be setting its 2021-22 budget and the scale of the issues it needs to address. [Audit Scotland's report](#) on the impact of Covid-19 on Scotland's public finances concluded its impact is "unprecedented" and suggests it presents "the biggest fiscal and policy challenge facing the Scottish Government over the past two decades of devolution". Also, by August, Audit Scotland has counted over 90 Scottish Government spending and tax measures to tackle the pandemic, which totalled £5.3 billion, for example, additional resource spending to support public bodies' day-to-day services and capital spending such as digitisation projects.

10. Furthermore the Committee notes the Scottish Fiscal Commission's most recent [Fiscal Update \(September 2020\)](#) which also points to two key impacts on the Scottish budget, a 14% increase since February 2020 (backed up by a UK Government guarantee of an additional £6.5 billion in funding) and increased levels of uncertainty.

11. The Committee asks for an update on the progress being made in discussions with the UK Government to enable greater certainty for the Scottish budget setting process.

Equalities, human rights budget lines

12. Following the Committee's pre-budget scrutiny last year, the Scottish Government indicated in the [2020-21 budget document](#) that it had increased the Equality and Human Rights budget to £30.2 million (from £24.6m in 2019-20) "representing our commitment to embedding equality, inclusion and human rights across all portfolios" and includes:

- supporting the National Taskforce for Human Rights Leadership,
- delivering the Scottish Human Rights Defender Fellowship;

² The Chamber, Official report, 29 September 2020, Scottish Budget Update

<http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12853&i=116193>

³ BBC News Article, 23 September <https://www.bbc.co.uk/news/business-54267795>

⁴ [Equalities and Human Rights Committee](#), 8 October 2020, Official Report, Col 20.

⁵ [Equalities and Human Rights Committee](#), 8 October 2020, Official Report, Col 20.

- ensuring Scotland engages successfully with international human rights mechanisms,
- delivering the first report of the First Minister’s National Advisory Council on Women and Girls,
- supporting front-line services and wider activity to address gender-based violence and inequalities,
- delivering the Race Equality Action Plan,
- maintaining Scotland’s reputation as a progressive country in terms of Lesbian, Gay, Bisexual, Transgender and Intersex equality;
- addressing social isolation and loneliness through the delivery phase of our Connected Scotland strategy; and
- maximising the positive contribution that older people make to our society, and combat ageism and discrimination against them.

13. To avoid additional pressures being placed upon partner organisations to apply for new funding streams during the pandemic response, the Minister for Older People and Equalities advised the Scottish Government had extended the grants schemes to September 2021 as the three-year cycle was due to end in June this year.⁶ She explained among the Government’s main concern was “ensuring consistency and sustainability”. New streamlined funding streams would, the Minister said, more closely align funding with the national performance framework outcomes, with the aim of encouraging partnership working to tackle some of the more entrenched issues of inequality across our society.⁷

14. The Committee welcomes the additional funding to the equalities and human rights budget lines in 2020-21 and asks what difference this additional funding has had, and is having, on outcomes for these groups. The Committee also asks how the National Performance Framework has shaped and aligned these funds, and for example, whether this has led to greater partnership working. As such, whilst recognising the complexities of doing so in the current situation, the Committee asks what analysis the Scottish Government is carrying out to assess the impact of the additional funding.

15. COSLA highlighted there are significant budget considerations for local authorities delivering equalities and human rights duties for marginalised and excluded groups, such as migrants with no recourse to public funds (“NRPF”) and Gypsy/Traveller communities. It referred to partnership frameworks such as the ‘Improving the Lives of Gypsy/Travellers’ national action plan and the developing strategy to tackle destitution experienced by people with NRPF. COSLA stated these demonstrate more effective ways in which local and national government are working together to strengthen devolved policy responses and noted the 2021-22 budget should support the continuation of these approaches.

16. In addition, specifically, the Committee would also like an update of the Scottish Government’s position regarding the continuation of support for the

⁶ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 16.

⁷ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 17.

Gypsy/Traveller national action plan and the No Recourse to Public Funds strategy being delivered in partnership with local authorities.

Making equalities and human rights central to budget decisions

Equality and Fairer Scotland Budget Statement

17. The Scottish Government's activity to mainstream equalities in the budget process is centred round the [Equality and Fairer Scotland Budget Statement](#) (most recently published February 2020).

18. Engender stated that "although the introduction of the Equality Budget Statement in 2009 was a welcome step, our European work tells us that Scotland is slipping behind compared with international comparators".⁸ Similarly, the Equality and Human Rights Commission (EHRC) welcomed the introduction of the equality budget statement in 2009 but was not clear how the Equality and Fairer Scotland Budget Statement (EFSBS) influences budget decisions.⁹

19. Emma Congreve, Fraser of Allander Institute (FAI), acknowledged the efforts parts of the Scottish Government are making to integrate equalities and human rights into budget decision making but questioned how this could be made central to every decision rather than being seen as separate. She suggested the finance team within the Scottish Government must take some responsibility.¹⁰

20. From Amnesty Scotland's experience, upskilling of civil servants and Ministers across portfolios with regards to a human rights-based approach is required. Funding should be invested to develop a programme of training for civil servants which includes introductions to the legislative framework and Scotland's responsibilities in relation to international instruments and domestic legislation. Similar training should be delivered to MSPs and parliament staff involved in supporting committee work.

21. The Minister for Older People and Equalities accepted it was not for the human rights team to do human rights for the Government. She advised there had been "amazing progress—to the point at which officials from other portfolios whom we have not traditionally had to speak to about this stuff have asked us, How do we get this right?".¹¹

22. The Committee notes Amnesty Scotland's comments about the Parliament and human rights training and advises it has been delivering a programme of workshops for MSPs on Committees with the help of the Scottish Human Rights Commission. This is with a view to developing a greater understanding of MSPs' needs, so resources can be developed and shared with MSPs in the next session. Unfortunately, the workshops were halted due to the pandemic, but discussions are ongoing to restart them.

23. The Committee asks to what extent the Scottish Government's Finance team is involved in: the production, and use of, guidance covering equalities

⁸ [Engender](#), Written Evidence

⁹ [Equality and Human Rights Commission](#), Written Evidence

¹⁰ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 13.

¹¹ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 24.

and human rights; monitoring the process of decision making in relation to equalities and human rights; and the training of officials with budget responsibilities.

24. For the most recent budget round, the Committee notes two new tools were developed to help the process: firstly, a spreadsheet to assist budget leads in the Government to look at the impact of a spend line across a range of key inequalities by sex, race, disability and socio-economic disadvantage, and secondly a template to help review the more substantial spend lines over £100million.¹²

25. It is understood at the time when the Fairer Scotland Budget Statement was being prepared many analysts were involved in additional work relating to withdrawal from the EU. It was reported that the tools had met with “varying success”.¹³

26. The Committee asks the Scottish Government to tell us how effective these new tools have been, what lessons have been learned, and for the future know what actions the Scottish Government has taken to ensure the new tools will be utilised to their fullest extent, particularly given the additional work in dealing with the health pandemic and ongoing work related to the EU.

27. As part of the next Equality and Fairer Scotland budget statement, the Committee calls for:

- a. A timeline of the budget process during the year – including the role of equality impact assessments and how emerging findings (with specific examples) fed through to budget decisions on in-year budget revisions, and**
- b. A high-level analysis of the most significant 10-20 emerging risks of the deepest and most widespread equalities impacts (e.g. drawing on existing equalities assessments of Covid and Brexit), and a narrative to link that to specific decisions in the draft budget. This should include an assessment of where data is limited, and/or not disaggregated sufficiently.**

Gender budgeting

28. The Committee has been pursuing gender budgeting and distributional analysis (analysis of the effects of the Government’s policies on a cumulative basis on different groups of people) for the best part of this Parliamentary session. Each Parliamentary year we receive several submissions and hear evidence on the need for the Scottish Government to take account of the impact of tax raising and spending decisions on women. This year is no exception. Covid-19 has further compounded the urgency to address these issues.

¹² [Equality and Fairer Scotland Budget Statement](#), The Scottish Government, 6 February 2010, page 12

¹³ [Equality and Fairer Scotland Budget Statement](#), The Scottish Government, 6 February 2010, page 12

29. Several submissions and oral evidence point to how important a gendered approach to the budget is to ensure disadvantage is not further entrenched.

30. Scottish Women's Budget Group (SWBG) provided an example of where the Scottish Government's decision making during the health crisis did not take account of the potential disproportionate impact on women. The decisions to delay increased provision of early years childcare and the implementation of the Scottish Child Payment, SWBG said, are likely to have had a disproportionate impact on women, particularly single parent households, which are predominantly women. Recent research from the Joseph Rowntree Foundation finds this group experiences the highest rate of poverty.¹⁴

31. Similarly, Emma Congreve, FAI, had concerns about the lack of a gendered approach to the crisis. She said had there been some discussion, "mitigations might have been put in place to get some parts of the complex system of childcare operating better as schools have gone back, so that mothers could get back to some sense of normality more quickly".¹⁵

32. Engender warned that "without taking a gendered approach, the Budget is unlikely to advance women's equality and rights but will instead entrench or sustain disadvantage".¹⁶ Natalie Masterson, Stirlingshire Voluntary Enterprise (SVE), agreed with Engender that there should be a gender-based analysis. She advised they are seeing real issues with women, "such as the retraction of women from work environments because of caring responsibilities due to Covid and other pressures".¹⁷

33. Women comprise more than 50 per cent of the population. Lucy Mulvagh, Health and Social Care Alliance Scotland, (HSCAS), said we really need to take a "detailed intersectional and analytical approach", so we can target services.¹⁸

34. Engender urged the Committee to look at how legislation and regulation could be used to make clear the requirements on the Scottish Government to undertake gender budget analysis in all public spending and revenue-raising. It believed this would strengthen accountability and make robust equality budgeting a legal obligation in Scotland. For example, Engender suggested amendments could be made to the Public Finance and Accountability (Scotland) Act 2000, or the Scottish-specific duties under the Public Sector Equality Duty (PSED).¹⁹

35. In response to questions around the effectiveness of the EFSBS and gender budgeting, the Minister for Older People and Equalities emphasised the EFSBS informs the work the Government needs to do and pointed to examples like its race equality work, gender pay gap action plan and how it has informed a fairer Scotland

¹⁴ [Scottish Women's Budget Group](#), Written Evidence

¹⁵ Equalities and Human Rights Committee, 8 October 2020, Official Report, Cols 12-13.

¹⁶ Engender, Written Evidence.

¹⁷ [Equalities and Human Rights Committee](#), 1 October 2020, Official Report, Col 18

¹⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 35.

¹⁹ Engender, Written Evidence.

for disabled people and older people.²⁰ The Minister also pointed to the EFSBS informing her next piece of work - the PSED.²¹

36. One of the key mechanisms for mainstreaming is through the PSED. The Committee knows from its Race Equality: Employment and Skills inquiry and other work that the duty has not been as effective as it could be. During last year’s budget process, the Committee asked the Scottish Government for “a progress report on its review of the Public Sector Equality Duty specific duties in Scotland”.²² In the Scottish Government’s response, the Minister advised “work is underway to develop a theory of change and a programme of work, with a view to identifying options in spring 2020 for reform of the specific duties and of the environment in which they operate; the review process will include a public consultation to enable the widest possible stakeholder engagement”.²³

37. The Committee notes that the review of the Public Sector Equality Duty was delayed prior to Covid-19. The Committee believes it is vitally important that the review is concluded before the end of this Parliament. The Committee asks the Scottish Government when it expects to conclude the review of the Public Sector Equality Duty specific duties in Scotland.

Human rights budgeting

38. A connected area the Committee has been pursuing throughout the session is a human rights approach to budgeting.

39. The Scottish Government’s National Performance Framework²⁴ sets out activities intended to contribute towards National Outcomes. There are two specific human rights National Outcomes: [Human Rights](#) and [Children and Young People](#).

[Progress on the Indicators](#) underpinning ‘Human Rights’ are set out below:

Indicator	Assessment of progress
Public services treat people with dignity and respect	Indicator in development
Quality of public services	Performance maintaining
Influence over local decisions	Performance worsening
Access to justice	Performance maintaining

²⁰ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 25.

²¹ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 24.

²² Paragraph 114, [Looking ahead to the Scottish Government’s Draft Budget 2020-21: Valuing the Third Sector](#), 4th Report, 2019 (Session 5)

²³ [Response to EHRiC Pre-budget Scrutiny Letter](#), 6 February 2020, ANNEX A, page 9

²⁴ The Scottish Government’s National Performance Framework: <https://nationalperformance.gov.scot/what-it>

40. It is noted that the National Performance Indicator ‘Public services treat people with dignity and respect’ is still in development. The Scottish Government responded to last year’s Committee report advising it was working with Strathclyde University to develop options to inform a consultation for the second quarter of this year. The Committee seeks an update on the Scottish Government’s current timescale for completing this work, given the need to keep a close eye on how public services are performing in these uncertain times.

41. The Scottish Human Rights Commission (SHRC) said that—

“While the commitment and narrative around taking a rights-based approach is important and welcome at the present time, there does not appear to be the necessary understanding across government to facilitate this.”²⁵

42. SHRC called for capacity building for the Scottish Government to successfully achieve its stated goal of embedding equality and human rights at the heart of the Government’s response to the pandemic. Furthermore, SHRC emphasised Equalities and Human Rights Impact Assessments (EQHRIAs) are necessary for both pre-allocation and post-spend to ensure that budgetary allocations are being made where they are needed and spend is having the intended impact.²⁶

43. Lucy Mulvagh, HSCAS, stressed—

“We cannot continue to perceive funding for work on equalities and human rights as part of one programme, project or portfolio. It must be mainstreamed and embedded across all Government portfolios.”²⁷

44. Ian Bruce, Glasgow Council for the Voluntary Sector (GCVS), endorsed this view. He referred to an example where organisations serving ethnic minority populations in the Glasgow did less accessing emergency funding, he warned that—

“If we do not create a world in which budgeting reflects our human rights values, there will be a serious flaw in how we make decisions about funding disbursement.”²⁸

45. Amnesty Scotland welcomed the measures the Scottish Government is taking, including the creation of the Directorate of Equality, Inclusion and Human Rights and a commitment to establishing a Centre of Expertise in Equality and Human Rights to work across the Economy portfolio within Scottish Government, but sought a commitment from the Scottish Government on longer term funding to continue addressing human rights issues such as homelessness and evictions.²⁹

46. In relation to human rights expertise, Lucy Mulvagh, HSCAS said there is expertise and willingness within third sector organisations and national human rights

²⁵ [Scottish Human Rights Commission](#), Written Evidence

²⁶ Scottish Human Rights Commission, Written Evidence

²⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 33.

²⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 21.

²⁹ [Amnesty Scotland](#), Written Evidence

institutions such as the SHRC and the EHRC, but she emphasised resources are needed for that work.³⁰

47. The Minister for Older People and Equalities explained the SHRC was working with the Equality Budget Advisory Group to develop the Scottish Government's practice in this area.³¹

48. As such the Committee asks what specific resourcing has been provided to the third sector to provide space for them to share their human rights expertise and to contribute to the international human rights process as recommended in the Committee's Getting Rights Right report.

49. The Committee very much hopes the new measures put in place by the Scottish Government will have the desired impact, however, we recognise we are coming to the end of the Parliamentary session and so it will be for another committee to continue to scrutinise whether these measures have worked.

50. For this reason, the Committee intends in its legacy report to emphasise in the strongest terms to the future committee that if there has not been significant change on mainstreaming, the new committee should consider whether legislating is a viable option to promote change more quickly.

51. Furthermore, the Committee will also highlight to the new committee its ongoing work on human rights, budget guidance to committees, contributions to the Conveners' budget debate as opportunities to underline the importance of all committees taking responsibility for equalities and human rights in their committee work and budget considerations.

Impact of Covid-19 on equalities

52. The Committee has an ongoing [inquiry into the impact of Covid-19 on equalities and human rights](#). Through this work the Committee has sought to identify and understand the groups most disadvantaged through the health crisis and the impact measures taken to address the pandemic have had on protected groups, as well as identifying areas which need to be addressed urgently and over the medium to longer-term.

53. Ian Bruce, GCVS, spoke about the impact in Glasgow, "those who were at the margins of poverty have been plunged into poverty and have not been able to put food on the table".³² He also reported a reduction in demand for mental health services and people with suspected cancer symptoms who did not seek help from the National Health Service, instead turned to charities like Cancer Support Scotland creating a higher demand.³³ He further explained, there is now a dramatic increase in demand

³⁰ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 38.

³¹ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 25.

³² Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 2.

³³ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 3.

for mental health services, and similar increases in demand for advice services and unemployment and employability type services.³⁴

54. Meg Thomas, Includem (a youth support charity), said due to stress around finances and engaging with services, “families feel trapped and, as a result, 82 per cent of them say that their mental health has got worse since Covid”.³⁵

55. Income crisis and increased hardship, Neil Cowan, Poverty Alliance, explained has disproportionately been experienced by low-paid women, lone parents who are disproportionately women, people from black and minority ethnic backgrounds, disabled people, unpaid carers who are disproportionately women, and larger families.³⁶

56. While both Anthea Coulter, Clackmannanshire Third Sector Interface (CTSI) and Natalie Masterson, SVE, highlighted people with sensory impairments and learning disabilities are experiencing specific issues. Lucy Mulvagh, HSCAS, said Crohn’s and Colitis UK reported a 400 per cent increase in demand for its services, and Scottish Autism reported a 101 per cent increase in demand.³⁷

57. Natalie Masterson, SVE, showed the scale of the issue—

“Learning disability day services were all but stopped except in the most pressing cases. People with sensory loss have told us that they felt trapped in their own homes, not even able to venture out for a once-a-day walk. Across Scotland, there are nearly 400,000 additional unpaid carers, which tells quite a catching story about what those people are experiencing during the pandemic.”³⁸

58. Lucy Mulvagh, HSCAS, clarified the number of unpaid carers in Scotland has now topped 1 million because of Covid—

“Unpaid carers had barriers to realising their rights before the pandemic, and, like other groups, they are experiencing additional infringements and retrogression of their rights as it continues though should be given recovery”.³⁹

59. Aberdeenshire Council referred to the reduction of care services and support for those with a disability or complex needs. Personal care packages were reduced and are still not up to the level that would ensure the client’s human rights would be met.⁴⁰

60. In Clackmannanshire, Anthea Coulter (CTSI) advised only 33 referrals had been made to acute mental health services in the first quarter. However, Wellbeing Scotland, which is based in Alloa, took 814 referrals in the same period. She

³⁴ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 4.

³⁵ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 23.

³⁶ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 24.

³⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 23.

³⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 3.

³⁹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 37.

⁴⁰ [Aberdeenshire Council](#), Written Evidence

commented that by upstreaming funding to an organisation, there has been far more direct self-referral and take-up of services away from acute health services.⁴¹ Includem agreed more people have sought support from the third sector, Meg Thomas said, “interestingly, our families say that that feels right for them—they value the input from those who seem supportive rather than those who might create pressures and stresses.”⁴²

61. Other groups were highlighted to the Committee as having been significantly impacted by Covid-19 include. Lucy Mulvagh, HSCAS, emphasised those living with chronic pain or long-term conditions, such as multiple sclerosis or cerebral palsy, have seen their condition worsen because of suspension of services like rehabilitation and reablement support services. Consequently, she said additional work may be needed to help people improve their health and wellbeing.⁴³

62. The Committee is aware the Scottish Government has produced an [assessment of the impact of Covid-19](#) on protected characteristics and socio-economic disadvantage (July 2020), with more detailed analysis available on the Scottish government [Equality Evidence finder](#).

63. This pandemic has shown why it is so important to have an equality/human rights budgeting system in place. As the Minister said at the start of the pandemic decisions needed to be made quickly, about where money was allocated, how it was processed, and the conditions attached. The Minister pointed out that the Government was quickly able to identify domestic violence and social isolation/loneliness as two of the key issues early on, and so for example these two issues featured in funding decisions.

64. However, there are always opportunities to improve and Emma Congreve of the Fraser of Allander Institute, for example, reflected that—

“Childcare has always been a gendered issue, so it was no surprise that the impact of having children at home and being schooled from home was a huge pressure on women, but it did not seem as if much was put in place to mitigate that.”⁴⁴

65. An equality budget process, grounded in high quality evidence, and placed at the heart of decision-making would give the Committee greater confidence that some people would not be forgotten, that unintended consequences would not ensue, and equalities impacts could be addressed. Rather than it being seen as a luxury in this fast-moving period, and activity that we don’t have time to do, equalities analysis should be the cornerstone of this year’s budget.

66. The Committee is acutely aware that the health pandemic has exacerbated existing inequalities, increasing the pressures on third sector support services and, as the crisis continues, placing increased demand on public services. It therefore asks the Scottish Government what consideration

⁴¹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 12.

⁴² Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 23.

⁴³ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 35.

⁴⁴ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 12.

it has given to harnessing the support of the third sector in the longer-term to take pressure away from public services, over and above the emergency funding provided.

Emergency funding

67. In relation to funding to relieve the impact of the pandemic, the Scottish Government announced an injection of [£350m in March 2020](#). This was intended to “go to those most affected by the coronavirus (COVID-19) pandemic”. An [interactive dashboard](#) provides a summary of what has so far been allocated (can be broken down by local authority area, and by funding stream). The table below shows the overall amounts allocated to the various funding streams as at 23 September 2020:

Funding streams	Amounts allocated (£m)
Food Fund	£83.8 m
Hardship Fund	£50 m
Wellbeing Fund	£37.8 m
Scottish Wellbeing Fund top up	£22 m
Third sector resilience Fund	£21.4 m
Supporting Communities Fund	£19.1 m
Food and essential funding	£15 m
Free school meals (summer)	£12.6 m
Connection Scotland	£5 m

68. Whilst the rapid disbursement of funding was seen as a success, witnesses suggested there were some gaps. There were also concerns about the disbursement process limiting strategic decision-making based on location.

69. In relation to the £350m, Ian Bruce, GCVS, believed most of it went directly to the Scottish Welfare Fund and some to local authorities. He considered some of that funding might flow on to the third sector, but less than half was targeted directly at the third sector.⁴⁵

70. Although Ian Bruce, GCVS, had been involved in some of the decision-making on the Wellbeing Fund, as were other TSIs across Scotland, he considered more could be done to make local decision-making a priority. He explained “in effect, we were asked to okay the projects that were eligible”, this is significantly less involvement than

⁴⁵ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 20.

taking a strategic view on how a certain amount of money, for example, in Glasgow might be spent.⁴⁶

71. On participative budgeting in Scotland, Neil Cowan, Poverty Alliance, advised Scotland still spends only a very small proportion of money via that route.⁴⁷

72. Third sector witnesses considered they were best placed to assist with disbursement. Anthea Coulter, CTSI, said the power of TSIs is that they are based in the heart of communities and can get people around the table every week (virtually).⁴⁸ Natalie Masterson, SVE, expressed that the local aspect has been critical because we know where the gaps exist.⁴⁹

73. Reflecting on the effectiveness of the funding streams, Ian Bruce, GCVS, indicated there have been gaps due to multiple criteria with some third sector organisations falling through the cracks in the programmes. For example, “with the wellbeing fund—do not quote me on the exact figures here— organisations could ask for only 25 per cent of their income, but they had to ask for at least £5,000. That unintentionally created an inability for organisations with incomes of less than £20,000 to apply for that funding”.⁵⁰ Natalie Masterton, SVE, added different streams of funding operated in quite different ways, which was quite confusing for people.⁵¹

74. On addressing equalities through emergency funding, Ian Bruce, GCVS, commented that funders were looking to support primarily disabled-led and BME-led organisations, but saw specifically BME organisations were not applying.⁵²

75. In relation to emergency funding streams and equality impact assessments, Neil Cowan, Poverty Alliance, understood that equality impacts were not taken into account in developing the streams given the nature of the emergency. He hoped, however, this would be rectified in the future.⁵³ Lucy Mulvagh, HSCAS, spoke about the effectiveness of equality impact assessments and human rights impact assessments to ensure fairness and transparency are at the heart of funding disbursement, monitoring of expenditure and underspend.⁵⁴

76. The Committee appreciates the Scottish Government’s necessarily quick action to alleviate the harm to those who have been significantly impacted by the health crisis, for example eradicating homelessness, stopping evictions of tenants, as well as supporting those in precarious employment. The Committee asks the Scottish Government how it will sustain these major commitments as the health crisis continues.

⁴⁶ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 9.

⁴⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 34.

⁴⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 19.

⁴⁹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 3.

⁵⁰ Equalities and Human Rights Committee, 1 October 2020, Official Report, Cols 9-10.

⁵¹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 19.

⁵² Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 10.

⁵³ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 39.

⁵⁴ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 39.

77. The Committee welcomes the additional £350million emergency funding, however, issues have been raised with us about the funding process and the targeting of the funding.

78. The Committee asks the Scottish Government how it has assessed the equalities impact of its interventions. Has the Scottish Government examined the effectiveness of the £350m emergency funding through impact assessments, in particular, the process of disbursement (i.e. how it was disbursed, where it was disbursed to, the types of organisations to which it was disbursed etc.) the level of local participation in the decision-making process, the number and complexity of the criteria of the various funding streams. We recommend the Scottish Government undertakes an examination and publishes its findings before the end of this Parliament.

Economic recovery

79. The Scottish Government established an [Advisory Group on economic recovery](#) to “provide expert advice on Scotland’s economic recovery once the immediate emergency, created by coronavirus, has subsided”. On 5 August, the [Scottish Government responded](#) giving a commitment to “recognise the necessity of embedding an Equalities and Human Rights approach across our policy thinking and development for economic recovery and renewal.”⁵⁵

Data analysis

80. Engender was concerned at the insufficiency of gendered data and analysis to influence economic recovery planning. Some of the immediate impacts on the economy have been very difficult to quantify, because of a lack of sex-disaggregated gender-sensitive economic data. Data analysis carried out for Engender found that the loss of two hours of earnings per day for mothers with dependent children amounts to a loss of £33 per mother per day. This equates to £15,082,320 per day in Scotland. Engender advised, however that gendered analysis of Covid-19’s economic impacts is principally being done by small women’s organisations and feminist academics in Scotland.⁵⁶

81. In relation to the Scottish Government’s recovery plan, Engender said although its six action themes relate to highly gendered policy domains (protecting and creating jobs; skills and training; boosting local job creation; sustainable growth) there are very few actions that reflect this.⁵⁷

82. SWBG also called for a “conscious analysis” of the impact of each policy decision, as well as funding decisions to positively invest in redressing the balance and building a caring economy for all.

83. Whilst Scottish Women’s Aid commented—

⁵⁵ [Economic Recovery Implementation Plan: Scottish Government response to the Advisory Group on Economic Recovery](#), 5 August 2020, Page 69

⁵⁶ Engender, Written Evidence

⁵⁷ Engender, Written Evidence

“An economy that challenges inequality, poverty, and injustice is the most important tool we have for dismantling the system of privilege that enables domestic abuse. A gender-competent plan for economic recovery must surely be the first step to recovery and renewal.”⁵⁸

84. The Minister for Older People and Equalities responded to demands for better data analysis saying, “disaggregated data is something that my equality team and I have taken very seriously” but she admitted although there was good work “there were gaps when it came to detailed information that we needed in order to target resources”.⁵⁹

85. The pandemic, and recovery from the health crisis, has made it vital to address gender budgeting. In response to last year’s Committee budget report, the Scottish Government advised the working group (led by the Government’s Chief Statistician) on sex and gender in data was producing guidance to support public bodies collect and present data on sex and gender by late spring 2020. The Committee asks the Scottish Government what the current position is and how this work will inform gender budgeting.

86. The Committee recommends the Scottish Government clearly sets out specific actions in its Economic Implementation Recovery Plan to address the gendered impact of the pandemic, as well as for other protected groups such as disabled, BME, young people etc., having regard to intersectional issues. The Committee also seeks assurance that childcare will be treated as an economic issue and that the role of unpaid carers more generally will be translated into actions in the Recovery Plan.

A place-based recovery

87. Evidence from both the third sector and local government called for a place-based recovery.

88. COSLA advised local government is an enabling force that “empowers communities to drive forward a transformative collaborative programme of social, economic and environmental renewal”. It also said, “recovery should empower individuals and communities through the strengthening of local democratic decision making – decisions should be made from the community up, not from the top down”.⁶⁰

89. Ian Bruce, GCVS, believed it is critically important to listen to communities in the long-term recovery plan, although he did not think that the local voice is currently being heard.⁶¹

90. Various approaches, such as community wealth building, were highlighted by COSLA as “central not just to a recovery from COVID-19 but to unlocking the economic

⁵⁸ [Scottish Women’s Aid](#), Written Evidence

⁵⁹ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 27.

⁶⁰ [COSLA](#), Written Evidence

⁶¹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 17.

potential of communities and delivering the ambition of a green, sustainable and inclusive economy”.⁶²

91. COSLA also pointed out that economic recovery requires local delivery e.g. education, social care, housing, employability, business support, economic development. For this to be developed through an equality and human rights lens, COSLA cautioned it would fail if not adequately funded.

92. Lucy Mulvagh, HSCAS, referred to the latest reports showing economic recovery could take until 2024. She believed now is the time to think about how to do things differently.⁶³ She drew attention to the PANEL principles: participation, accountability, non-discrimination and equality, empowerment and legality and said about participation “People can and must be involved directly in discussions and decision making about matters that affect their lives and their rights.”⁶⁴

93. Neil Cowan, Poverty Alliance, was also concerned about a prolonged period of financial constraint. This he believed could affect government, local authorities and other public bodies capacity, resulting in them “dropping, marginalising or not fully supporting participatory approaches to decision making and policy making” because it’s too challenging. He said this would be “entirely counterproductive, especially for the protection of equalities and human rights”.⁶⁵

94. The Minister for Older People and Equalities explained the Scottish Government is “starting to think about renewal and recovery, about how we could apply lessons that we have learned to the new funding streams, and about how we could mainstream across Government to do things better and more effectively”. She said there is a lot of learning still to do but work is progressing, also that the social renewal advisory board is doing some of this work.⁶⁶

95. The Committee has heard a lot about place-based participation being key to economic recovery. We are clear participation must be at the core of the recovery process. In relation to the Economic Implementation Recovery Plan the Committee recommends to the Scottish Government that any further action on the Recovery Plan adheres to the PANEL Principles: Participation, Accountability, Non-discrimination and equality, Empowerment and Legality.

Employment and employability

96. The Committee heard employment and employability is central to economic recovery.

97. Neil Cowan, Poverty Alliance, outlined labour market disruption has overwhelmingly impacted on groups, such as low-paid women. He explained women are concentrated in lower-paid jobs in sectors disproportionately affected by the pandemic, such as cleaning, care, retail and hospitality. Similarly, disabled people and

⁶² COSLA, Written Evidence

⁶³ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 33.

⁶⁴ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 38.

⁶⁵ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 39.

⁶⁶ Equalities and Human Rights Committee, 8 October 2020, Official Report, Cols 19-20.

people from BME backgrounds are more likely to work in sectors that have been disrupted by the pandemic and are therefore more likely to have been pulled into hardship.⁶⁷

98. On employment and protected characteristics, Natalie Masterson, SVE, stressed that long-term labour market scarring will be particularly bad for disabled people, young people and BME people. Therefore, the guaranteed employment scheme should change focus on the societal and economic harms that those people will experience.⁶⁸

99. The Scottish Government's Youth Guarantee was welcomed by Neil Cowan, Poverty Alliance, as a significant measure. He is concerned however that as currently designed it might "lack teeth" as employers move to the living wage within an agreed period to coincide with economic recovery. Given economic recovery is probably some way off, he recommended the Government should be looking at payment of the real living wage as a driver of economic recovery.⁶⁹

100. Anthea Coulter, CTSI, expanded on the issues for younger people. She commented that apprenticeships are disappearing and although the kickstart scheme is available, it is difficult for companies to bring on a young person when people are working remotely. In her community she was seeing mental health issues creeping into young people's lives in a significant way and called for more jobs closer to people's homes, so young people can work in their communities.⁷⁰

101. On the scale of unemployment in Clackmannanshire, Anthea Coulter CTSI, noted that by the end of July 835 new people had signed on to universal credit.⁷¹

102. Aberdeenshire Council considered Covid-19 has had a positive effect on raising the profile of the care sector, but it needs to be rebranded as a professional sector with well-paid employment opportunities, so more investment in this area is required. There should be—

"A focus on ensuring people are supported to retrain for the care sector should be put in place as this is a growth area for employment. However, feedback from clients is that the funding available to become a nurse is so low that it will not cover all the living and household costs especially if the person has children, resulting in people not completing their training."⁷²

103. The Minister for Older People and Equalities said—

"Covid-19 has highlighted the deep-rooted inequalities that exist within our society, so it is vital that, as we move to the next stages of our renewal and

⁶⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 24.

⁶⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Cols 16-17.

⁶⁹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 36.

⁷⁰ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 18.

⁷¹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 4.

⁷² Aberdeenshire Council, Written Evidence

recovery work, we use this opportunity to make fundamental and lasting changes to address those inequalities.”⁷³

104. The Committee acknowledges the valuable work the Scottish Government is doing to protect jobs and assist with employability during the pandemic.

105. Covid-19 has exacerbated existing inequalities for ethnic minorities, disabled people, women and young people. The Committee asks the Scottish Government what impact assessment it has made of current employment schemes in light of the pandemic and what its findings have been. In addition, the Committee asks what further targeted action the Scottish Government has taken – and will take – to support these groups who face additional barriers to employment.

106. The Committee notes the evidence (paragraph 97) from Neil Cowan, Poverty Alliance and asks the Scottish Government to address the point that young people should be paid the real living wage as part of the Youth Guarantee scheme.

Digital inclusion

107. Digital inclusion is an area connected to economic recovery while also being a significant equality issue. There was a huge switch to online delivery of services during the pandemic, which made existing equality issues more pronounced. In evidence some welcomed the £5m [Connecting Scotland](#) Fund, while others highlighted issues.

108. Ian Bruce, GCVS, reflected on the stark challenge of addressing digital inclusion when 40 per cent of the 5 per cent of Scotland’s most deprived communities (according to the Scottish index of multiple deprivation) are in Glasgow.⁷⁴ People who are digitally excluded, he said, would be less able to access public services, live an independent life and get into the employment market.⁷⁵

109. Neil Cowan, Poverty Alliance, said people who do not or cannot engage digitally must be able to access their rights in other ways. He gave an example of the Scottish Welfare Fund, which provides money for people who are experiencing income crises. “We know that some local authorities make it difficult for people to apply in any way other than online, so it can be difficult in some areas for people who are not online to access that fund”.⁷⁶

110. Lucy Mulvagh, HSCAS, also advocated a person-centred approach saying it’s about choice and control. People should get the same quality of service and support, irrespective of which route they are using e.g. patients are told that they can be seen next week if they can take a digital appointment, but if they want to speak to and see somebody face-to-face, that will take a month.⁷⁷

⁷³ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 17.

⁷⁴ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 7.

⁷⁵ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 8.

⁷⁶ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 30.

⁷⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 31-32.

111. On provision of digital devices, third sector organisations came together to find equipment and buy people MiFi devices to connect easily, without tying them to a contract or requiring an installer. Ian Bruce, GCVS, said the additional support provided by the third sector to use the technology is not funded as part of the Connecting Scotland programme.⁷⁸ He called for a move towards recognising internet access as a basic public service to which we should all be entitled.⁷⁹

112. Meg Thomas, Includem, said local authorities are now rolling out schemes to give young people access to iPads, but because these are charged at home, this adds to existing fuel poverty. Also, she advised families have considerable concerns about the home-school agreement and who is responsible if the iPad is lost or damaged. This, she said, discourages young people from using them for fear they will be damaged and will be liable for costs, which they cannot afford.⁸⁰

113. Concerns were also raised about the potential for increased threats such as child exploitation and financial scamming. Meg Thomas, Includem, said there has been a significant increase in young people being exploited due to more online activity because they are staying at home and socialising online. Many parents do not know how to keep their young people safe online and how to prevent them from being exploited digitally. Correspondingly, she said there has been an increase in people who would exploit young people taking advantage of the situation.⁸¹

114. In Aberdeenshire, the Council called for funding to be expanded to working aged people without children, especially those who are seeking employment or are under employed so they can be supported to improve their employability.⁸²

115. According to the Minister for Older People and Equalities, approximately 7,500 devices have been provided and of those about 40% were to people aged over 60, 34% had long-term conditions or a disability that prevents them from working, and 20% were unemployed.⁸³ The Minister also explained the Connecting Scotland Fund is a “three-pronged approach”—

“The programme not only provides iPads, but provides and pays for internet access, and offers support for learning and skills development.”⁸⁴

116. The Committee is supportive of the Connecting Scotland Fund, but from an equality and human rights perspective is keen to avoid a two-tier system developing in relation to service provision. Public authorities should be mindful of their duties not to discriminate. Again, we highlight the importance of using EQHRIAs.

117. The Committee asks the Scottish Government whether, and at what stage, it undertook an equality impact assessment on the Connecting Scotland Fund specifically, (but also other measures which have sped up the move to online delivery of services), which would help mitigate any deepening of inequalities,

⁷⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 7.

⁷⁹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 8.

⁸⁰ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 30.

⁸¹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 30.

⁸² Aberdeenshire Council, Written submission

⁸³ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 22.

⁸⁴ Equalities and Human Rights Committee, 8 October 2020, Official Report, Col 21.

and whether it is taking any action to target specific groups, (such as unemployed people), that may need digital connectivity.

118. Also, the Committee asks the Scottish Government what funding is provided to keep children safe online and help people avoid digital scammers (for example the Connecting Scotland Fund and other sources), and how effective this has been.

Funding the third sector

119. As the Committee identified last year in its [Valuing the Third Sector Report](#), voluntary sector funding is complex and precarious. Many third sector organisations operate on a complex patchwork of statutory funding, fundraised income, earned income and grant income. The Committee made several recommendations to the Scottish Government about third sector funding, including:

- Encouraging partnership working
- Examining longer-term funding models
- Inclusive/accessible application processes
- Strengthening the third sector's role in decision making
- Review of how the third sector is funded (with its partners) to minimise negative impact on the third sector and its service users.

120. The Scottish Government [responded](#)⁸⁵:

- Partnership working is something we would always encourage but recognise that this is a question that must be considered on a case by case basis by both statutory and third sector partners.
- The Government was working towards three-year funding and it is for other statutory funders to consider their approach.
- It expects expect all statutory funders to comply with equality law and consider carefully systemic barriers to applying, including communication.
- The Scottish Government recognises the value and importance of the third sector within integration and has legislated to ensure that third sector parties are embedded at every level. When Integration Authorities are taking decisions they must ensure that any proposals being considered fully reflect the views of third sector groups and communities of interest.
- On a review of how the third sector is funded to minimise impact, the Government is working with COSLA and other partners, who are committed to reforms in social care to ensure the quality and sustainability of the social care support, now and in the future.

Impacts of COVID-19 on the third sector

121. In September, the Scottish Government announced the [Covid Third Sector Recovery Programme](#) in the [Programme for Government](#) 2020-21.⁸⁶

⁸⁵ [Response to EHRiC Pre-budget Scrutiny Letter](#), 6 February 2020, ANNEX B

⁸⁶ Protecting Scotland, Renewing Scotland: The Government's Programme for Scotland 2020-2021, 1 September 2020, page 60.

“Beyond the immediate need our role must be to create the best conditions for the third sector and volunteering to thrive and contribute to a recovering economy and society. As we move from the immediate response to recovery we will now refocus part of the Communities Fund into a £25 million Community and Third Sector Recovery Programme. This will include business support and investment to help organisations adapt their operations and income generation to increase sustainability. This funding will support our third sector to continue to support people and communities in responding to the ongoing impact of the pandemic.”

122. Lucy Mulvagh, HSCAS, said early in the pandemic Crohn’s and Colitis UK, Cancer Support Scotland and Chest Heart & Stroke Scotland, reported huge drops in funding, because of the cancellation of activities such as face-to-face fundraising events, the closure of charity shops and other venues and, of course, a completely understandable drop in public donations as pressures increased on household incomes.⁸⁷

123. Although third sector witnesses welcomed the [£25m Third Sector Recovery Programme](#) and existing funders have been extremely supportive and accommodating in respect of reporting on the use of funds over the past few months, Neil Cowan, Poverty Alliance, commented there are definitely growing fears and anxiety about the long-term financial impact.⁸⁸

124. Third sector organisations have been able to provide urgent assistance to the people they support, but Meg Thomas, Includem, warned short injections of cash are not sustainable in the long term, meanwhile debt and financial pressure are increasing for their clients. They need services that allow families to plan their finances.⁸⁹

125. Natalie Masterson, SVE, called for longer-term funding as it is “not sensible or prudent for us to simply continue with year-to-year funding when we know that, for example, it will take many years for mental health service demand to go down.”⁹⁰

126. A new issue brought to the surface by the pandemic is trading organisations have been hit by more problems as a result of lockdown, whilst grant funded organisations were more stable.

127. Ian Bruce, GCVS, explained as a sector, organisations were told to diversify their income away from grant funding and move towards trading, fundraising and contracts. He said—

“That has been regarded as good practice. Ironically, during the Covid period, that income—which was regarded as more sustainable—has vanished and organisations that are primarily grant funded have been more stable.”⁹¹

⁸⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Cols 22-23.

⁸⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 34.

⁸⁹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 25.

⁹⁰ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 16.

⁹¹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 15.

128. Scottish Council for Voluntary Organisation (SCVO) encouraged the Committee to retain a focus on its recommendations from 2019 relating to voluntary sector funding and partnerships. SCVO stated—

“The scale of the inequalities and societal problems which Scotland will face in the coming years dictate that no one organisation or sector will have all of the answers. As the Committee noted in its previous report, the voluntary sector has a key role to play in this. The issues around the funding and sustainability of the sector, however, limit its ability to do so, leading to a gap between Scotland’s high policy intentions and implementation on the ground.”

129. The Committee also notes recent [research by the Scottish regulator OSCR](#)⁹² that found that 20% of Scottish charities are facing a “critical threat” to their financial viability in the next 12 months as incomes fall and demand for services grows.

130. The Committee recognises that third sector organisations were able to mobilise more quickly than statutory agencies and should be seen as a vital asset to Scotland. As such, the Committee very much welcomes the £25m Third Sector Recovery Programme.

131. The Committee asks what further consideration the Scottish Government has given to how the third sector is funded in the longer-term; what work the Government has undertaken to identify the challenges to the third sector in tapering down support; and whether the Scottish Government has assessed the financial viability of the third sector, including if some third sector bodies might fail what can be done to mitigate this.

Impact of Brexit

132. The Government published an [assessment of the social and equality impact of Brexit](#) in January. As we near the end of the transition period, and the impact of Covid-19 and Brexit will be combined, the Committee is interested to know more about what effect this would have on equality groups and on the third sector.

133. With the end of European Structural Funds imminent and the UK Government’s proposed Shared Prosperity Fund in mind, EHRC suggested the Scottish Government must seek ways through the budget process, to support civil society organisations to enable them to continue their vital work.⁹³

134. Ian Bruce, GCVS, explained that Glasgow was amid the last funding round for allocation of EU funding to the sector. When asked about the future, he said—

“We are unclear what things will look like beyond that. The short version of that answer is that it looks bleak.”⁹⁴

135. The Committee asks the Scottish Government what preparation it is doing to minimise the impact on the third sector of the loss of European Structural and Investment Funds. Also, the Committee would find it helpful to have further

⁹² Breaking Blue, COVID-19 Impact on Charities, prepared for OSCR, June 2020

⁹³ Equality and Human Rights Commission, Written Evidence

⁹⁴ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 15.

detail about the Scottish Government’s involvement in the development of the UK’s shared prosperity fund, including an update on when this is expected to be in place.

Partnership working

136. There has been a huge increase in organisations working together as fewer funding restrictions have allowed organisations flexibility to come together. Meg Thomas, Includem, said a reduction in bureaucracy and third sector organisations not being pitted against one another in competition for funding was key. She added it is “disappointing to see that we are already moving back towards more formal tendering processes”.⁹⁵

137. Anthea Coulter, CTSI, described the collaboration that has happened as “Partnership on steroids”.⁹⁶ She expanded saying “More than half the organisations that responded to our TSI network survey—that is more than 600— said that they were collaborating more as a result of the Covid pandemic”.⁹⁷

138. A specific instance of collaboration was provided by Natalie Masterson, SVE, who explained her organisation had worked very closely with Stirling Council, which played a key role in getting funding to local organisations through the business improvement district fund.⁹⁸

139. Aberdeenshire Council also welcomed the improved partnership working to meet the needs of those who are vulnerable. The Council did however state “It is disappointing that some of these positive impacts have been lost as partners are going back to the status quo.”⁹⁹

140. Anecdotal evidence, SCVO stated, suggests that independent funders are reflecting on the flexibility the pandemic necessitated and how it might inform their future grant giving, however, local authorities are returning to a ‘business as usual’ command and control relationship with the organisations they fund or contract with.¹⁰⁰

141. Third sector organisations have been innovative in their response to the pandemic. Neil Cowan, Poverty Alliance, highlighted community organisations were redesigning or reconfiguring their services at incredible speed.¹⁰¹

142. An example of innovation highlighted to the Committee is the knowledge-sharing hub developed by the Scottish Commission for Learning Disability to ensure information is available in easy-read documents and other accessible formats for people who have learning difficulties and intellectual disabilities. Lucy Mulvagh,

⁹⁵ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 28.

⁹⁶ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 2.

⁹⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 5.

⁹⁸ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 19.

⁹⁹ Aberdeenshire Council, Written Evidence

¹⁰⁰ SCVO, Written Evidence

¹⁰¹ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 29.

HSCAS, emphasised for the continuation of this progress, long-term sustainable funding and resourcing will be fundamental.¹⁰²

143. There was concern around the current model of tendering for local authority contracts delivered by the third sector. Meg Thomas, Includem, said children's services plans and community partnership plans talk about what will happen in communities, but the third sector is added on at the last minute. She said—

“True partnership would be sitting down with local communities and those who commission, deliver and receive services to write the service specifications together and to agree how they should be delivered.”¹⁰³

144. The evidence is striking that a reduction in competition for funding and less bureaucracy has enabled the third sector to be agile and collaborative. The Committee asks the Scottish Government what consideration it has given to how the third sector is funded to encourage greater long-term planning and strategic collaboration, particularly given the increased demand on public services, which the third sector has shown it can play a part in reducing the demand for acute services.

Volunteering

145. Third sector organisations reported a substantial increase in those putting themselves forward to volunteer. However, managing a big increase in numbers is, as the Committee found out in its inquiry into the Third Sector last year, not cost free.

146. Anthea Coulter, CTSI, referred to the volunteering figure in Clackmannanshire “we have around 700 people who are new to volunteering. Some 300 have gone directly to the TSI and 400 have gone to organisations”.¹⁰⁴ She added deprived communities have also had volunteering opportunities, but they have had difficulty making funding applications.¹⁰⁵

147. Natalie Masterson, SVE, highlighted that although the volume of people looking to volunteer is good news this is not universal. Volunteering opportunities for those who have volunteered in the past but who require additional support, e.g. young people requiring additional support or adults with learning disabilities, have had their opportunities taken away by the pandemic.¹⁰⁶

148. Another group who have traditionally volunteered the Committee heard are older people. Ian Bruce said, according to data from Volunteer Scotland, although older people do not volunteer in significantly higher numbers than the general population, they volunteer for a significantly larger proportion of their time. If they are forced into shielding, that adds a challenge.¹⁰⁷

¹⁰² Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 28.

¹⁰³ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 38.

¹⁰⁴ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 14.

¹⁰⁵ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 11.

¹⁰⁶ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 5.

¹⁰⁷ Equalities and Human Rights Committee, 1 October 2020, Official Report, Col 13.

149. The Committee asks the Scottish Government what support it will provide to remove barriers and promote opportunities for volunteers, so they can continue to gain work skills and benefit from social connectedness. In addition, the Committee asks the Scottish Government what support it will provide for those who need support to volunteer, such as those with additional support needs.