



Analysis of the Scottish Budget 2026-2027 Equality Considerations

Scottish Women's
Budget Group



Scottish
Women's
Budget
Group

Introduction

Since 2000 the Scottish Women's Budget Group has been analysing the Scottish Budget to understand its impact on women across Scotland. This includes understanding how equality analysis is informing budget decision-making. Our mission is to promote equality through gender budgeting to build a fairer and more equal Scotland.

The purpose of Gender Budgeting is threefold:

1. to promote accountability and transparency in fiscal planning;
2. to increase gender responsive participation in the budget process, for example by undertaking steps to involve women and men equally in budget preparation;
3. to advance gender equality.

In this briefing we explore how the Scottish Government's budget decisions and documentation measure up against the principles underpinning gender budgeting. These principles promote budgets that are:

- **Transparent and accountable:** Elected members, civil society and the public should all have easy access to information about the budget process and budget decisions made by policymakers.
- **Participative:** There should be meaningful citizen engagement in the budget process.
- **Focused on outcomes:** Budget decisions should link to the government's goals, especially those for promoting equality.
- **Focused on advancing equality:** Processes should show ongoing inequalities to allow public resources to be used effectively to end them.

We believe that using gender budget analysis is particularly important, given the current fiscal context, as setting a balanced budget must not worsen existing inequalities.

This briefing has been informed by the documentation published alongside the Scottish Budget 2026-27 on 13th January 2026. In addition to this, on Monday 19th January 2026 the Scottish Government published two further documents which are key for this analysis:

- Scottish Budget 2026-27, Spending Review and Infrastructure Delivery Pipeline Strategic Integrated Impact Assessment (SIIA);
- SIIA detailed impact table 2026-27.

Transparent

Follow the money

Across the budget documentation it remains difficult to track expenditure (“to follow the money”), with statements relating to some policy areas not aligning with corresponding budget allocations. This is illustrated in the money allocated to meet the commitment to pay care workers the Real Living Wage (RLW). Analysis by COSLA showed that the funding initially provided for social care fell short of what is needed to fulfil the RLW commitment; this funding gap was filled during the budget scrutiny period.

Within Early Learning and Childcare (ELC), the budget states that all 3 and 4 years old receive funded hours, and that almost £1 billion is being invested in this policy. However, the reality of what 3 years means can be different for families across Scotland. Our latest review of local authority budgets shows that a number of councils are reducing access to funded childcare to the term after a child’s birthday due to budget constraints, sometimes a wait of up to five months. While the government’s own guidance provides a basis for these decisions, it puts into question the sufficiency of allocations, as increasing numbers of local authorities choose to provide only statutory provision to balance their budgets. This speaks to a broader point about the (in)sufficiency of local government funding as well as the appropriateness of funding allocations for ELC policy. For instance, the £1 billion commitment to ELC funding has not changed throughout this parliamentary term, despite the impact of inflation.

Recommendation: To increase transparency budget communications should clearly state funding levels which can be followed through to level 4 tables, alongside what this is expected to achieve. As part of the budget cycle, a further reporting mechanism from delivery partners should clearly outline where spend has been directed. This would allow citizens to track how policy commitments are funded, while also facilitating monitoring and evaluation.

Recommendation: A citizen’s version of the budget should be published which gives clear articulation of what the large budget numbers are expected to achieve in a relatable, everyday sense for people.

Strategic Integrated Impact Assessment

This year the Scottish Government changed the publication relating to equality impact assessments, from the Equality and Fairer Scotland Budget Statement to the Strategic Integrated Impact Assessment. The publication of this equality information is an important sign of intent and recognition of the need to use equality information to drive budget decision-making. The documentation outlines how equalities information was brought into the formation of the budget including the Ministerial Workshop held in autumn 2025. This is a necessary step to

ensure tackling inequality is seen as a responsibility of all departments of government.

We recognise this has been a pilot approach to presenting equality information and that a process of developing this further will be necessary if it is to be maintained and improved. However, from a transparency perspective, within the documentation published there is a failure to outline how decisions are made, a lack of clarity on what data informs these decisions or detail of the analysis underpinning these decisions. For example, under the government priority of eradicating child poverty, the investment in a summer of sport acknowledges that, although a universal offer, it will be targeted at those at higher risk of poverty. However, there is a lack of information about if this funding level is sufficient for the benefits government hopes to achieve, what impact it will have on child poverty and how barriers to access might be overcome to ensure funding does best target those at higher risk of poverty.

Increased transparency in budget documents may also include openness about where trade-offs may have occurred. For example, the decision to create a Scottish Child Payment premium for families with children under the age of one is welcome, however, understanding why this will not be brought in until 2027-28 would have increased transparency. Whether a trade-off was made in budget allocations or if there are administrative reasons for the later introduction. It may be that in future publications inclusion of some case study information, as in previous iterations of the Equality and Fairer Scotland Budget Statement, would demonstrate examples of these types of trade-offs.

Within the SIIA, a detailed impact table for each portfolio area rates whether budget areas have an exceptional, positive, neutral, or negative impact of those with protected characteristics. Following evidence to the Equalities, Human Rights and Civil Justice Committee, the Cabinet Secretary for Finance highlighted that this rating system is to demonstrate the importance of the budget line across certain areas but not the current outcomes achieved by this budget line. This was not clear in the documentation or definitions provided within it.

Additionally, there is not always much detail about why a certain grade has been given. This concerns us as we see areas that are highly gendered being given a neutral impact for the protected characteristic of sex. For example, investment in social care support, including support to unpaid carers, is neutral on sex. Considering the evidence on the gendered nature of care, this generates real questions about how gender considerations are informing decision-making and why greater investment is not being made in this area to tackle existing inequalities. Within the SIIA impact table we welcome the space that links to detailed EQIAs within portfolio areas. This makes EQIAs that have been conducted within the policy making process more accessible. Where this has been left blank, it would be good to understand if this is because no EQIAs exist or because, while they might exist, they have not been provided as part of the budget process.

While at the Committee, the Cabinet Secretary for Finance and the Minister for Equalities were very clear that equalities had informed decision making, when asked how this impact was demonstrated, they were unable to show this. Transparent

documentation and better analysis would more clearly demonstrate where this is the case.

Participative

The Scottish Government did not undertake a consultation as part of the budget process. It typically has not engaged in this form of participation across this parliament.

Individual committees have conducted pre-budget scrutiny consultations, offering an opportunity for individuals and/or organisations to engage with the budget process. Due to the nature of the consultations, it is not widely accessible to the general public and particularly not to marginalised groups. Over the course of this parliament, some committees have worked to ensure people's direct experiences are heard, for example the work of the Equalities, Human Rights and Civil Justice Committee has sought to engage people with varied experience from marginalised communities through the course of this parliamentary term. However, this is a limited example.

As part of our engagement with women on the budget process, through our [Women's Economic Empowerment Project](#), we have heard consistently over the last two years their concern at the lack of genuine opportunity to engage with the budget to meaningfully inform decisions.

The Scottish Human Rights Commission's Open Budget Survey has highlighted the limitations in opportunities to participate in Scotland's budget process.¹ No significant efforts appear to have been made in this budget round to improve that situation.

Recommendation: At the start of the new parliamentary cycle, the 2027-28 Scottish Budget should include wider participation and consultation process that is accessible to the public.

Outcome-focused

The draft Budget for 2026-27 and the related Strategic Integrated Impact Assessment use the four priorities of government to focus on the outcomes the government seeks to achieve. These are eradicating child poverty, growing the economy, tackling the climate emergency, and delivering better public services.

In addition to the four priorities, the government has continued its approach of setting out within the main Budget document how different portfolio areas and the revenue allocated to these contribute to the national outcomes. This is the only significant reference to national outcomes and in turn the National Performance Framework. Ideally, these national outcomes should play a more central role, helping the government maintain a consistent approach to outcomes that can directly translate to delivery partners. While the review of the National Performance Framework is underway, it is understandable that this has been more challenging.

Recommendation: In the next parliamentary term, embedding the updated national outcomes in the budget decision making process at national and local level would better support outcome-focused budgeting.

Additionally, within the budget documentation we would like to see more detail in relation to the impact of budget allocations on outcomes. Budget documentation currently lacks detail and clear vision within each priority area, making it difficult to understand how budget decisions are directed towards the government's outcomes. Below are examples to demonstrate where improvements could be made:

- **Eradicating child poverty**

While the government has clear targets on reducing child poverty, the evidence shows that in 2023/2024 Scotland missed four of its interim child poverty reduction targets. Reduction in poverty for priority groups has been mixed since the introduction of legislation. Single parents show reductions in poverty (-4 percentage points) while families with three or more children have recorded an increase in relative poverty over the period². Yet through the budget allocations, the Scottish Government has for the most part set out that it is “maintaining” investment in the programmes and policies identified through the child poverty tagging pilot, rather than increasing investment. For example, the Scottish Welfare Fund has received standstill funding, with the impact of inflation this amounts to a real terms cut without justification on why this is the case.

Finally, there is a lack of detail about how new measures, such as the provision of out-of-school childcare through a universal breakfast offer in all primary schools will meet the ambitions on eradicating child poverty.

- **Tackling the climate emergency**

The SIIA's analysis on tackling the climate emergency highlights relevant intersectional inequalities in fuel poverty (disability, single mothers, and rural communities) and shows awareness that energy intensive industries have male dominated workforces. It also notes that climate mitigation measures can help reduce health inequalities. Measures to target heat in buildings in rural areas and households' risk of fuel poverty are a positive step and are likely to ensure that disadvantaged groups benefit.

Additionally, several other measures can be predicted to have disproportionate positive impacts on men for example:

- Relief for EV charging points for 10 years;
- 3 million to support communities affected by t closure of Fife Ethylene Plant at Moss Moran;
- 15.9 million capital funding investment in the JTF supporting North East and Moray to diversify away from carbon intense industries.

Without clear proactive targeting of policies (such as through intersectional gender mainstreaming) or clearly defined equalities targets, these policies will

disproportionately benefit men because they target male dominated industries and/or behaviours. While the SIIA acknowledges some of these issues, it takes no action to remedy them or to try and include more diverse groups into newly configured/low carbon industries.

- **Delivering better public services**

On delivering better public services, budget documents, as well as wider strategies from government, talk about the need to focus on prevention in delivery of public services.³ However, for key areas action on this is missing in the budget. For example, the government highlighted it has met a commitment to increase social care spending as set out in 2021. Yet there is nothing about if this allocation is sufficient to deliver the needs of Scotland's population and the shift towards a more preventative model. Outcome focused budgeting would demonstrate what the necessary funding is to achieve the goals of the policy and show the working behind the budget allocation. In addition, there is no mention of why other commitments in social care made in 2021, for example the end of non-residential social care charging, have not been met and what budget considerations may have been made in deciding not to progress this fully.

In relation to public sector reform, large savings have been identified over the coming years. This will have a significant impact on jobs, particularly back-office jobs. Yet there is a lack of analysis on the impact of reduced headcounts, particularly on women and disabled workers who might be more likely to undertake these functions.

Advances equality

The purpose of the Strategic Integrated Impact Assessment (SIIA) is to demonstrate how equality considerations have contributed to budget decision-making. As a developing process, the Scottish Government has indicated its plans and willingness to evaluate and learn for future budget processes. This is welcome, and this section of the briefing considers areas for improvement from a gender budgeting perspective.

Improved gender analysis

Quality analysis is essential in supporting good decision making. In reviewing the documentation, we are concerned about the quality of gender analysis presented in some areas. This includes a lack of recognition of the impact on sex in highly gendered areas and presenting actions as equality measures without evidence of how this is the case.

For example, as mentioned above, spending on social care, including unpaid carers support, is marked as neutral for the protected characteristic of sex. This is despite clear evidence shared in the document on the gendered nature of who undertakes unpaid care. Similarly, grant allocation to local government is marked as neutral across all characteristics, despite the different usage of services people may

have, including women having a higher reliance on local public services due to their likelihood to provide greater levels of unpaid care.

In other areas, poor gender analysis is evident when actions are presented as measures to improve equality without the necessary evidence to support this. For example, the dueling of the A9 is presented as a gender equality measure despite the fact that analysis shows that women are more likely to use public transport, rather than private individual cars to make complex multi stop journeys. While dueling the A9 may be an important road safety measure, it is not a gender equality policy. In fact, evidence shows its impact is likely to be skewed to men.

Recommendation: Action to improve gender competency across portfolios and within the quality control process of producing the SIIA to be set out by the Scottish Government.

Better linkage of evidence and actions

The structure of the SIIA presents evidence and actions to address this which is a useful structure. However, improvement could be made to better link these and more clearly outline how budget decisions address the evidence. Often, ongoing funding is stated as addressing the need for it. However, if inequalities or other policy problems such as poverty persist, budget information should clarify how ongoing funding really works to tackle these. This would be a better way of justifying budget decisions from an equality point of view.

Within the 'growing the economy' section of the SIIA equality evidence is presented but the documentation struggles to align this evidence with the next section titled 'how are we addressing this'. For example, funding on entrepreneurship is highlighted as creating opportunities for women and other under-represented groups, but there is no detail in this document of how targeting to achieve this outcome is being set. In other areas it is unclear how spending on Creative Scotland or access to culture, or the City and Regional Growth deals, and Regional Economic Partnerships will have an impact on any of inequalities described. Without further detail it is unclear how these actions are actively working to advance equality.

Clear demonstration of impact and trade offs

In a time of constrained finances, difficult decisions are being made. Documenting this process would improve both transparency and clarity on how equality considerations are informing these difficult decisions. The SIIA highlighted that the choices made "involve trade-offs which might result in real-terms reductions or constrained growth in resource funding for some portfolio spend which low-income and disadvantaged households rely upon." However, based on the information provided, it is unclear what these trade-offs were, how the Government had used equalities and outcome data to inform revenue allocations, or how these allocations would support the Government in meeting its duties under the Public Sector Equality Duty. This was an area particularly [raised by our Women's Economic Empowerment Group](#) who felt information on why some areas received more money than others and how these decisions had been made would improve their understanding of the budget process.

To demonstrate impact, there should be detail in the budget documentation on the monitoring and evaluation process that takes place of the previous year's decisions. Budgets should be seen as part of a cyclical process with evidence and understanding of impact from previous decisions feeding into the process for the following year. This is particularly important in tackling inequalities. Building this into the activity on budgets across the year would strengthen the process.

Coherency of documentation

At times information in the budget document and the SIIA do not match. This makes it less clear how equalities are truly driving decision making.

Portfolio spending on local government is highlighted in the main budget document as being “key to improving the equality of outcomes for people and communities”. Yet the SIIA marks the impact of this portfolio as neutral across all protected characteristics and justifies this by stating that local authorities undertake their own impact assessments. This appears to be a different understanding of the rating system than was described by the Cabinet Secretary for Finance and Local Government during budget scrutiny.

Another example is within Annex C pilot study on intersectional analysis in the narrative of the SIIA it draws out that minority ethnic women are an ‘at risk’ group in relation to mental health. Yet in the SIIA impact spreadsheet mental health spending is rated as neutral on impact for both race and sex.

Pilot of intersectional gender analysis

We welcome the fact that the government aims to progress piloting of gender budgeting and gender analysis within the budget process and has committed to continue moving this forward following the OECD supported pilot in 2024-25. We, alongside others, have called for this to undertake intersectional gender analysis.

The pilot considering the experiences of women from minority ethnic communities is an important step in recognising the varying experiences women face and understanding different budget responses this may require.

Unfortunately, the information published is limited, so it is difficult to accurately analyse the impact this pilot may have had. There is positive information that the pilot may have influenced future evaluations in portfolios to ensure evidence and data are collected to provide an intersectional understanding of the impact of spend. This information should then be used to inform future budget decisions. This could be a really important step forward and detailing how the evaluation information is used should be part of future iterations of the SIIA. It would be worth a more in-depth look at this pilot study, perhaps, as a standalone document or continuing to develop the analysis through the next budget cycle.

Conclusion

The Scottish Government provide a range of information to support their Budget process and information which underpins the decisions taken which is

welcome. However, as set out in this briefing, there is still work to be done to achieve greater transparency, engage the public with the budget process, link outcomes to budget decisions and to advance equality as a result of this process. Clearer budget information and quality analysis of data and evidence are key steps to achieve this.

About us

The Scottish Women's Budget Group (SWBG) is an independent analysis and campaign group that aims to promote gender analysis in public policy and public finance decisions through budgetary processes. SWBG brings together a wide range of women from across Scotland who have an interest in women's equality and want to achieve better gender equality in our society. We have focused on encouraging active gender analysis in the Scottish Budget process since 2000.

Contact: Carmen Martinez, Policy and Engagement Lead, SWBG.

Email: carmen.martinez@swbg.org.uk