



SE's National Programmes

Equality Impact and Fairer Scotland Duty Assessment

EQUALITY & FAIRER SCOTLAND DUTY (EqFIA) IMPACT ASSESSMENT

Name of Business Unit	ALL
Name/designation of person(s) responsible for managing/ conducting this process	Ian Blewett Lead – National Programmes Portfolio Work Group
Date Complete	DD May 2021

Name of Policy / Function / Service / Strategy / Action Plan / Programme / Project etc.	National Programmes Portfolio
Is it New or Existing?	New
Is the policy contracted out?	No
If yes, who delivers this policy for the organisation?	N/A
Is responsibility for delivery shared with others?	No (see note below)
If yes, who are your partners?	Although the National Programmes have partners outside SE/SDI, this EqFIA only applies to delivery carried out by SE/SDI

EQUALITY			
Could there be possible impacts or effects in respect of the following protected groups?			
Age	Yes	Disability	Yes
Gender Re-Assignment	No	Marriage & Civil Partnership	N/A
Pregnancy & Maternity	Yes	Race	Yes
Religion or Belief	Yes	Sex	Yes
Sexual Orientation	No	Human Rights	Yes

FAIRER SCOTLAND DUTY	
Could there be possible impacts or effects in respect of disadvantaged areas/places and/or groups?	
Groups, including the protected groups considered within the Equality section above (for example, young people, disabled people)	Yes
Areas/Places (for example, rural areas, communities experiencing disadvantage)	Yes

EO Champion review by		Date	
SRO name and email approval on file	Mark Hallan	Date	

SECTION 1. The Aims of the Policy

The Explicit and Implicit Purposes of The Policy

The Portfolio of National Programmes represents an attempt to focus SE's pan-Scotland support onto fewer topics, but at a deeper level.

- The **explicit** purposes of this focussing are:
 - to harness the synergy available from connecting our interventions, thus allowing us to have a greater impact with fixed resources; and
 - to deploy our support where SE can add greatest socio-economic value in line with our ambitions, again maximising impact from fixed resources.
- The **implicit** purposes of this focussing are:
 - to provide a clear narrative framework onto which most staff can contribute, and see how they contribute;
 - to provide a narrative that links place, national and international ambitions and priorities; and
 - to provide a clear articulation to external stakeholders of where SE will heavily (but not exclusively) focus, and in many cases, lead.

Policy Scope

The policy

- is wide-ranging:
 - it covers all of the SE region;
 - it dovetails with activities in HIE and SOSE regions;
 - it has specific relevance to certain places;
 - it has multiple touchpoints on international markets and investors.
- will inevitably touch on
 - disadvantaged places (such as potentially Ayrshire, Tayside, NE Scotland); and
 - disadvantaged communities (such as potentially under-represented groups within STEM industries).

Direct Policy Beneficiaries

The policy is intended to benefit Scotland at a macro-level

- by **generally** supporting those opportunities which have the greatest potential to improve our socio-economic context through
 - i. more, better jobs;
 - ii. greater regional equity; and
 - iii. a green recovery.

- by **specifically** supporting the growth of supply-chains and markets (and thus creating and safe-guarding job opportunities) around
 - i. zero-emissions heavy duty vehicles;
 - ii. the decarbonisation of industrial and domestic heating;
 - iii. the emerging hydrogen economy;
 - iv. future health and care manufacturing;
 - v. future health and care services;
 - vi. new space industries; and
 - vii. scaling-up and geographically levelling-up the digital tech sector.

- thus **overall** creating better opportunities and outcomes for
 - i. citizens in general, and amongst these, especially
 - ii. employees;
 - iii. employers; and
 - iv. investors.

Expected Activities, Results and Outcomes

A Pre-Assessment Scoping Exercise has been carried out to determine the scope of this assessment. This aims to reduce Any duplication of effort and, more importantly, risk covering the same ground and creating divergent recommendations.

- It starts by considering the particular outcomes that our activities are aimed at improving.
- It then looks at the activities we carry out to realise that improvement.
- Existing assessments are mapped against these activities and outcomes.
- Areas where sufficient material exists to easily create stand-alone assessments are identified.
- Remaining areas for inclusion in this assessment are surfaced.

If the missing stand-alone assessments can be agreed with, and rectified by, other business units, the Pre-Assessment Scoping Exercise shows the following core activities and outcomes to be in scope for this assessment:

These National Programmes activities	Leading to these citizen-centric outcomes relating to the supply-chains within the National Programmes
Cluster Management	Increasing access of the talent pool into the workforce
Supply-Chain Coherence	Reducing unemployment through the safeguarding of jobs
Business Collaboration	Increasing the number of jobs
Capability Directories	Increasing the number of jobs
Market Development	Increasing the proportion of jobs which are better jobs
Open Innovation	Upskilling the workforce to take advantage of the better jobs created
Innovation Assets	

SECTION 2. Available Evidence

Note that the seven National Programmes operate within four economic themes (low carbon/climate, manufacturing, health & wellbeing and digital). National Programmes within the same theme will be operating in the same context. Thus it is valid to use thematic data as appropriate below.

ALL OF SOCIETY

There is evidence that the creation of high-skilled jobs has a knock-on effect by also creating jobs at other skill levels. A report produced by the Resolution Foundation¹ analysing the effect that growth in Advanced Industries had on the labour market estimated that the creation of additional advanced industry jobs resulted in the creation of further non-tradable service sector jobs, finding that for every 10 additional jobs created in advanced industry, an additional 6 non-tradeable roles were also created, 4 of which were filled by workers with relatively low levels of formal education.

Research has shown that low skilled workers can see a negative impact on wages as a result of Foreign Direct Investment, however as this plan does not target low skill, low paid jobs it is expected that impacts in this area will be minimal².

AGE

Poverty Rate amongst all children in Scotland³ is 24%.

Opportunities for young people will be among the benefits from SE's National Programmes, with SDS leading on skills planning within the Team Scotland approach to the National Programmes and SE signalling business demand for specific opportunities

National Programmes will combine opportunities for young people and opportunities for re-skilling existing workers, with young people anticipated to play a significant part in future talent supply, particularly for the STEM-based supply-chains around which the National Programmes are focussed. The specific skills needs of the Programmes will feed into the broader sectoral approach to skills taken by SDS.

DISABILITY

Poverty Rate amongst disabled people in Scotland³ is 23%.

In 2018, the employment rate for disabled people in Scotland aged 16-64 was 45.6%, compared with an employment rate of 81.1% for non-disabled people⁴.

The unemployment rate for disabled people aged 16-64 in Scotland was 9.4% in 2018, compared with an unemployment rate of 3.6% for non-disabled people.

In 2018, almost half of disabled people between 16-64 in Scotland were economically inactive (49.7%), compared with 15.9% of non-disabled people.

¹ ['A rising tide lifts all boats?', 2017 \(Resolution Foundation\)](#)

² Scottish Government 2020

³ <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

⁴ <https://www.gov.scot/news/disabled-people-and-the-labour-market-in-scotland/>

26.3% of economically inactive disabled people wanted to work, higher than 16.9% of economically inactive non-disabled people.

The employment gap between disabled and non-disabled people was wider for men at 40.0 percentage points compared with 31.1 percentage points for women.

Disabled people who are in a minority ethnic group have an employment rate of 37.9%, lower than non-disabled minority ethnic people (57.8%)

RACE

Within 'Health and Wellbeing', exist Sustainable Chemicals and Biotechnology. People from Ethnic Minorities make up approximately 1.6% of all workers within the sector which is below the Scottish average of 3.7%.

Within 'Digital', exists Digitally Enabled Financial Services. People from Ethnic Minorities make up approximately 4.8% of all workers within the sector, higher than the Scottish average (3.7%).

Within 'Digital' exists Digitally Enabled Business Services. People from Ethnic Minorities make up approximately 2.5% all workers within the sector, this is below the Scottish average.

People from Ethnic Minorities make up approximately 1.3% of all workers within the Low Carbon Transition sector, this is below the Scottish average for both.

Within 'Low Carbon Transition', is the 'Decarbonisation of Transport' sector. Ethnic Minorities make up 5.3% of all workers which is above the Scottish average.

Poverty Rates amongst different social groups, Scotland 2016 -1916:

- White Scots – 19%
- Asian Scots – 39%
- Black Scots – 38%

SEX/GENDER

It is estimated that doubling the numbers of women participating in STEM careers could be worth up to £170 million to the Scottish economy annually⁵.

Within 'Health and Wellbeing, exist Sustainable Chemicals and Biotechnology. Average wages in this area are higher than the Scottish average and this holds true for both men and women. While there is a gender pay gap⁶ within the sector (21.7%) the average pay for women is actually higher than the overall average pay for men. Women and people from Ethnic Minorities make up approximately 30% and 1.6% of all workers within the sector which is below the Scottish average of 48.3% and 3.7%.

Within 'Digital', exists Digitally Enabled Financial Services. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender pay gap within this area is 33.7% which is higher than the overall Scottish gender pay gap (15.6%). However on average women working in this area are paid approx £2/hour more

⁵ http://www.rse.org.uk/wp-content/uploads/2016/09/Tapping-talents-report_FINAL.pdf

⁶ Data presented in this EQIA in relation to pay gaps is drawn from the ASHE Survey 2018 on average hourly pay 2018.

than the Scottish average wage for women. Women and people from Ethnic Minorities make up approximately 46.2% and 4.8% of all workers within the sector, this is slightly below the Scottish average for women but higher than the Scottish average for Ethnic Minorities (3.7%).

Within 'Digital' exists Software and IT. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender pay gap within this area is 24.6% which is higher than the overall Scottish gender pay gap (15.6%). However on average women working in this area are paid more than the Scottish average wage for men. Women make up approximately 25.5% all workers within the sector, this is below the Scottish average.

Implication

Within 'Digital' exists Digitally Enabled Business Services. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender pay gap within this area is 16.8% which is slightly higher than the overall Scottish gender pay gap (15.6%). Although the average pay in this area is higher than Scottish average pay, women in this area are still paid on average less than the Scottish average pay for men. Women and Ethnic Minorities make up approximately 44.8% and 2.5% all workers within the sector, this is below the Scottish average.

Average wages in Low Carbon Transition are higher than the Scottish average and this holds true for both men and women. The gender pay gap within this area is 26.6% which is higher than the overall Scottish gender pay gap (15.6%). However on average women working in this area are paid more than the Scottish average wage for women. Women and people from Ethnic Minorities make up approximately 23.3% and 1.3% of all workers within the sector, this is below the Scottish average for both.

Within 'Low Carbon Transition', is the 'Decarbonisation of Transport' sector. Average wages in this area are higher than the Scottish for women but slightly below the Scottish average for Men. The gender pay gap within this area is 1.9% which is much lower than the overall Scottish gender pay gap (15.6%). Women make up approximately 18.7% of all workers within the sector, this is much below the Scottish average. Jobs in this area on average pay above the Scottish average for women and a small number of them are high skilled (16.7% are either high or high-medium).

With 'High Value Manufacturing', exists the Space sector. Average wages in this area are higher than the Scottish average and this holds true for both men and women. The gender paygap within this area is 16.8% which is slightly higher than the overall Scottish gender pay gap (15.6%).

The Poverty Rate amongst female lone parents for Scotland⁷ is 39%.

GENDER REASSIGNMENT

We are not aware of any relevant existing evidence at this time on gender reassignment in relation to the policy.

⁷ <https://www.gov.scot/publications/poverty-income-inequality-scotland-2016-19/>

SEXUAL ORIENTATION

We are not aware of any relevant existing evidence at this time on sexual orientation in relation to this policy.

GEOGRAPHY

Socio economic inequality interacts strongly with identity. Many “minority” groups in Scotland experience far higher levels of relative poverty than others. Whilst some of these may be concentrated in our most deprived areas– for example disabled people and lone parents – many others are dispersed across our towns and cities.

The most recent [Long-term Monitoring of Health Inequalities](#) report (January 2021) finds that Healthy Life Expectancy is lower for those living in the most deprived areas than for those living in the least deprived areas. In 2017-2019 males in the most deprived areas were, on average, expected to live 26.0 fewer years in good health than those in the least deprived areas (47.0 years vs 73.0 years). Females in the most deprived areas were, on average, expected to live 22.1 fewer years in good health than those in the least deprived areas (49.5 years vs 71.6 years). This equates to people in the most deprived areas living 2/3rds of lives in good health compared to 4/5ths of the those in the least deprived areas.

Ayrshire

This region consists of 3 local authorities, East Ayrshire, North Ayrshire and South Ayrshire. Even within themselves their employment and population statistics differ. Ayrshire accounts for 6.8% of

Scotland’s population. While all 3 LA’s are below the Scottish employment rate of 74.1%, East Ayrshire has the lowest employment rate at 68.8%.

Interestingly South Ayrshire has lowest employment rate for men (71.3%), but the highest for Women (68.7%), meaning that within this region it has the smallest Gender employment gap. All 3 LA’s have lower than the national average employment rate for 16-24 year olds and disabled people. Individual LA level data is not available for Ethnic Minority employment, but the region overall has a rate of 61.4% which is above the national average of 55.4%.

This region has a higher than average percentage of single parent families and people with a limiting long-term health condition. Out of the three local authorities in this region 2 of them have an above average number of people with no access to a car.

Edinburgh and the Lothians

4 LAs make up this region of Scotland, City of Edinburgh, East Lothian, Midlothian and West Lothian. This region accounts for 16.6% of Scotland’s population. West Lothian has slightly lower employment rates for women and disabled people (69.7% and 45.5%) when compared to the national average for those groups (70.3% and 45.5%). Apart from these exceptions each of the LAs had above average employment rates across all of the measured

equality groups. Within this region the largest gender-pay gap is in West Lothian (12.6%) however this is still lower than the overall Scottish gender-pay gap of 15.6%. In West Lothian average wages are lower than the national average for both Men and Women. Across the other LAs average wages are higher than the national average for both Men and Women, the single exception to this is Men in Midlothian have a slightly lower than average hourly wage.

Out of the 4 LAs in this region West Lothian is the only one to have above average number of people with limiting long-term health conditions – it is also this LA that has below average employment rates for disabled people. Edinburgh has a higher than average number of people with no access to a car but they're also more satisfied with public transport, Edinburgh also has a higher than average number of Ethnic Minority people. The other LAs have lower than average number of people with no access to a car and in West Lothian only 50% of are very or fairly satisfied with public transport.

Glasgow City

Glasgow City is the most populous LA in Scotland on its own it accounts for 11.6% of the Scottish population. Glasgow performs below average for employment rates across all groups and also on hourly wages for both Men and Women. The gender pay gap in Glasgow is 14.6% which is slightly less than the national pay gap. Glasgow has a higher than average proportion of Ethnic minority people and also single parent families. There are fewer than average people living in Glasgow with limiting long-term health conditions.

Highlands and Islands

THIS REGION IS OUTSIDE THE SCOPE OF THIS ASSESSEMENT BUT IS INCLUDED FOR COMPLETENESS

This region comprises 6 LAs, Highlands, Shetland, Orkney, N h-Eileanan Siar, Moray and Argyll & Bute, together they account for 9% of the population with almost half of the people living in the Highlands LA.

Moray has below average employment overall and specifically for women and disabled people, its employment rates are above average for men and 16-24 year olds. N h-Eileanan Siar also has below average employment rates for disabled people, but their employment rates across the groups are above average. All other LAs perform above average on employment rates across all groups, apart from Shetland which we do not have data for 16-24 year olds.

Hourly wages are above average for women in Highlands, Shetland and N h-Eileanan Siar, for men in Shetland and Orkney and overall in Shetland. They are below average across the other LAs. Argyll & Bute, Moray, Orkney and Shetland all have higher than average gender pay gaps, the largest being Orkney with a pay gap of 33.9%. Highlands LA have a slightly lower than average gender pay gap of 13.2% but unusually Na h-Eileannan Siar has a negative gender pay gap (albeit very small) meaning that on average women are actually paid more than men in this LA (-1.6%), this is the only LA in Scotland with a negative gender pay gap.

Highlands and Islands have a below average number of people with no access to a car, and excluding Argyll and Bute they also have a below average proportion of people who are satisfied with public transport. Shetland, Orkney and Highland all have an above average proportion of people living with limiting long-term health conditions; Argyll & Bute, N h-Eileanan Siar, and Moray all have below average.

Lanarkshire

This region comprises of North and South Lanarkshire, it is home to 12.1% of Scotland's population.

North Lanarkshire has below average employment rates for Men and Disabled people but across other groups they are above average. South Lanarkshire has above average employment rates across all groups. North Lanarkshire has below average Hourly wages for both Men and Women, South Lanarkshire has below average hourly wages for Women but above average for men. Both LA's have above average gender pay gaps, with South Lanarkshire having the largest of 20.6%.

In terms of equalities data both LA's show similar patterns, both have below average proportions of Ethnic minority people, above average numbers of single parents, above average proportions dissatisfied with public transport and above average numbers of adults living with limiting long-term health conditions. In North Lanarkshire almost 60% of adults are counted in quintiles 1 and 2 of the Scottish Index of Multiple Deprivation, meaning they are among the most deprived households in Scotland. South Lanarkshire is closer to the Scottish average with slightly fewer people in quintile 1 and slightly more in quintile 2. Neither LA has above average numbers of people in the top 2 quintiles.

Mid-Scotland and Fife

5 LAs make up this region; Clackmannanshire, Falkirk, Fife, Perth & Kinross and Stirling, together that account for 15.2% of the Scottish population.

Perth & Kinross has above average employment rates for all groups, Fife is above average for all groups except women and Falkirk is above average for all groups except disabled people.

Clackmannanshire is below average for Women and Disabled people, and Stirling is below average for all groups except 16-24 year olds and Ethnic minorities (although this data is only available at a regional level).

Hourly earnings are also a bit mixed within the region, Stirling has above average hourly earnings for both men and women, Fife and Clackmannanshire have below average earnings for both men and women. Perth & Kinross are below average for women and Falkirk is below average for men. Falkirk is the only LA in this region with a below average gender pay gap. The largest gender pay gap is in Clackmannanshire (23.7%).

Falkirk, Perth & Kinross and Stirling all have below average numbers of people living with limiting long-term health conditions, Fife and Clackmannanshire both have above average numbers. All 5 LAs have above average levels of dissatisfaction with public transport and also below average numbers of people with no access to a car. Stirling, Fife and Clackmannanshire have above average numbers of single parents. Fife and Stirling both have below average numbers of ethnic minorities, unfortunately full data is not available for the other LA's but they do have above average percentages of White Scottish and White British people so they will also have below average ethnic minorities.

Falkirk and Fife are very close to an average spread of people across the different levels of deprivation measured by the SIMD. Clackmannanshire has a slightly higher proportion in the bottom 2 quintiles but a lower proportion in the top 2 quintiles. Perth & Kinross and Stirling both have lower than average in the bottom 2 quintiles and higher than average in the top 2 – in Perth and Kinross 2 thirds of people are counted among the 2 least deprived quintiles.

South Scotland

THIS REGION IS OUTSIDE THE SCOPE OF THIS ASSESMENT BUT IS INCLUDED FOR COMPLETENESS

South Scotland comprises of Scottish Borders and Dumfries & Galloway, it makes up 4.8% of the population.

South Scotland has above average employment for Ethnic Minorities but below average for Women and 16-24 year olds. Across the other groups of Men and disabled people, Scottish Borders have above average rates whereas Dumfries and Galloway have below average rates.

Both LAs have below average hourly wages for both men and women, they also both have below average gender pay gaps with Dumfries and Galloway being the lowest at 10%.

South Scotland has a higher than average number of people living with limiting long-term health conditions, above average dissatisfaction with public transport and below average numbers of people with no access to a car. Both LAs have below average percentages of single parents and above average numbers of White Scottish and White British people, suggesting a lower than average percentage of Ethnic Minorities. Both LA's follow a similar pattern when looking at the SIMD. Both have below average numbers of people in the bottom 2 and the very top quintiles, with the majority of people being in quintiles 3 and 4.

The North East

This region consists of 4 LAs; Aberdeen, Aberdeenshire, Dundee and Angus, and it is home to 13.8% of the population.

Aberdeenshire is the only LA in this region that has above average employment rates for all groups, Dundee has below average rates for all groups (except ethnic minorities which is measured at a regional level). Angus has below average employment rates for Men but are above average in all other groups. Aberdeen is below average for women and 16-24 year olds.

Dundee has below average hourly wages for both men and women, Aberdeen and Angus are below average for women whereas Aberdeenshire is below average for men. Aberdeenshire and Dundee both have a smaller than average gender pay gap with Aberdeenshire being the smallest at 3.7%. Aberdeen and Angus both have above average gender pay gaps with Angus being the largest at 18%.

Angus and Dundee both have above average numbers of people living with limiting long-term health conditions, Dundee has the second highest proportion in Scotland (33%, South Ayrshire 33.6%). Aberdeenshire has a higher than average

dissatisfaction with public transport, this LA also has the lowest percentage of people with no access to a car. Dundee has the highest proportion of people with no access to a car 39.8%.

Angus is the only LA within this region that has a higher than average percentage of single parents. Aberdeen has a higher than average number of

Ethnic Minorities and Dundee has above average for White Polish, White other and Asian but below average for all other ethnic groups.

Aberdeen, Aberdeenshire and Angus all have below average numbers of people within the bottom 2 quintiles of the SIMD, and higher than average number of people in the top 2 quintiles. Dundee is the inverse of this, they have a higher than average number of people in quintiles 1 and 2 and a lower than average number of people in quintiles 4 and 5.

West Scotland

This region consists of 5 LAs; East Renfrewshire, Renfrewshire, Inverclyde, East Dunbartonshire, and West Dunbartonshire. These LA's make up 10.1% of the population.

This region has higher than average employment rates for Ethnic minorities. East Dunbartonshire is the only LA in the region to have above average employment for all groups. East Renfrewshire is the only LA to have below average employment for 1624 year olds and West Dunbartonshire is the only LA to have below average employment for Women. Disabled people have below average employment in Renfrewshire, Inverclyde and West Dunbartonshire. Men have below average employment in all LA's except East Dunbartonshire.

Hourly wages are above average for men and women in East Renfrewshire and East

Dunbartonshire, they are below average for men and women in Inverclyde and West Dunbartonshire. Renfrewshire has above average wages for men but below average for women. In this region the gender pay gap ranges from 7.3% in Inverclyde to 30.3% in East Renfrewshire.

East Dunbartonshire and East Renfrewshire both have below average percentages of people living with limiting long-term health conditions. West Dunbartonshire is close to the national average and

Renfrewshire and Inverclyde are both above the average. All LA's across this region have lower than average rates of dissatisfaction with public transport. Inverclyde, Renfrewshire and West Dunbartonshire all have above average proportions of people with no access to a car.

Inverclyde, Renfrewshire and West Dunbartonshire have higher than average percentages of single parents. West Dunbartonshire, Inverclyde and Renfrewshire all have higher than average proportions of people in the lowest 2 quintiles of the SIMD. Inverclyde has the highest percentage in Scotland of people in the lowest quintile. East Dunbartonshire and East Renfrewshire both have above average percentages of people in the highest 2 quintiles. East Renfrewshire has the highest percentage of people in Scotland within the highest quintile.

SECTION 3. Potential Differential Impacts and Potential Solutions

The following sections look at each of the activities SE provides in relation to the National Programmes which are not already covered by parallel assessments. After each issue, recommendations are provided in italics.

The National Programmes must be seen as one piece of SE's overall strategies, and equally, as a smaller part of the Scottish Government's overall strategies, to promote equality across all industries, and should best be considered alongside the array of policy work being undertaken and developed across government.

The primary issues around inequalities and unfairness where SE can make a difference are addressed through Scotland's Fair Work First (FWF) policy⁸. Work in this area has recently moved to measuring the difference this policy makes, namely how many companies we work with are either meeting each of the FWF criteria, working towards each of the FWF criteria or are unable to commit any of the FWF criteria⁹.

This assessment takes as read that, for all relevant activity under this assessment, including our own employment policies as well as procurement and grant-giving activities, the Fair Work First approach is being used.

However, The Just Transition Commission believes conditionality around Fair Work should be accelerated¹⁰.

"To avoid a race to the bottom in our net-zero supply chain and embed quality work across the economy, all public funding for climate action must be conditional on Fair Work terms."

In the light of a) SE's continually increasing focus on Climate Change as a topic, b) the fact that three of the seven National programmes are in that space and c) The Just Transition Commissions observation that ...

"Certain sectors that will be vital to delivering net-zero targets have traditionally displayed low levels of Fair Work."

...SE may wish to consider moving to full Fair Work First conditionality sooner than planned and/or required¹¹. Such a decision is outside the scope of this assessment to impose, but it is noted that our activities around the giving of large grants are in the vanguard of such conditionality.

It is also observed that the National Programmes are all STEM-based. This suggests that the major issues affecting STEM-based workforces will be around a) gender equality and b) lack of opportunity for younger workers. The latter, caused by massive requirements for skilled and experienced staff, is somewhat offset by STEM-based industries providing more opportunities in start-ups for younger workers/entrepreneurs than elsewhere.

⁸ [Scottish Government: Fair Work First Guidance](#)

⁹ Measurement currently being trialled within the SE Workforce Innovation Service.

¹⁰ [Just Transition Commission: Fairer, Greener Scotland](#)

¹¹ SE Draft Business Plan for 2021/21 (unpublished at time of writing) suggests SE may move to full conditionality within this operating year.

However, the net result means that any recommendations for reducing barriers to opportunity or raising equality of outcome should specifically reference gender inequality and youth unemployment as issues worthy of special consideration.

SE is also playing particular attention to diversity within business ownership. Future consideration should be given to contributing to an investment landscape which actively removes barriers to accessing finance for socioeconomically deprived entrepreneurs. This is discussed more fully in the assessment produced by the Scottish National Investment Bank¹². In line with the pre-assessment scoping exercise for this assessment, we include 'entrepreneurship' within the wider meaning of 'the workforce' and all statements regarding 'employment' should be read across to imply 'business ownership and entrepreneurship'.

Cluster Management and Supply-Chain Coherence

Cluster Management Organisations (CMOs) exist to enhance the coherence of the cluster/supply-chain and improve its visibility and voice. Effective CMOs will have influence upon the businesses within their clusters and should be considered as good conduits for ensuring equality of impact and fairness. The converse is certainly true: a CMO which is not promoting equality and fairness is a missed opportunity.

The specific issues which a CMO can help with will depend on the specifics of the industries in which their cluster works. For instance, in the tech sector, the main problem is gender imbalance (too few women). *However, regardless of the particular inequalities and unfairness to be redressed, specific measure, appropriate to that cluster, can be taken when providing state-backing for CMOs to ensure they are incentivised and recognised for their efforts to redress the imbalance. Special attention should be paid to gender inequalities and youth unemployment. This needs to be baked-into grant contracts and measurement and evaluation frameworks for such CMOs.*

Problems will arise if the CMO is not aware of the fairness context of its own cluster or does not have the skills or experience to make a valuable contribution. *This is another good reason for only supporting CMOs which have recognised professional accreditation, and the necessary tools for the job. SE can assist by adding additional stakeholders into the CMO's own networks.*

Capability Directories

Regardless of whether a capability directory is developed or maintained by SE or a CMO (or equivalent), inequalities and unfairness could arise if there is not an appropriately level playing field (subject to transparent qualifying criteria) around the operation of the directory.

SE should ensure that there is

- a) Very wide awareness that the directory exists and that inclusion into it will represent good value; and/or*
- b) A framework of transparent criteria for entry into the directory; and/or*

¹² [EQIA for SNIB](#)

c) *Non-discriminating mechanisms for extracting and displaying the results of search queries.*

Business Collaboration

Collaboration between businesses adds additional layers of value into the economy, not least through additional resilience mechanisms and innovation and sales opportunities.

However, the way in which collaborations can come about can rely heavily on who already knows whom. This could mitigate against new entrants, especially those of less traditional background.

SE must recognise where all-too-comfortable networks for business collaboration exist such that they potentially crowd-out diversity in collaboration, and work to bring diversity of people, business types and locations into conversations as appropriate. Special attention should be paid to gender inequalities and barriers to youth inclusion.

Market Development and Open Innovation

Open innovation occurs when an organisation realises it does not have the in-house capabilities or capacities necessary to solve a problem or opportunity it has. That organisation then goes to market as a 'problem owner' seeking to find 'problem-solvers' with which to collaborate. The former gets its problem solved and the latter has potential (but not guaranteed) opportunities to make new sales of what it has devised. It is normal that the problem-owner needs the problem solved but does not wish to commercially exploit it beyond their own limited scope – it does not relate to their core competence, remit or mission.

The problem-owner is considered to be helping to develop the market for the suppliers.

There are two separate flavours of open innovation, dependent on whether the implicit procurer is from the public- or private sector.

In the first, an organisation in the public sector is the problem-owner who wishes to uncover SMEs that it can work with to get the problem solved. In this case, the public sector is covered by all of the assessments, obligations, best-practice and implementation compliance surrounding formal procurement.

In the second, a private sector organisation is the problem-owner, requiring a solution for their use, but without a drive to exploit it elsewhere. As both the problem-owner and problem solver are in the private sector, the rules which ensure fairness around public sector procurement do not apply.

The main potential causes of differential access and impact are the same as for Business Collaboration – the risk of cosy relationships leading to lack of openness and diversity in networks. The recommendation is thus the same.

SE must recognise where all-too-comfortable networks for open innovation exist such that they potentially crowd-out diversity in collaboration, and work to bring diversity of people,

business types and locations into conversations as appropriate. Special attention should be paid to gender inequalities and youth inclusion.

Innovation Assets

Our support for innovation assets is provided in line with our innovation assets policy, which in turn derives its priorities from our National Programmes.

The main issue with innovation assets, such as innovation centres, is location: innovation centres have to be sited somewhere (or multiple somewhere if they have a hub-and-spoke model). We have seen examples where place-based arguments for the siting of a new centre have been over-ridden by other concerns.

So even though our activity to support innovation assets is wider than our place-based activities, *the primary inequality and unfairness issues relating to innovation assets are around geography and must be properly covered by the bespoke assessments for our place-based projects.*

SECTION 4. Consultation with Relevant Stakeholders

This assessment covers SE's activities within National Programmes which are not covered by parallel assessments. It focusses on citizen-centric outcomes such as

- Increasing access of the talent pool into the workforce
- Reducing unemployment through the safeguarding of jobs
- Increasing the number of jobs
- Increasing the number of jobs
- Increasing the proportion of jobs which are better jobs
- Upskilling the workforce to take advantage of the better jobs created

SE has little formal connection to those whose lives are changed by these benefits, and thus little input from those with lived experience. If we do consult at all, it is generally with the suppliers of the benefits, or at best with intermediaries or proxies for the end beneficiary.

We do not have the networks necessary to hear lived experiences relating to the benefits we provide.

SE needs to consider, at organisational level, whether this approach is good enough for informing assessments such as this. This is a decision that cannot be taken for National Programmes alone.

SECTION 5. Summary of Recommendations¹³

On the *Just Transition Commission's* concerns that any focus on Climate Change topics could produce an unintended race to the bottom: *SE may wish to consider moving to full Fair Work First conditionality sooner than planned and/or required¹¹. This is a decision that cannot be taken for National Programmes alone.*

On the opportunity to use Cluster Management Organisations to foster greater equality of access and fairness in their cluster's activities: *SE, when providing state-backing for CMOs, should make specific measures, appropriate to that cluster, to ensure they are incentivised and recognised for their efforts to redress the imbalance. Special attention should be paid to reducing gender inequalities and improving youth employment. This needs to be baked-in to grant contracts and measurement and evaluation frameworks for such CMOs.*

On the potential for CMOs to be unequipped to perform sufficiently in influencing their clusters and fostering positive change: *SE should only support CMOs which have recognised professional accreditation (or are committed to working toward it), and thus the necessary tools for the job. SE should also assist by adding additional stakeholders into the CMO's own networks.*

On the potential for comfortable networks to crowd-out diversity in business collaboration and open innovation: *SE must recognise where all-too-comfortable arrangements for business collaboration exist such that they potentially crowd-out diversity in collaboration, and work to bring diversity of people, business types and locations into conversations as appropriate. Special attention should be paid to reducing gender inequalities and improving youth inclusion.*

As part of that... On the potential for business capability directories to propagate existing inequalities, and to take the opportunities to remove unintended barriers and bias:

SE should ensure that there is

- a) Very wide awareness that the directory exists and that inclusion into it will represent good value; and/or*
- b) A framework of transparent criteria for entry into the directory; and/or*
- c) Non-discriminating mechanisms for extracting and displaying the results of search queries.*

On the potential insufficiency of our levers for ensuring community beneficiaries of our innovation assets policy are in line with our place-based priorities: *the primary inequality and unfairness issues relating to innovation assets are around geography and must be properly covered by the bespoke assessments for our place-based projects.*

On the near-total absence of consultation with those with lived-experience as end-beneficiaries of SE's activities: *SE needs to consider, at organisational level, whether this approach is good enough for informing assessments such as this. This is a decision that cannot be taken for National Programmes alone.*

¹³ This summary should be read alongside the recommendations relating to the work of all parallel assessments, as summarised in the appendix.

SECTION 6: Decide Whether to Adopt This Policy

This assessment finds that, when taken in the round alongside all the assessments in place, or potentially in place, for activities and outcomes within the National Programmes, that there is unlikely to be an unwarranted discrimination.

Beyond this, recommendations have been made to ensure additional opportunities are taken to improve equality of outcome.

Accept the policy: – The assessment demonstrates the approach to National Programmes is robust with no adverse impacts and all opportunities to promote equality/foster good relations and address disadvantage have been considered.

As the assessment is on a high level policy state, it is necessary to state whether further assessments need to be carried out on projects emanating from the policy.

The recommendation is that:

- Project managers and other SE/SDI delivery staff within the National Programmes remain aware of all relevant assessments and comply with their recommendations; and
- Bespoke assessments are not necessary for National Programmes activity; unless
 - a. the relevant SE/SDI delivery business unit uses a ‘per project assessment’ approach; or
 - b. the activity is significant but is found not to be covered elsewhere or by this assessment.

SECTION 7. Monitoring and Review Arrangements

It will be difficult to see the effect that the specific recommendations made here will have: many of them are the avoidance or mitigation of a negative and others will be counted through business-as-usual measurement by the business units associated with the activities of the National Programmes rather than be ascribed to the National Programmes themselves.

In the same vein, monitoring will generally be through business-as-usual measurement or within for the monitoring arrangements for associated assessments.

For STEM-based issues around gender inequality and lack of opportunity for younger workers, monitoring should be based around collecting evidence from our own and supported activities as to how we have tried to make a difference and how/whether it may have had any effect. This does not need to involve numerical targets or prescription of methods, but rather involve a contractual requirement on supported intermediaries to make regular return to allow us to monitor effort and learn.

For the supply-chain and networking issues discussed, monitoring may need to be on a ‘case study’ basis, where attempts are made to capture brief stories of how National Programme activity has avoided falling-into the trap of only including the usual suspects already in the collaborative networks under development.

Such qualitative methods are likely to be on an opportunistic and thus irregular schedule.

As the National Programmes approach is in its infancy, and the individual National Programmes are only just starting to move to delivery, it is unlikely that we can currently see the full picture of barriers, challenges and opportunities that will emerge.

This assessment should be reviewed informally within its first twelve months and formally after eighteen months.

SECTION 8. Equality Impact Assessment review

This assessment has been discussed with the relevant SE Equality Champions and shaped by their advice and feedback.

[TBD] It has also been shared around interested internal parties for awareness and comment

[TBD] The assessment has been approved by the assessment's SRO.

SECTION 9. Summary of Future Actions

Publish version finally approved by SRO.

Work with National Programmes Portfolio Office, the National Programmes Combined Core Teams Forum and Internal Communications to ensure full awareness and discussion of the assessment's recommendations and review schedule.

Review informally within twelve months of publication.

Review formally within eighteen months of publication.

APPENDIX

Recommendations from associated assessments for Equality Impact and/or the Fairer Scotland Duty

GLOBAL CAPITAL INVESTMENT^{14, 15}

We will make Scotland's values a core part of our National Prospectus and our engagement with investors, making it clear that valuing our people, communities, and environment are core to our economic ambitions.

Investment opportunities that we promote to market will be benchmarked against ESG investment criteria. We will enable the companies and projects we support to report climate-related disclosures in a standardised and transparent way with flows of ESG monitored via a new metric which will cover environmental and social impacts.

We will build on existing ESG investment activity and work with Scotland's investment management industry, using events such as the Global Ethical Finance Festival to make Scotland a leading globally established hub for ESG investment.

We will proactively engage with ESG investors and with sources of capital new to Scotland, such as green bonds, to help us achieve our Net Zero and Wellbeing ambitions.

TRADE¹⁶

Fair Work is a key driver for inclusive and sustainable growth: by adopting fairer working practices, employers can benefit individual workers, their business and the economy.

INWARD INVESTMENT¹⁷

A key change to current policy laid out in the IIP is the specific action to place our values at the heart of our interactions with current and potential investors, to ensure a strong partnership base to our relationships around promoting inclusive growth and creating a wellbeing economy. This is the first action within the plan highlighting its importance. This is a significant change in the approach towards investment with the specific intention of attracting investors who share our values and can help us progress our ambitions. Specifically in respect of Fair Work, Scotland has set itself a target of becoming a Fair Work Nation by 2025. Fair Work is fundamentally important to the delivery of inclusive growth – driving innovation, productivity and inclusion.

We will continue to collaborate and engage with Fair Work colleagues where necessary on aspects of the work they are undertaking to support businesses to move towards fairer working practices.

One way to maximise the impact inward investors have on promoting inclusive growth and creating a wellbeing economy is by attaching conditions designed to encourage the introduction of practices that reduce disadvantage such as asking prospective investors to sign up to the Scottish Business Pledge.

¹⁴ [EIA for GCIP](#)

¹⁵ [FSDA for GCIP](#)

¹⁶ [EQIA for Trading Nation Plan](#)

¹⁷ [EQIA for Inward Investment Plan](#)

The IIP identifies that many of these jobs will require advanced digital skills, and specifically addresses the need to upskill Scotland's population in respect of this. Although not within the scope of inward investment policy, a key action within the IIP is to increase the number of people with advanced digital skills. To deliver this action, work is ongoing with skills colleagues including Skills Development Scotland. Skills Development Scotland was part of the multi-agency project team that developed the IIP, which complements and supports their Strategic Plan 2019 – 2022.

In delivering the skills drive, we intend to align with the Logan Review which highlights the importance of upskilling at all levels.

Work based learning is recognised as a prominent feature in the digital sector, and Modern Apprenticeships are considered an integral part of the talent pipeline. Employers are also increasingly embracing related Foundation and Graduate Apprenticeship programmes.

The IIP sets out a commitment to consider the wider benefits of an investment when considering whether to devote public sector resource to supporting it. The intention is to specifically target inward investment that will deliver wider spill-over benefits. It is assessed that by maximising the spill-over benefits derived from inward investment, the actions laid out the IIP could, over the next twenty years, increase annual GDP by £4.2 billion, annual exports by £2.1 billion and government revenues by 1.2% - the equivalent of an estimated £680 million per year at 2018-2019 prices.

In order to ensure that all of Scotland benefits, the IIP commits to ensuring that strategic inward investment efforts align with regional growth plans, and with Scotland's Enterprise Areas, building on the strengths and assets each region in Scotland has to offer to create regional clusters of expertise and secure the benefits from inward investment across Scotland.

The Plan also commits to producing Regional Prospectuses to highlight the strengths and attractions of Scotland's regions, aligned with international strengths and assets identified within the Plan. These will be showcased on a global stage to increase visibility and attraction to inward investors.

The Plan also references a number of wider policy changes in areas relevant to inward investment decision making, for example around infrastructure, digital infrastructure and the creation of a supportive environment for remote, distributed and local working. We will seek to work with policy colleagues in these areas to enable the inward investment environment.

EQUITY AND INFRASTRUCTURE INVESTMENT (SNIB)¹⁸

The ancillary objects contained within the Scottish National Investment Bank Bill as drafted will be reviewed to best align the objectives of the Bank with the purpose of the Fairer Scotland Duty, utilising its position as a 'cornerstone in Scotland's economic architecture' to shape an economy that is diverse, democratic and enhances societal wellbeing.

A series of metrics will be developed against which to assess the contribution of the Bank towards reducing socioeconomic disadvantage in Scotland. These metrics should seek to

¹⁸ [EQIA for SNIB](#)

assess the performance of the Bank in this regard across the full range of its activities to develop a holistic picture its contribution. This could be achieved through the balanced score-card approach referenced in the Implementation Plan and the Economy, Energy and Fair Work Committee's Stage 1 Report.

The voice of those with lived experience of poverty will be represented in membership of the Advisory Group so that Scottish Ministers have access to expert advice on the contribution of the Bank in helping to reduce socioeconomic disadvantage and ensuring that the Bank evolves its activities in response to the changing characteristics of poverty over time.

Future consideration should be given to contributing to an investment landscape which actively removes barriers to accessing finance for socioeconomically deprived entrepreneurs. The Bank should consider the development of financial products that are tailored to the needs of these businesses where they are not already available through other bodies. Where necessary the Bank should conduct or commission robust and transparent analysis of the gap in provision of credit for these businesses to inform its role. Similarly, the Bank may also consider its role in relation to removing barriers to accessing finance for microbusinesses and firms with company models that democratise the economy.

Future consideration should be given to supporting relevant partners across the public sector to improve awareness among entrepreneurs about the types of financial products available to them when seeking to start or scale up their business and develop core skills required to make their business a success. In addition, the Bank can communicate its suite of financial products to other lenders so that they are fully aware of the finance available and can refer entrepreneurs and businesses seeking such support, where appropriate.

Future consideration should be given to positively contributing to market intelligence and formation of evidence-based decisions by improving understanding in the market place of access to finance issues, especially those arising from information asymmetries in relation to some firms, for example those companies that contribute to reducing socioeconomic disadvantage such as microbusinesses, including establishing and publicising the accessibility of those categories of firms to lending by financial institutions.

Future consideration should be given to working with the businesses that it invests in to embed Fair Work First. A tailored approach to embedding these informed by engagement with the business community should be adopted to avoid stymieing demand from SMEs and from organisations that deliver social value in other ways, such as charities. With reference to reducing inequalities of outcome arising from socioeconomic disadvantage within the context of the Fair Work principles, training and upskilling of staff can have particularly positive outcomes for businesses that receive investment and their employees.

Future consideration should be given to encouraging those businesses that it invests in to join a business association or to find other networking opportunities that will enable them to learn and share best practice with those who have similar growth, innovation and business practice ambitions.

Future consideration should be given to introducing community benefit clauses aimed at reducing inequalities of outcome arising from socioeconomic disadvantage as loan

covenants to particularly significant high value investments where relevant. This may include encouraging organisations who receive large sums of money from the Bank to review their procurement practices to, for example, incorporate more Scottish and locally-based businesses into their supply chain where possible.

GRANTS¹⁹

The projects funded by R&D grant look to safeguard employment opportunities to help tackle the challenges faced in the local economy. Should investments not proceed the closure of any facility would have a significant impact on the local economy and surrounding areas. This could be measured on an annual basis to then assess if anything can be done to address any regional disparity.

Assistance will be provided by SE Appraisals and Account Team to allow any site seeking grant support to focus on relevant youth employment

SE Appraisals and Account Team will support all companies to investigate any potential opportunities which may assist existing and future supply chain companies, along with the future workforce.

SE Appraisals and Account Team will assist sites to introduce an intern and graduate recruitment through re-engagement with Scottish universities

Companies will be required to work alongside SE's Workplace Innovation Specialist team to look at ways to tackle the gender pay gap, such as introducing them to initiatives like Women in Tech Scotland, Changing the Chemistry and Equate Scotland; as well as looking more widely at any additional inclusive and progressive people practices to ensure the site attracts a diverse mix of staff.

SDS will be assisting companies to undertake suitable apprenticeship programmes at all levels within the business.

Companies will be requested to look to promote STEM opportunities therefore SE account team will work in partnership with organisations such as: EQUATE – encouraging links with colleges/universities and companies – looking at ways of addressing STEM; SDS – enhance engagement and links with universities, colleges, schools.

Councils – Companies will be asked to engage with their local authority to ensure positive community engagement (i.e. communities of interest) and address any issues which may impact the site & staff. 2 & 3.

The SE account team will be closely aligned to support businesses as they pursue their aims through account team engagement. The account team will continue to work closely with businesses at a strategic level in order to maximise the benefits and outputs from any R&D project.

Workplace Innovation and SDS will assist companies with apprenticeship programmes at all levels within the business and enhance the skills of existing workforce to ensure they have the optimum blend of experience and knowledge for future years.

¹⁹ [EqFIA for R&D Grants](#)

Companies will be encouraged to form strong and productive relationships with Scottish Universities.

Signing of the Scottish Business Pledge is always discussed with the business and companies must meet the fundamental principles of the pledge, including paying the real living wage to all staff in Scotland, committing to developing a diverse workforce and that they will not use zero hours contracts.

Support will be provided for leadership and management; business improvement and project management will provide transferable skills for a number of the employees.

Large companies (over 250 employees) will be required to publish their Gender Pay Gap.

All grants are provided on the basis that companies meet Fair Work First criteria, specifically:

1. Only jobs that pay the Real Living Wage will be eligible for grant support
2. Project jobs with zero-hour-contracts will continue to be ineligible for grant support; and we will review a company's wider use of zero-hour contracts as part of the appraisal process.
3. We will ensure that applicants with more than 250 employees meet the legal requirement to report on their gender pay gap; support smaller applicants to calculate their gender pay gap; and encourage all applicants to take steps to narrow the gap.

Further to this, the Appraisals team intends to track how many companies are female owned/led to establish how diverse this statistic is. Companies will be requested to support STEM activities as well as exploring the possibility of hiring more females in any relevant engineering and management positions, also to introduce an intern and graduate recruitment programme through universities.

SE's Workplace Innovation Specialist team will help companies to look at other ways to reduce the gap, such as introducing them to initiatives like Women in Tech Scotland, Changing the Chemistry and Equate Scotland; as well as looking more widely at adopting inclusive and progressive people practices.

Grant applicants will be encouraged to provide positive opportunities for people from their local community working closely in a partnership approach with local employability and skills providers through Skills Development Scotland.

Companies will be encouraged to use Modern Apprenticeships e.g. to develop Equipment Maintenance and Facilities Technicians - as an important part of their talent pipeline.

If and when appropriate our Workforce Innovation Colleagues could investigate opportunities to access support via our disadvantaged workers support mechanism.

SE are seeking companies which strive for environmental sustainability, compliance, responsible sourcing, and employee volunteerism among other programmes to have a positive impact on their employees, suppliers, customers, and communities.

Companies should be committed to the protection and preservation of the environment including safe and healthy workplace for all employees.

SE will look to companies to commit to upholding the rights of workers, as they are generally understood in the employee handbook; to strive to treat workers with dignity and respect and to commit to the continual improvement in environmental protection, health and safety performance as well as compliance with all applicable laws, regulations, and permits.

MANUFACTURING²⁰

As a result of identifying that disabled people and minority ethnic people are being indirectly discriminated against due to *Making Scotland's Future: A Recovery Plan For Manufacturing* only being available in the English language, Scottish Government has made the commitment to supply accessible or community language copies of the plan on request.

Scottish Government will take steps to further raise awareness of the existence of *Making Scotland's Future: A Recovery Plan for Manufacturing* with Equality Groups and local community groups and will encourage them to respond to the consultation.

Making Scotland's Future: A Recovery Plan for Manufacturing includes a strong commitment to Fair Work and Just Transition principles and these are embedded throughout the actions proposed in the plan.

DIGITAL ECONOMY²¹

The digital economy is as diverse as the general population in most respects. The clear exception to this is the poor gender profile on the supply-side (the digital/tech sector), where women are significantly under-represented.

All relevant bodies in Scotland are working together to try to rectify shortcomings across the education system, recruitment and workplace conditions.

Our main contributions are:

- To echo the overall messages of all partners (that diversity and balance are in the interests of the company, the staff and potential staff). This can be effected within the context of the Business Pledge where appropriate.
- To ensure that our contracts with Cluster Management Organisations commit them to proactively encouraging their member companies to improve their working practices and to monitor and report upon the situation year-on-year.
- To try to ensure that all events and collateral where SE has input have balanced appeal.

²⁰ [EQIA for MSF/MRP](#)

²¹ [EIA for Digital Economy \(SE Internal Only\)](#)