

## EQUALITY & FAIRER SCOTLAND DUTY (EqFIA) IMPACT ASSESSMENT FORM

<b>Name of Business Unit</b>	All
<b>Name/designation of person(s) responsible for conducting this process</b>	Scott Reid-Skinner & Ewan Mearns
<b>Date Complete</b>	4/5/20

<b>Name of Policy / Function / Service / Strategy / Action Plan / Programme / Project etc.</b> <b>Is it (*delete as applicable)</b> <b>Is the policy contracted out? (*delete as applicable)</b> <b>If yes, who delivers this policy for the organisation?</b> <b>Is responsibility for delivery shared with others? (*delete as applicable)</b> <b>If yes, who are your partners?</b>	SE Operational Coronavirus response	
	New	
	No	
		*Yes
	Scottish Government (SG), Highlands and Islands Enterprise (HIE), Skills Development Scotland (SDS), South of Scotland Enterprise (SOSE).	

EQUALITY			
Could there be possible impacts or effects in respect of the following protected groups?			
Age	Yes	Disability	Yes
Gender Re-Assignment	Yes	Marriage & Civil Partnership	Yes
Pregnancy & Maternity	Yes	Race	Yes
Religion or Belief	Yes	Sex	Yes
Sexual Orientation	Yes	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

<b>EO Champion review by</b>	Various champions have supported this assessment	<b>Date</b>	April 20
<b>SRO name and email approval on file</b>	Susan Moore	<b>Date</b>	8/5/20

**1. Identify ALL the Aims of the Policy/Project (consider these questions to prompt answers)**

1. What is the purpose of the policy/project? (consider explicit and implicit aims)
2. Who does the policy/project affect? Is it located in an area of socio-economic disadvantage?
3. Who does the policy/project benefit directly? (e.g. employees/service users; equality groups, other stakeholders)
4. What results/outcomes are intended?

This assessment covers SE's operational response to Covid-19. Three areas in particular will be focused on:

- SE led cross-agency/Government Covid-19 group to ensure that SE are coordinating the information, advice and, where appropriate, funds that we pass onto businesses.
- All the operational implications including reviewing budgets so that resources can be reprioritised. This includes the introduction of the recently announced [new funds](#) administered by SE for smaller businesses and the tourism/creative/hospitality industry.
- Intelligence gathering on the fast-moving economic landscape, and to feed that insight into policy and operations.

Currently SE's response is to help companies identify and access any available support through the [FindBusinessSupport.gov.scot](https://www.findbusinesssupport.gov.scot) website and the dedicated helpline. The website content has been compiled with partners such as the SG, HIE, SOSE and SDS.

SE's response to Covid-19 also incorporates the work led by the Business Continuity Team / Executive Leadership Team to protect the wellbeing of SE staff and to ensure that SE's key business processes continue to operate throughout the Covid-19 pandemic. This element of SE's response is not covered within this Fairer Duty Scotland assessment.

The assessment has been carried out by strategy on behalf of operational colleagues who have been fully engaged with servicing the urgent needs of clients.

## 2. Consider the Evidence (data and information) - (consider these questions to prompt answers)

1. What information or data would it be useful to have? What data (quantitative and qualitative) is available? (in-house/external) How reliable/valid/up-to-date is it?
2. What does the data/information tell you about
  - Different needs?
  - Different experiences?
  - Different access to services, information or opportunities?
  - Different impacts/different outcomes?
  - Socio-economic disadvantage by group or place?
3. Are there any gaps that you should fill now/later by further evidence gathering/commissioning or by secondary analysis of existing data?
4. Are there any experts or stakeholders you should involve/consult now? Have you involved/consulted any experts already? What were their views?

### **Gender**

In 2018, the employment rate for women was 70.3%, lower than the employment rate for men (78.0%). The gender employment gap (difference between the employment rates for men and women) was 7.6%, lower than the gap of 10.5% in 2008. 86.9% of men in employment are in full time employment compared to 57.5% of women.

### **Pay gap**

Over the past year, for full-time employees (excluding overtime) the gender pay gap increased from 5.6% to 7.1% in 2019. Over the past 10 years, the gender pay gap for full-time employees decreased from 8.5% in 2009 to 7.1% in 2019.

### **Disabled People**

In 2018, the employment rate for those classed as disabled under the Equality Act 2010 was 45.6% which is significantly lower than the employment rate for non-disabled people (81.1%). In 2018, the employment rate gap was 35.5%. The gap between the employment rate for disabled and non-disabled people has decreased by 0.4% over the year. The employment rate for disabled people increased slightly from 45.3% in 2017 to 45.6% in 2018, while the employment rate for non-disabled people decreased slightly from 81.2% to 81.1% over the same period. The gap between the employment rate for disabled and non-disabled people was lower for women (31.1%) than men (40%).

## Ethnicity

The employment rate for the minority ethnic population in Scotland aged 16-64 was 55.4% which is lower than the white population with an employment rate of 75.1% giving a gap in employment rates between minority ethnic and white aged 16 to 64 years of 19.7%. Over time, the white population has consistently had an employment rate which exceeds the minority ethnic population. The minority ethnic employment gap was much higher for women than men in 2018; for women the minority ethnic employment gap was 26.8% and for men was 11.2%.

## Age

In 2018 the employment rate for those aged 16-64 was 74.1%. The employment rate was highest for 35-49 year olds (83.7%) and lowest for the 16-24 year old age group (57.2%). Employment rates for 25-34 and 35-49 year olds have remained around 80.0% from 2004 to 2018. The employment rates for young people reduced from 60.7% in 2008 to 57.2% in 2018. 19,000 (8.4%) of 16-19 year olds were not in education, employment or training (NEET). The number of young people not in education, employment or training is down from 35,000 (13.2%) in 2010.

(Source: Annual Population Survey)

## Areas of disadvantage

SE defines the following areas to be most disadvantaged which is informed by [SIMD 2020](#):

- Inverclyde
- Glasgow City
- North Ayrshire
- West Dunbartonshire
- Dundee City
- North Lanarkshire
- East Ayrshire
- Clackmannanshire

At this point evidence is being gathered by SE's insights team on the implications Covid-19 is having on Scottish Business and the economy. Initial indications show that:

- Approximately two-thirds of companies are reporting a **decrease in sales**.
- The greatest declines (50%+) are occurring in the **service economy and construction**, where some markets have simply collapsed.
- A majority of companies have **successfully transitioned most of their staff to working remotely**.
- There have been **reductions in both pay and hours to stretch cashflow**, but also reports of **layoffs**. Some businesses have indicated **any forced lockdown will lead to redundancies**.

There is currently limited information available on geographical impact of the crisis. SE analysis of the most vulnerable companies (by reserves and profit per

employee) does not show any direct link to disadvantaged areas. However rural areas could be disproportionately affected with their over reliance on tourism which is being particularly badly hit.

Some published evidence is emerging on groups being disadvantaged.

**Women** – who are more likely to work part time and are primary carers. They are about one-third more likely than men to work in a sector that has been shut down, as they make up the bulk of retail and hospitality workers. One in six female employees worked for businesses hit by the lock-down, compared with one in seven of their male counterparts.

Recent evidence from [Women's Enterprise Scotland](#) also highlights that female led companies are more susceptible to the downturn due to their smaller size and under capitalisation.

**Young people** – workers aged under 25 are about two and a half times as likely to work in a sector forced to suspend trade. Companies closed under the government's social distancing measures employed nearly a third (30%) of all employees under 25, not including full-time students who also have a job. This compares with just one in eight (13%) of workers aged 25 and over. Young people are also more likely to be on zero hours contracts.

**Low incomes** - those on the lowest incomes such as single mothers and carers are likely to have little savings or financial resilience at this time. Low earners are seven times as likely as high earners to work in a business sector that has shut down, according to the Institute for Fiscal Studies. The body's analysis found a third of the bottom 10% of earners worked in the worst-hit sectors, against one in 20 (5%) of those in the top 10%.

There is more limited evidence for the following groups, but this may change as the crisis unfolds:

**Disabled people** – those who are likely to be most vulnerable, including issues with mental health and this group were already experiencing high unemployment.

**Older people** – again at high risk and increasingly evident in the workforce.

**Ethnic minorities** – a [recent report](#) highlights that a high proportion work in catering, retail and care though it is recognised that newer generations are increasingly working in high growth sectors such as IT and finance. 16-25 year olds from the community are 47% more likely to be on zero hours contracts.

**Sectors** – evidence is starting to emerge that some sectors are being particularly affected. For example in tourism the [Fraser of Allander](#) Institute highlights that this industry is dominated by women and young people. Incomes are lower and staff work fewer hours than in other industries.

There are also concerns that human rights could be affected including a right to education, work, assembly and family life.

**3. Assess the likely impact on different groups - (consider these questions to prompt answers)**

1. Does your analysis of the evidence indicate any possible adverse impact on a particular group (age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity, race, religion or belief, sex and sexual orientation) or does it breach human rights legislation (particularly relevant to companies sourcing/operating overseas or FDI projects).
2. If it is adverse,
  - Does this amount to unlawful discrimination? (See guidance)
3. In what areas does it have an impact? E.g. access to information, experience of services?
4. Even if there is no evidence of adverse impact, is there an opportunity to actively promote equality or foster good relations between different groups?
5. Is socio-economic disadvantage evident from any particular group or area?

Although very early days it is evident that certain areas and groups are being disproportionately disadvantaged socio-economically. Rural areas, women and young people seem especially vulnerable. This has exacerbated the disadvantage they were already experiencing. These are highlighted above and should be recognised in SE's response to the crisis.

There is no evidence that there is any direct discrimination in our approach.

There may be an opportunity to actively target these groups and areas, but this is likely to take place in the medium term (restart and recovery phase of the economy) as the short-term priority is for companies to survive (respond and reset).

In particular, consideration should be given to companies led by under represented groups such as female led businesses who are being disproportionately affected by the downturn. Similarly, the ethnic minority community has a focus on catering, care and retail and may need additional attention.

#### 4. Consider alternatives - (use these questions to prompt answers)

1. How can you change your proposal in a way that is proportionate, and will
  - Remove unlawful discrimination or comply with human rights?
  - Reduce any adverse impact?
  - Advance/promote equality?
  - Foster good relations between different groups?
  - Help us achieve our published equality outcomes (See guidance)?
  - Support the reduction in socio-economic disadvantage by groups or areas.
3. Can the aims be met in some other way? What can you do now/later?
4. If the project involves procuring a service or product is there any scope to encourage suppliers to have a greater focus on equality for example signing up to the Business Pledge? Are there any positive action activities you could consider which might address disadvantage experienced by protected groups/areas, like targeting women owned businesses, applying reserved contracts or Community Benefit Clauses? Are there any other project specific actions you could state to help with our equality duties e.g. monitoring of uptake of the service to identify under-representation or encouraging certain groups to participate in the project (see guidance)?
5. What are you recommending?

SE and its partners are already taking actions to address equality and Fair Work in their approach. A [joint statement](#) by the Cabinet Secretary for Economy, Fair Work and Culture and the STUC has been issued emphasising the importance of Fair Work. An independent advisory group has also been set up to provide expert economic advice to the Scottish Government in response to the COVID-19 crisis. This will focus on rebuilding the economy along "fairer and greener" lines. The importance of this is reiterated in SE's [Business Continuity Checklist](#) available to companies.

To help address the possible disadvantage highlighted above this assessment also recommends that:

**Evidence** of business impact, wage rates and employment is gathered by area and analysed to assess if socio-economically disadvantaged areas, including rural, are being particularly impacted. Richer data, as it emerges, on the implications for sectors could also give an additional future focus. This would help ensure that sector recovery plans explicitly address any widening inequalities as a result of the pandemic. On-going evidence of impact across all protected characteristics should be assessed for disproportionate effects.

**Companies** should be encouraged to follow the principles of the Scottish Business Pledge as a means of treating their employees fairly, particularly relating to the Fair Work First criteria: Investment in skills and training, no inappropriate use of zero hours contracts, action on gender pay, genuine workforce engagement, including with trade unions, and payment of the real Living Wage. Any new grants provided should ask applicants to confirm that they are committed to Fair Work First including equality and diversity.

**Certain groups** are being especially impacted. Advisors and communications should highlight this and make companies aware of specific needs. Relevant partners should be encouraged to support those most vulnerable to get in to work, particularly as the economy enters the recovery phase. Since future waves of infection are anticipated, advisors and communications should also consider ways to minimise impacts on those groups most affected (for example, sharing best practice on remote working to safeguard employee health and wellbeing).

Consideration should be given on how to **target support** to those businesses led by certain groups such as women and ethnic minorities. Women's Enterprise Scotland would be a useful partner to engage with along with the emerging Scottish Diversity and Enterprise Network led jointly by the Scottish Government and SE.

Any **re-prioritisation of budgets** should recognise that no group or area should be disadvantaged as a result of the decision. If this is the case every effort should be made to reduce or mitigate the effects.

Beyond the reset and restart phases, explicit consideration should be given to how **economic/financial stimulus** for the recovery phase can help to tackle inequalities over the medium and longer-term. This could help raise the bar in terms of green and inclusive business practices, whereby businesses agree to adopt these in return for receiving public funding (from the UK and Scottish governments) for example.

All **on-line advice** and support should be fully accessible by disabled people including those with neuro diverse conditions such as dyslexia and Attention Deficit Hyperactivity Disorder (ADHD).

**5. Involve/Consult relevant stakeholders if appropriate - (consider these questions to prompt answers)**

1. What are the views of the people who are likely to be affected or who have an interest about
  - Whether you have identified the right issues?
  - Whether you have proposed suitable modifications?
  - Whether your proposals will meet their needs?
2. Should you involve people in the re-design of the policy?
3. How will you consult once changes have been made?
4. Whom do you need to get views from?  
(internally/externally/different geographical locations)
5. What methods will you use? (consider “hard to reach” groups)
6. What formats will you use for communicating with different groups?

The equality champions with expertise in this area have been consulted. It is important to now progress the recommendations with operational colleagues. This will also involve consultation with relevant partners who could carry out mitigating actions for those people and places who are likely to be most affected. This is likely to include organisations such as SG, HIE, SOSE and SDS who are part of the overall Scottish response mechanism to Covid-19.

**6. Decide whether to adopt this policy/project - (consider these questions to prompt answers)**

<p>1. What were your findings from the consultation/involvement?</p> <p>2. Taking into account all of the data, information, potential impact issues and consultation feedback, what will you recommend? (Choose &amp; state one option)</p> <p><b>Reject the policy</b> – there is evidence of actual/potential unlawful discrimination, breach of human rights or no support for socio economic disadvantage identified.</p> <p><b>Accept the policy</b> – The EIA demonstrates the policy is robust with no adverse impacts and all opportunities to promote equality/foster good relations and address disadvantage have been taken.</p> <p><b>Modify the policy</b> – Adjust the policy to remove barriers or better promote equality and fairness</p> <p><b>Continue with the policy</b> – Issues with the policy have been identified but you wish to continue with the policy. Clearly set out justification for doing this. Compelling reasons will be needed.</p> <p>If the Assessment is on a high level policy/strategy state here if further assessments need to be carried out on projects emanating from the policy/strategy and inform project managers.</p>
--

<p>It is recommended that we modify our approach with those actions set out in section 4. This overview assessment removes the need to carry out further equality impact assessments on the areas reviewed which are detailed in section 1.</p>
---

**7. Make Monitoring (and review) Arrangements - (consider these questions to prompt answers)**

1. How will you know what the actual effect of the policy/project is at policy level and how does it contribute to national progression with minimising socio-economic disadvantage?
2. In what ways will you monitor? e.g. continuously or irregularly, quantitative methods such as surveys, qualitative methods such as interviews
3. How often will monitoring information be analysed?
4. When will you review the policy/project taking into account any monitoring information?

This assessment is an immediate high-level review of our response in a quick changing environment with limited evidence of impact. This is to ensure that socio-economic disadvantage and equality are being considered in this work in line with legislative requirements.

The assessment should therefore be revisited in two months' time to ensure the recommendations are being adopted and assess if any further actions are required as the impacts of the crisis become clearer.

## 8. Equality Impact Assessment review

Please forward the completed document to your equality champion for review. This should then be approved by the SRO and returned to your champion for publication on the Scottish Enterprise external website.

## 9. Summary of Actions

List any actions agreed and indicate dates for review.

As above.