# EQUALITY IMPACT ASSESSMENT FORM

**Not all projects require a full impact assessment. Please ensure you have completed the pre-appraisal checklist (**[**Link**](https://scotent.sharepoint.com/%3Ax%3A/s/Intranet/Corporate/Net-pols-procs/P-project_life_cycle_mgt/EUBR1lJSyR5EltNHY6FcuykBXLvg9EcZwzEdAynehZ5lNQ?e=t0Y6Ma)**) which defines this requirement.**

|  |  |
| --- | --- |
| **Name of Business Unit** | Growth Investments |
| **Name/designation of person(s) responsible for managing/ conducting this process** | Alison Scott Debt Team Leader, Growth InvestmentsSupported by : Gillian Ashwood  |

|  |  |
| --- | --- |
| **Name of Policy / Function / Service / Strategy / Action Plan / Programme / Project etc.** | Growth Investments Support Services Framework |
| **Is it (\*delete as applicable)** | \*New | \*~~Existing with changes~~ |
| **Is the policy contracted out? (\*delete as applicable)** | ~~\*No~~ | Yes |
| **If yes, who delivers this policy for the organisation?** | Currently delivered by approved framework providers until February 2022.Seeking to procure delivery partners  |
| **Is responsibility for delivery shared with others? (\*delete as applicable)** | \*No |  |
| **If yes, who are your partners?** |  |

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Timescale for** **Assessment** | ASAP | **Timescale for Involvement/Consultation** | ITT to be issued 30 November 2021 |
| **Start Date** | 16.11.2021 | **Completion Date** |  23 .11.2021 |
| **EO Champion review by** | Susan Sewell | **Date** | 29.11.2021 |
| **SRO name and email approval on file** | Michelle Kinnaird  | **Date** | 30.11.2021 |

## 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?3. Who does the policy/project benefit directly? (e.g. employees/service users; equality groups, other stakeholders)4. What results/outcomes are intended? |

|  |
| --- |
| 1. Scottish Enterprise’s Growth Investment intervention operates on a Scotland wide basis, supporting companies and the investment market to ensure both early stage and established businesses with growth and export potential have adequate access to growth capital. Growth Investments provide support to ensure that the funding environment is supportive, co-investing with private sector investors on commercial terms, increasing the visibility of Scottish investment opportunities with international VCs and corporate investors; and by providing assistance and signposting to companies seeking to secure funding. Growth Investments also provide debt funding, on commercial terms where there is evidence of a funding gap, for viable businesses seeking to grow and/or safeguard jobs. GI has a periodic requirement for expert input on specific projects to supplement and complement the GI team in the delivery of time-critical activities across all areas of the business. Successful delivery of GI’s objectives relies upon considerable market knowledge and expertise, and the support services framework will ensure that the GI team has immediate access to additional expertise as and when required. It is anticipated that the contract will commence in February 2022 for a three-year period, with the option to extend the contract for a further one-year period.  Successful applicants will be required to cover all of Scottish Enterprise’s geographic area and may be working on more than one project simultaneously, so capacity to deliver is essential. GI wishes to appoint up to 6 suppliers to deliver the services, via a scored supplier framework. **Investment Management and Investor Financial Due Diligence**This will cover a range of different investment management, accounting and corporate finance interventions across all areas of GI. These may include, but not be limited to:* Undertaking a high-level ‘health-check’ on investee company’s performance, including assessment of the financial performance of the business, the markets in which it operates, the business model, the competitive position of the business and product, service and supply chain and assessment of the customer proposition and the sales pipeline;
* Review of investee company board performance including an assessment of the structure and profile of the board, the relationship between individual board members and the board and the management team, the strengths and weaknesses in the board/ management team and the ability to meet the company’s strategy taking into account wider factors including the culture, communication and decision-making ethos within the company;
* Review of an investee company’s corporate governance structure, including board/ management and investor reporting, assessment of internal information and management systems and assessment of adherence to the company’s constitutional documents, including the articles of association and investment agreement;
* Strategic input to SE on investee companies that are significantly behind plan and the options available to the investors;
* Strategic input to SE on investee companies that are in distress (including a review of going concern issues) and the options open to SE, as public sector investors, to support the company;
* High-level assessment of an investee company’s exit strategy and exit readiness, identifying any strengths and weaknesses that need to be address to better position the company for exit including an assessment of different exit scenarios.
* For new and existing investee companies, an assessment of financial forecasts (P&L, balance sheet, cashflow) and the assumptions underlying them and an assessment of whether these are considered realistic and achieveable;
* For new and existing investee companies, a review of the short, medium and longer-term financial and fundraising strategy, identifying potential and appropriate sources of future third-party funding (equity, debt, grant funding) and the capacity of current/existing investors to support the company;
* For new and existing investee companies, a review of business plan/ model and an assessment of the key risks underpinning any case for new or further investment from SE;
* For new investment propositions, broad level commercial and financial diligence, including, but not limited to, review of historical financial performance, product market fit, the business model (including the pricing model), the competitive positioning of the business and its product/ service, an assessment of the company’s service and supply chains and sales and customer pipeline.
* Assessment of the investment terms for new and follow-on funding, including consideration of the deal structure (taking into account in preferential terms) and the advantages and disadvantages from a commercial perspective of SE investing and not investing and an assessment of the different returns under different exit scenarios/ valuations;
* Undertaking a high-level assessment of company valuations and the assumptions underpinning those valuations with commentary on whether the valuation and assumptions are reasonable.
* Confirmation the proposed transaction satisfies the Market Economy Operating Test (MEOT). Under State Aid law SE needs to develop a pre-financing business case. The legal requirements are outlined in the European Commission Notice on the Notion of State Aid – see especially paragraphs 73-88 and 97-116. In particular the business case may have to include benchmarking against comparable financing instruments and an independently-verified profitability assessment with suitable sensitivity analysis. The supplier will support SE’s development of this business case and provide an independent report accordingly in consultation with SE’s legal advisers. The MEOT assessment will typically include:
	+ Comparable examples of third party, private sector, loan funding being made available to companies with a similar risk profile
	+ An opinion on the viability of the business and the commerciality of providing the proposed loan funding to the Company in order to satisfy the MEOT.
	+ An opinion on the pricing and other terms of any proposed loan funding by SE to the Company. These should be generally acceptable to a commercial lender under the MEOT. The Terms of the support should take into account the anticipated returns (weighed against the risks associated with the investment) and nature of available security.
	+ Advice on deal structuring that may make the loan possible and compliant with State Aid rules and the MEOT.

2. Growth Investments have an intermittent requirement for additional expert assistance on specific projects to supplement the analysis of the GI team and aid delivery of time-critical activities. The availability of this framework will affect the Growth Investment team in respect of delivery and ultimately the individual Companies requiring investment/funding to grow and develop.3. The project will directly benefit the selected companies, its management teams, investors and stakeholders, which will include SE. The benefits will be financial at various stages of their development and will allow the Company to innovate , expand and export their products and services Ultimately the aim is for the investment to lead to an exit with the potential for a higher valuation, which benefits the company and its key stakeholders.Beneficiaries are ultimately:* Companies who qualify for investment/funding through adherence to the eligibility criteria.
* Start Ups, Early-stage and established Scottish companies with growth and export potential.
* Existing portfolio companies, EIF and Debt company beneficiaries supported through Portfolio Management – managing SE’s investment interests.
* SCF Partners and investors who participate in company funding alongside SE.
* Scottish business advisory community (e.g., Solicitors, Accountants, Surveyors, Corporate Advisers).
* Universities – commercialising intellectual property through spinouts.
* Supply chain company growth (as a positive impact of investment).
* Securing and increasing Scottish job opportunities.
* Income from exits/investments benefits the Scottish Economy.
* Internal SE teams, SG teams/partners, HIE, SoSE, and Local Authorities

4. Public sector intervention in this space provides access to capital which is otherwise not available to recipient companies and is intended to achieve accelerated or additional business growth, sustainability or wealth distribution to communities which would otherwise not occur. All Investments, including follow on, are made on a commercial basis in pursuit if SE’s economic development objectives. Returns generated through investment activity and exits support delivery of SE Business Plan activities and repayment of Scottish Government Financial Transactions. Analysis of the feasibility, sustainability and financial position of the Company to determine whether the SE Investment is advisable/valid to aid the strategic objectives of the Growth Investment Team. Growth Investment activities also contribute to the SE measurement framework: * Planned jobs paying at least the real living wage and green jobs
* Planned R&D Investment (£)
* Planned Capital Investment (£)
* Growth funding raised by supported businesses
* Planned international export sales (£)
* Planned CO2 savings (tonnes)
* Businesses committed to Fair Work First
 |

## 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?

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? |

|  |
| --- |
| 1. It is considered that there are no areas where further data would be useful.
2. N/A
3. There are no identifiable data gaps.
4. No external experts have been consulted as this is an open tender open to all groups to apply

As detailed in Section 1, this is a contract for professional advisory services and is unlikely to have a differential impact on any particular equality group.  |

## 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. 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?** |

|  |
| --- |
| 1.There is no evidence of any actual or possible adverse impact on a particular group. The Framework will be available to the Growth Investment team to assist decision making with regards to investment and funding opportunities.These activities are particularly in relation to the funds offered, SCF, SVF, Direct, Debt, EIF which are available to eligible Companies where there will be no negative impact on a particular group.2. N/A3.It may contribute towards highlighting key groups where GI funding would be advantageous.4. The GI portfolio is already diverse in terms of it has companies from a range of backgrounds and sectors and led by diverse groups of management teams and stakeholders.Furthermore the assessment will be defined Price and Quality Criteria and above all bidders will be required to confirm compliance with the Equality Act 2010.  |

## 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)?

2. If there are no actions proposed, can the policy/project still be justified? 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, like targeting women owned businesses or applying reserved contracts? 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? |

|  |
| --- |
| 1. We do not consider there is any evidence that the proposed Framework has any possible adverse impact on a particular group2. N/A3. N/A4.We will encourage suppliers to have a greater focus on equality, e.g. Signing up to the Scottish Business Pledge. And encourage applicants from under -representative groups to tender. We are running an open tender therefore anyone can apply.Completion of sustainability tool will also be undertaken as part of the procurement process which also has Equality considerations , including Fair Work First, Community benefits etc.We will also consider a Community wealth approach to consider the impact on smaller communities.Through the tender process we will also consider a lotting strategy, by geography, to explore the possibility of regional contracts. |

## 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)5. What methods will you use? (consider “hard to reach” groups)6. What formats will you use for communicating with different groups? |

|  |
| --- |
| 1.Considered2.Consulted3. N/A4.Internally we have consulted with colleagues in our Transaction and Portfolio Management teams to determine the scope and ensure alignment with other SE services, consultation and input has also been raised at managerial meetings. Given the nature of the project and the fact there is no differential impact on any particular equality groups, there is no requirement to involve/consult relevant stakeholders. The Equality Champions group have been consulted on this assessment and given the opportunity to contribute where necessary.5.N/A6.Consultation has been offered in both email and verbal approaches. |

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

|  |
| --- |
| 1. What were your findings from the consultation/involvement?2. Taking into account all of the data, information, potential impact issues and consultation feedback, what will you recommend? (Choose & state one option)* **Reject the policy** – there is evidence of actual/potential unlawful discrimination or breach of human rights.
* **Accept the policy** – The EIA demonstrates the policy is robust with no adverse impacts and all opportunities to promote equality/foster good relations have been taken.
* **Modify the policy** – Adjust the policy to remove barriers or better promote equality
* **Continue with the policy** – 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.

3. If the Equality Impact Assessment (EqIA) is on a high level policy/strategy state here if further EqIAs need to be carried out on projects emanating from the policy/strategy  and inform project managers.  |

|  |
| --- |
| 1. We are satisfied that the Framework is targeted with the Growth Investment companies in mind, who are typically early-stage SMEs based in Scotland. The Framework does not have any restrictive conditions or proposed operating provision that will directly or indirectly discriminate against any group.2. Accept the policy. 3. Undertaken at high level with no further EqIAs recommended. |

## 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?2. In what ways will you monitor? e.g. continuously or irregularly, quantitative methods such as surveys, qualitative methods such as interviews3. How often will monitoring information be analysed?4. When will you review the policy/project taking into account any monitoring information? |

|  |
| --- |
| 1.Potential bidders will be required to illustrate how delivery of the service will be managed to ensure that the service provided achieves the stated objectives and meets the required standards. 2.They should also identify the monitoring and reporting processes that will demonstrate to SE, throughout the life of the framework, to ensure the objectives are being achieved and identify any issues to be resolved. Should result of procurement process suggest a potential community benefit , then we will continue to monitor and adopt where possible.3. Users of the framework will provide continuous feed back to the project owner to ascertain the effectiveness of the system, with improvements being implemented.If suppliers have indicated their intention to sign up to the Scottish Business Pledge, we will encourage and monitor throughout the contract period. On an annual basis we will review to confirm they continue to pay the real living wage.We will also monitor annually that the supplier All bids will be assessed against Price and Quality criteria outlined in the Invitation to Tender, including the plans and proposal for monitoring and reporting to SE in the effectiveness.4. A high level review will be undertaken periodically throughout the 3-year period of the contract. |

**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. |

|  |
| --- |
| No specific actions proposed |