Scotland's National Strategy for Economic Transformation Programme 4: Skilled Workforce Equality Impact Assessment (Record and Results)



EQUALITY IMPACT ASSESSMENT RECORD

Title of policy/ practice/	Scotland's National Strategy for Economic
strategy/ legislation	Transformation (NSET) - Programme 4: Skilled
etc.	Workforce
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Ministers	Shirley-Anne Somerville MSP, Cabinet
	Secretary for Education and Skills
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	Jamia Llankuwa MCD. Miniatan fan Llink
	Jamie Hepburn MSP, Minister for High
	Education, Further Education, Youth
	Employment and Training
	John Swinney MSP, Deputy First Minister and
	Cabinet Secretary for Covid Recovery
	Lorna Slater MSP, Minister for Green Skills,
	Circular Economy and Biodiversity
Lead official	Adam Reid, Skills Deputy Director, Directorate
	For Fair Work, Employability And Skills
Directorete	
Directorate	Fair Work, Employability and Skills
Is this new policy or	New policy building on some existing strands
revision to an existing	
policy?	

Policy Aim

The vision of Scotland's National Strategy for Economic Transformation (NSET), published on 1 March 2022, is for Scotland to be a wellbeing economy, thriving across economic, social and environmental dimensions. The strategy sets out an ambition that Scotland's economy will significantly outperform the last decade, both in terms of economic performance and tackling structural economic inequalities.

Analysis of the available evidence has identified six interconnected, transformational Programmes of Action to shift the economic dial and deliver our vision. Together, they tackle long term structural challenges, build on our economic strengths and position Scotland to maximise the greatest economic opportunities of the next ten years in a way that will transform the very fundamentals of how our economy works.

The policies covered in this EQIA are those detailed in NSET Programme Four: A Skilled Workforce.

Development of a Skilled Workforce sits as part of the outcome expressed in Scotland's National Performance Framework as "we are educated, skilled and able to contribute".

A skilled population is fundamental to business productivity and economic prosperity. Ensuring that Scotland's education, skills and research ecosystem

is capable of delivering this has never been more important in the face of the challenges outlined above. We also have a collective responsibility to ensure that people have the knowledge and skills they need at every stage of life to have rewarding careers and meet the demands of an ever-changing economy and society, and that employers invest in the skilled employees they need to grow their business.

Our Programme of Action

Project 11: Adapt the Education and Skills System to make it more Agile and Responsive to our Economic Needs and Ambitions

We will	Who
Develop proposals for a national digital academy	Government and
focused around the provision of SCQF level 6	Public Sector
qualifications including Highers, to open up access to a	
wide array of subjects to a wider array of learners. This	
is likely to include broadening young people's access to	
subjects which may not be available locally, as well as	
supporting post-school learners to access learning later	
in life and around other commitments.	
Deliver the forthcoming national strategy on adult	Government and
learning that will ensure that community learning is	Public Sector
more consistent and comprehensive, underpinned by	
more strategic investment and building a stronger	
evidence base around needs, engagement levels,	
quality of provision, and support for professionals.	
Deliver key actions from the Scottish Funding Council	Government and
Review of Coherent Provision and Sustainability	Public Sector
including the development of more, shorter industry-	
facing courses; and enhancing approaches to strategic	
provision and skills planning based on learning from	
pathfinder projects to enable a more responsive,	
coherent education and skills system.	
Implement the next phase of the Green Jobs Workforce	Government,
Academy and launch a new skills guarantee for workers	Public Sector,
in carbon intensive industries, providing career	Business
guidance and training opportunities, enabling people to	Partners
seek employment in other sectors.	

Project 12: Support and Incentivise People, and their Employers, to Invest in Skills and Training Throughout their Working Lives

We will	Who
Implement a lifetime upskilling and retraining offer that	Government,
is more straightforward for people and business to	Public Sector,
access and benefit from. This will use evidence from	Business
the delivery of the National Transition Training Fund	Partners
and Flexible Workforce Development Fund, and what	
we know works well from Community Learning and	
Development.	

Target more skills investment and support to working age people in poverty or at risk of moving into poverty (particularly the six priority family types). Ensuring that access to training for more marginalised groups is made as easy as possible, we will work with learners and delivery partners to better understand the steps we must take to improve provision, including in areas such as training at times that suit people with caring responsibilities, with additional support needs or that fit around current jobs.	Government, Public Sector, Business
Develop a new Skills Pact to underpin our commitment to strong partnership working with both employers and unions. The Pact will focus on action we can take together to improve investment in skills and training and ensure provision better meets the needs of employers and employees. As part of this, we will work collaboratively with employers and unions to explore how we can increase employer investment in upskilling and retraining.	Government, Public Sector, Business and Partners

Project 13: Expand Scotland's Available Talent Pool, at all Skills Levels, to Give Employers the Skills Pipeline They Need to Take Advantage of Opportunities

We will	Who
Implement a focused Talent Attraction programme to	Government,
attract key skills and talent from the rest of the UK. This	Public Sector,
will align with Scotland's identified key sector strengths	Business and
and new market and cluster building opportunities and	Partners
provide a joined-up "landing zone" for targeted	
employees and their families supported through our	
commitment to create a Migration Service for Scotland.	
We will work closely with industry partners, and the	
recruitment sector, to leverage best available data and	
ensure most effective targeting.	
Progress the actions from Scotland's Population	Government and
Strategy aimed at attracting, welcoming and supporting	Public Sector
those who choose to make Scotland their home to	
help address rural and island population challenges and	
sectoral skills shortages in the labour market.	
Systemically address Scotland's labour market	Government,
inactivity challenges. Assess trends within different	Public Sector,
labour market inactive groups and understand what	Business and
steps can be taken to bring more individuals into the	Partners
labour market – including through the use of childcare	
and transport provision, part-time/flexible working,	
support for employees with disabilities, and business	
start-up and work from home opportunities. This is	
inextricably linked to reducing child poverty, including	
the approach of pathfinders to test how to ensure	

holistic support enables parents to enter, sustain and	
progress in work.	

Who will it affect?

Transforming the economy is a national endeavour and government, public sector, business, trade unions, third sector, local authorities and social enterprises all have a part to play.

The economy impacts everybody, regardless of their age, race, sex and other characteristics. However, we know that people with some protected characteristics can be disproportionately affected e.g. women, disabled people and minority ethnic people. We also recognise that these protected characteristics intersect, therefore we have considered them on an intersectional basis. The work to be taken forward which is set out in NSET is intended to drive Scotland's overall economic prosperity to the benefit of all our people. However, just as every person is an individual with characteristics and circumstances, their experiences of economic activity and the impact that Scotland's economy has on their lives are different. Targeting the projects proposed in NSET towards people with protected characteristics and taking a person-centred approach to considering the outcomes of policies and their implementation, can help to address entrenched inequality and cumulative impacts on people, and particularly those who experience disadvantage.

The three NSET Skilled Workforce projects will have an impact on the following who access services directly and those who are affected by our policies:

- Individuals of all ages in the labour market who will need now, or in the future to upskill or retrain to enter or maintain employment;
- There will be a particular focus on those facing inequality in the labour market, including those within the Equality Act 2010 protected characteristics and those living in or at risk of poverty;
- New Scots those who have come to live in Scotland from any other country; and
- Businesses in the private, public and third sectors.

NSET Skilled Workforce projects will also have an impact on those who plan, provide, deliver or fund services:

- The Scottish Funding Council;
- Skills Development Scotland;
- Local authorities including education authorities;
- Community learning and development delivery partners;
- Scotland's further and higher education institutions;
- Other training providers and their representative bodies;
- Employers; and
- Trade Unions.

What might prevent the desired outcomes being achieved?

Skills policy development and programme/service delivery relies on successful joint working and collaboration with a range of key strategic partners. These include the two key skills bodies in Scotland, the Scottish Funding Council and Skills Development Scotland but also other training providers, local authorities, employers and trade unions. If we can't engage and secure that essential level of collaboration, it is hard to see how we can achieve the desired outcomes from this programme of work.

Careful monitoring of existing and new programmes as they are developed and implemented will be essential. The evidence gathering process for the EQIA has highlighted gaps in key areas - for example, intersectional skills data - and to date it has been difficult to gather this through the monitoring of existing programmes. As part of the development of the Skilled Workforce Programme, data collection on current and new programmes must be improved to the point where we can assess the impact of our efforts to target specific groups who face barriers or discrimination in the labour market.

Insufficient resources and capacity to deliver NSET projects including funding (funding is diverted to other areas), staffing to design, deliver and manage projects and infrastructure (including IT, databases etc.) remain a risk.

Stage 1: Framing

Requirements of the Public Sector Equality Duty

The Public Sector Equality Duty (PSED) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.

The Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 (regulation 5) requires that a listed public authority must make such arrangements as it considers appropriate to review and, where necessary, revise any policy or practice that it applies in the exercise of its functions to ensure that, in exercising those functions, it complies with the Equality Duty.

The Scottish Government meets its obligations under Regulation 5 by requiring equality impact assessments (EQIAs) to be carried out for all policies and practices.

By undertaking an EQIA as part of the process of developing the NSET, the Scottish Government has sought to demonstrate "due regard" to the equality duty of eliminating discrimination, promoting equality of opportunity and fostering good relations. As we progress with the development of the projects the EQIA will be revised in line with changes made. As the NSET projects continues to evolve, more detailed EQIAs at project level or below will be developed. These will also be reviewed and revised as policy is developed, implemented and evaluated.

Results of framing exercise

Evidence used

Framing for this high-level EQIA included input from internal Scottish Government policy and analytical leads and our skills bodies, the Scottish Funding Council and Skills Development Scotland with some consultation with bodies representing key groups, including Close the Gap, One Parent Families Scotland and Glasgow Disability Alliance.

A range of statistical data and Scottish Government publications has been used to inform the development of the Stage Two document below. This includes (but not exclusively)¹:

- The UK Annual Population Survey for which Scottish data on employment and work related training is drawn;
- The Scottish Government's equality evidence finder;
- The NSET evidence paper;
- National Records for Scotland population forecast; and
- A range of Scottish government publications including a Fairer

¹ Links to the documents listed are set out at Stage Two below.

Scotland for Older People, A Fairer Scotland for Women: Gender Pay Gap Action Plan and A Fairer Scotland for Disabled People – Employment Action Plan.

In addition, a trawl of available online research and data has been identified for those policies in development or implementation. This includes, The Adult Learning Strategy for Scotland the Climate Emergency Skills Action Plan which have been published, the Lifetime Skills Offer for which evidence gathering is underway and the implementation of the Scottish Government's response to the Scottish Funding Council Review of Coherent Provision and Sustainability.

Extent/Level of EQIA required

The framing exercise showed that there was a clear need for an EQIA to be developed at both Programme level but also for activity and interventions that are being delivered or developed throughout the course of the 10-year strategy.

Stage 2: Data and evidence gathering, involvement and consultation

Characteristic ²	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
AGE	 All age general - Skills: In 2021, the proportion of people in Scotland aged 16-64 with low or no qualifications (SCQF Level 4 or below) was 9.1%, a decrease of 2.5 percentage points compared with 2019 (11.6%). The proportion of those with low or no qualifications is higher in the younger (16-24) and older (50-64) age groups than the other age groups. In 2021, the proportion of people in employment aged 16-64 who received job-related training in the last 3 months was 23.5%. The proportion in employment who received job-related training in the last 3 months was 23.5%. The proportion in employment who received job-related training in the last 3 months is lower in the 35-49 and 50-64 age groups compared to the other age groups. The 16-24 and 35-49 age groups saw the proportion decrease since 2019 and, over a longer period, all age groups have seen the proportion decrease. Young people Skills/education: For first degrees, 78% of entrants to Higher Education in 2019/20 were aged under 25, and 1.7% were older than 50. 58.9% of all full-time enrolments in further education in 2019/20 were between 16 and 20 years of age. This proportion has been decreasing (in 2015/16, it were 61%). 17.2% of all further education enrolments in 2019/20 were aged over 30. This proportion has been increasing (in 2015/16, it were 14%). 	www.equalityevidence. <u>scot</u> <u>Annual Population</u> <u>Survey, Jan-Dec</u> <u>datasets, ONS</u> <u>Home Young</u> <u>Persons guarantee</u> <u>Scotland's Labour</u> <u>Market: People,</u> <u>Places and Regions –</u> <u>Protected</u> <u>Characteristics.</u> <u>Statistics from the</u> <u>Annual Population</u> <u>Survey 2021 -</u> <u>gov.scot</u> (www.gov.scot)	Data for these groups is generally good. Some skills data gaps on older workers and intersectionality exist.

² Refer to Definitions of Protected Characteristics document for information on the characteristics

E	mployment:		
•	 Young people are more likely to work in sectors hardest-hit by COVID-19 such as retail, leisure and entertainment, and they are less likely to be in contractually secure employment. In 2021, the employment rate for young people aged 16-24 was 54.0%, lower than the employment rate for the overall (16-64 years) population in Scotland. This is partly due to greater education participation for this group. In 2021, 11.5% of young people aged 16-24 were not in employment, education or training (NEET). This is lower than a year ago (12.4%) but is still higher than the proportion of 10.3% in 2019 (pre-pandemic). 		
F	Poverty:		
•	 In the last 15 years, the youngest adults (16-24 year olds) have been consistently more likely to be in relative poverty compared to older adults. In 2017-20, 28% of adults aged 16-24 were in relative poverty after housing costs (140,000 adults each year), compared to 15% of adults aged 65 and older (150,000 adults). The age groups in between all had similar poverty rates between 17% and 19%. Dider workers Scotland has an ageing population. Scotland's population is increasing and older people represent a growing share. People are also working into older ages. There is considerable geographical variation in the age profile of 	Poverty and IncomeInequality in Scotland2017-20(data.gov.scot)Projected Populationof Scotland (2020-based) NationalRecords of Scotland(nrscotland.gov.uk)A Fairer Scotland forOlder People: AFramework for Action(www.gov.scot)	

	 the population, with lowest variation in the cities and a greater proportion of older people in rural and island areas. This uneven age structure can be attributed to falling birth rates, an increase in life expectancy, and migration. Those aged over 50 face employment barriers in three key areas: communities, access to services and financial security. Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group. 	NSET Evidence Paper Understanding older workers: Analysis and recommendations to support longer and more fulfilling working lives (cipd.co.uk)	
	 Employment: The employment rate for 50 to 64 year olds in Scotland was 68.1 per cent in 2021. In 2021, the economic inactivity rate for 50 to 64 year olds was 29.2% Skills: In 2019/20, 56% of all graduates from Scottish Higher Education 		
	Institutions (HEIs) and colleges were aged under 25; 4% were aged over 50.		
DISABILITY	 General: It is estimated that around one fifth of Scotland's working-age population is disabled. The prevalence of disability increases with age. Disabled people are less likely to be in employment than non-disabled people and earn less on average than non-disabled people. The employment rate for disabled people aged 16 to 64 was estimated at 49.6% (2021), significantly lower than the employment rate for non-disabled people (80.8%). The disability employment rate gap in Scotland narrowed in the pre- 	Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot (www.gov.scot)	Data on disability in general is good. There is less skills data across different types of health – physical, mental, neurological and the impact different circumstances can have on the acquisition of skills for

pandemic period and over the latest year (to 2021), but remains	Work-and-Wellbeing-	work requires further
large at an estimated 31.2 percentage points.	Discussion-Paper-	insight.
Disabled people are employed across all occupation types and	<u>1.pdf</u>	
sectors of Scotland's economy, however they are more likely to	(d1ssu070pg2v9i.clou	
work in lower paid occupations.	<u>dfront.net);</u>	
• Disabled parents are generally less likely to be in paid work, and if	Coronavirus (COVID-	
in paid work, more likely to be underemployed and face additional	19): impact on equality	
barriers accessing employment (including transport, application	(research) - gov.scot	
processes, discrimination).	(www.gov.scot)	
	How flexible hiring	
Skills:	could improve	
 The proportion of disabled people aged 16-64 with low or no 	business performance	
qualifications (17.4%) is over twice as high as those who are not	and living standards	
disabled (6.4%).	JRF; If not now,	
 They are less likely than non-disabled people to have qualifications 	when? - Social	
at degree level or above. Even with a degree or higher qualification,	Renewal Advisory	
people with disabilities are still less likely to be employed than non-	Board report: January	
disabled people without one.	<u>2021 - gov.scot</u>	
 The proportion of Equality Act disabled people in employment aged 	<u>(www.gov.scot)</u>	
16 to 64 who received job-relating training in the past 3 months		
(24.4%) is higher than the proportion for not Equality Act disabled	Glasgow Disability	
people (23.3%). The proportion in employment who received job-	Alliance • Confident,	
related training for both disabled and non-disabled people have	<u>Connected,</u> Contributing (gda.scot)	
seen a decrease since 2019, although a slightly larger decrease for		
disabled people (-0.4 percentage points against -0.2 percentage	Tackling Child Poverty	
	Delivery Plan: Third	
points for non-disabled people).	Year Progress Report	
• Between 2013/14 and 2019/20, the proportion of entrants to higher	(2020-21): Annex B:	
education who reported a disability has increased from 8% to 12%.	Child Poverty in	
• The proportion of Scottish domiciled enrolments in full-time college	Families with a	
courses who reported a disability has increased from 19.3% in	Disabled Adult or Child	
2014/15 to a record high of 26.6% in 2019/20. 21.9% of Scottish	(www.gov.scot)	

•	 domiciled enrolments in part-time college courses reported a disability (an increase from 15.5% in 2014/15). Glasgow Disability Alliance confirm accessibility and necessary adjustments for learners remain an issue that needs to be addressed. They believe the main barriers for disabled learners include: digital exclusion (not just lacking the technology, also individuals lacking the skills/confidence to use it), transport support, rigid delivery of courses not suited to individuals. Duration of courses should also be kept short. 	Summary Statistics for Attainment and Initial Leaver Destinations, No. 3: 2021 Edition - gov.scot (www.gov.scot); If not now, when? - Social Renewal Advisory Board report: January 2021 - gov.scot (www.gov.scot)
Pc •	overty: Of the 150,000 experiencing in-work poverty in Scotland, 60,000 had a disabled person in the household (40%). Disabled women's experiences of the labour market is an under- researched area, and there continues to be a lack of robust, disaggregated data. In terms of working hours, disabled women are much more likely to work part-time than disabled men (48% compared with 18%). Disabled women are also more likely to work part time than non-disabled people with 42% of non-disabled women and 11% of non-disabled men working part-time. Poverty rates remain higher for households in which somebody is disabled compared to those where no-one is disabled. The gap between the two groups has remained fairly steady over the last few years.	UK Poverty 2020/21 JRF Meeting with Glasgow Disability Alliance - 13 July 2022 Scottish Government's A Fairer Scotland for Disabled People Plan IRISS - Digital Inclusion, Exclusion & Participation, June 2020
•	 Families with a disabled person make up a third of all families in Scotland. Around a fifth (18%) of parents are disabled. Of children in this group in relative poverty, 37% are also in lone parent households, and 36% in homes with 3+ children. In 2017-20, the poverty rate after housing costs for people in households with a disabled person was 23% (500,000 people each 	<u>Close the Gap -</u> <u>Response to SG's</u> <u>Consultation on</u> <u>Increasing the</u> <u>Employment of</u> <u>Disabled People, 2018</u>

	year). This compares with 17% (540,000 people) in a household		
	without disabled household members.	What+do+we+know+a	
		bout+in-	
		work+poverty+in+Scotl	
		and+2019+interim+fin dings.pdf	
		(www.gov.scot)	
		<u>(mm.gov.soot)</u>	
		People, Places and	
		Regions publication –	
		April 20-March 2021	
		Poverty and Income	
		Inequality in Scotland	
		2017-20	
		(data.gov.scot)	
		Tackling child poverty	
		priority families	
		overview - gov.scot	
		(www.gov.scot)	
		National Indicator	
		Performance	
		National Performance	
		Framework	
		www.equalityevidence.	
		scot	
SEX	Skills:	Annual Population	Data for this category
	• In 2021, the proportion of men aged 16 to 64 with low or no	Survey, Jan-Dec	are generally good
	qualifications (9.7%) is higher than that for women (8.5%).	datasets, ONS	although some gaps
	The proportion of women in employment aged 16 to 64 who		

received job related training (26.3%) is higher than the proportion	What+do+we+know+a	exist in terms of
for men (20.8%). For men, the proportion has decreased since	bout+in-	intersectionality
2019 (pre-pandemic) while it has increased for women over the	work+poverty+in+Scotl	
same period. For women this was the highest proportion since	and+2019+interim+fin	
2015.	dings.pdf	
 In discussion with One Parent Families Scotland, childcare remains 	(www.gov.scot)	
a significant issue for lone parents accessing learning.		
 They also note that benefit conditionality for those claiming 	Research and Insights	
Universal Credit is an ongoing issue with a drive towards increasing	<u>- Turn2us</u>	
income rather than increasing skills levels to secure better paid		
work.	Scotland's Labour	
WOIK.	Market: People,	
Employment / occupational segregation:	Places and Regions – Protected	
 Whilst substantial progress has been made over the past 20 years 	Characteristics:	
in Scotland in reducing both the employment rate gap and pay gap	Statistics from the	
between men and women, outcomes for women still lag behind	Annual Population	
men.	Survey 2021	
 The gender employment rate gap increased from 4.7 percentage 	(www.gov.scot)	
points in 2020 to 5.1 percentage points in 2021. However, the 2021		
gap is smaller than the gap of 6.3 percentage points in 2019.	One Parent	
Women experience a range of barriers in the labour market that lead them to be paid lead on puero so then man, drive concerts of the	Families Scotland -	
them to be paid less on average than men, drive aspects of the	note of meeting - 10	
gender pay gap and contribute to the existence of (child) poverty.	August 2022'	
These relate to the type of job they are more likely to do (job		
selection), how much these jobs pay (job valuation) and whether	Turn2us_Impact-	
they can move into higher-paid jobs (job progression). Age also	Report_2021.pdf	
presents a barrier to women's employment – for example, women		
transitioning through the menopause while in work can require	Poverty and Income	
additional support.	Inequality in Scotland	
Women (and particularly ethnic minority women) are more likely to	2017-20	
be in insecure work and are overrepresented in sectors referred to	(data.gov.scot)	

•	narrowed over time, women are still less likely to participate, and when they do participate, it is more likely to be on a part-time basis and at lower management levels. The reasons for this include, but are not limited to, education (and expectations of traditionally male and female subjects), women's ability to take jobs and their limited career options, and availability of suitable jobs with part-time and flexible working only available in certain occupations or sectors.	National Indicator Performance I National Performance Framework Covid+and+Inequalitie s+Final+Report+For+P ublication+-+PDF.pdf (www.gov.scot) Gender Pay Gap Action Plan: Analytical Annex (www.gov.scot); A fairer Scotland for women: gender pay gap action plan - gov.scot
	Poverty: Disabled women, minority ethnic women, and lone parents (the majority of whom are young women), are at an even higher risk of poverty, disruption to employment chances and good labour market outcomes. The Analytical Annex to the 'Gender Pay Gap Action Plan' and the 'Gender Pay Action Plan' published by the Scottish Government sets out the drivers for gender disparities in the labour market in more detail.	<u>Gender Pay Gap</u> <u>Action Plan: Analytical</u> <u>Annex (www.gov.scot)</u> <u>A Fairer Scotland for</u> <u>Older People:</u> <u>framework for action -</u> <u>gov.scot</u> <u>(www.gov.scot)</u>
•	In 2017-20 the poverty rate was highest for single women with children (38%, 40,000 single mothers each year). The poverty rate for single women without children was 27% (60,000 women), and	<u>If not now, when? -</u> <u>Social Renewal</u> <u>Advisory Board report:</u>

	for single men without children was 34% (90,000 men). Estimates for single fathers are not available due to small sample sizes.	January 2021 - gov.scot (www.gov.scot) NSET Evidence Paper Tackling child poverty delivery plan 2018- 2022: annex 3 - gov.scot (www.gov.scot) A fairer Scotland for women: gender pay gap action plan - gov.scot (www.gov.scot)	
PREGNANCY AND MATERNITY	 Skills/employment: Lone parents are less likely to be in paid work than other groups. Those who work tend to work fewer hours and have a lower hourly wage, reflecting the gender pay gap. They are also more likely to have low or no qualifications, and those with degrees more likely to work in low or medium skilled occupations. Young mothers tend to have lower educational levels compared to older mothers when their first child is born, which impacts on subsequent career prospects. They are less likely to be in work when their first child is 10 months old, with education being found to be a key predictor of later employment. When in work, they are more likely to earn a low income and more likely to receive social security entitlements. 	Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot) Tackling child poverty delivery plan 2018- 2022: annex 3 - gov.scot (www.gov.scot)	Robust data for skills is not available for this group. Qualitative data has been used where available.

GENDER RE - ASSIGNMENT	 Poverty: The relationship between lack of material resources and poor health, including during pregnancy, is well established, and the birth of a new baby can result in those close to the poverty line falling below it. Pregnancy brings a period of sudden increased financial pressure and sustained money worries have been reported following a birth of a baby, increasing a risk of child poverty. Households with children aged 0-4 are at high risk of poverty. The risk, however, is much higher when the youngest child is aged less than one year old. Families with a new child are more likely to enter poverty. Trans people face a range of disadvantages and vulnerabilities in their everyday life and in employment. 	Equality evidence - gov.scot	Robust skills data are not available for this group – where
	 The lives of many trans people at work remain difficult, and they face discrimination, bullying and harassment at every stage of employment, including during recruitment processes. Some trans people find getting into work difficult or challenging, with prejudice and stereotyping having negative impacts on their employment prospects. They are less likely to be in employment than their peers Trans students experience harassment and discrimination at HE institutions and for some this has a significant negative impact on their studies, future plans and skills. The Scottish Government estimates that around 0.6-1% of the population is transgender. 	(www.gov.scot) <u>National LGBT</u> <u>Survey: Summary</u> <u>report - GOV.UK</u> (www.gov.uk); <u>Stonewall LGBT in</u> <u>Britain - Trans Report</u> (2017) (stonewallscotland.org <u>.uk</u>) <u>https://www.gov.scot/p</u> <u>ublications/scotlands-</u> <u>national-strategy-</u> <u>economic-</u> <u>transformation-</u>	group – wnere available, qualitative data has been used.

SEXUAL	Data on sexual orientation in relation to access to skills provision is not	equality-position- statement/documents/	There is a gap in data
ORIENTATION	robust. However, we know that the Scottish Government estimates the LGB population as 2.4%.	<u>gov.scot</u> (www.gov.scot)	on access to skills
RACE	 Skills: Minority ethnic adults make up 12% of the adult population (7% white minority, 5% visible minority). In 2021 in Scotland the proportion with low or no qualifications is higher amongst the minority ethnic group aged 16-64 (11.7%) compared with the white group aged 16-64 (8.9%). A higher proportion of minority ethnic people in employment aged 16-64 have received job-related training in the last 3 months (24.9%) compared with 23.4% of those who identify as white. The proportion amongst minority ethnic people in employment has increased by 7.4 percentage points since 2019 (pre-pandemic) whilst the proportion amongst white people in employment fell by 0.6 percentage points. The proportion of UK domiciled full-time first degree entrants to Scottish universities from a minority ethnic background has increased from 9.0% in 2014/15 to 11.0% in 2019/20. Between 2015/16 and 2019/20, the proportion of Scottish-domiciled qualifiers in Higher Education who come from a minority background has increased from 6.3% to 7.2%. In 2019/20, 7.4% of Scottish domiciled enrolments in full-time college courses were from a minority ethnic background. This is an increase from 6.9% in 2018/19. The proportion of Scottish domiciled enrolments from a minority ethnic background. 	Tackling child poverty priority families overview - gov.scot (www.gov.scot)What+do+we+know+a bout+in- work+poverty+in+Scotl and+2019+interim+fin 	Because of the smaller population levels, there are some skills data gaps for this group, particularly at intersectional level.

 was at 10.9% for part-time college courses in 2019/20. While minority ethnic school leavers tend to outperform other pupils, this doesn't translate into better work outcomes. They can face discrimination when applying for a new job or promotions, and women may face additional barriers in accessing and navigating quality employment. May be more likely to work irregular hours so accessing quitable children con balance and to be paid 	BAME workers take biggest financial hit from coronavirus pandemic - Turn2us	
 accessing suitable childcare can be a challenge and tend to be paid less per hour, and are more likely to be underemployed. Close The Gap Research on Black and minority ethnic women's experiences of employment in Scotland indicates a lack of transparency around training and development opportunities impacts 	Annual Population Survey, Jan-Dec datasets, ONS	
 Less than half (42%) of BME women reported that their employer provides clear development opportunities. 	https://www.closetheg ap.org.uk/content/reso	
Employment:	<u>urces/1557499847_Sti</u>	
 The employment rate for minority ethnic people in Scotland is consistently lower than the employment rate for white people. The employment rate for the minority ethnic group aged 16 to 64 was estimated at 62.1% in 2021, significantly lower than the rate for the white population (73.9%) – an employment rate gap of 11.7 percentage points. Adults of visible minority ethnicities are less likely to be employed than White adults – this is especially true for women – and may also be less likely to have access to 'fair work'. On the other hand, as certain ethnic minorities are more likely to be key workers, any increase to key workers' pay or removal of the health surcharge will benefit them and could also help reduce gender inequality. 	II-Not-Visible.pdf Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot) Scotland's Labour Market: People, Places and Regions – Protected	
Poverty:	Characteristics.	
In 2015-20, people from non-white minority ethnic groups were	Statistics from the Annual Population	

	 more likely to be in relative poverty after housing costs compared to those from the 'White - British' and 'White - Other' groups. The poverty rate was 41% for the 'Asian or Asian British' ethnic groups (50,000 people each year), and 43% for 'Mixed, Black or Black British and Other' ethnic groups (no population estimate available due to the small sample). The poverty rate amongst the 'White - Other' group was 24% (80,000 people) and that of the 'White - British' group was 18% (860,000 people). 	Survey 2021 - gov.scot (www.gov.scot) National Indicator Performance National Performance Framework www.equalityevidence. scot	
RELIGION OR BELIEF	 Relatively limited evidence is available for this group. In 2015-20, relative poverty rates were considerably higher for Muslim adults (52%) compared to adults overall (18%). There is variation in employment rates by religion. Since 2004, the employment rate of Muslims in Scotland has been consistently lower than the employment rate for the overall 16-64 population (46.5% vs 73.2% in 2021). In 2021, the employment rate estimate for Muslim's was 46.5% compared to rates of 72.3% for Christian's and 74.7% for those with no religion. Estimates are also available for other religions i.e. Hindu's, Buddhist's and Sikh's, however there is a higher degree of volatility in these estimates, and less discernible trends, given sample sizes. 	Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot) Supporting documents - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot (www.gov.scot)	There are skills data gaps for this group. WE will consider with analysts how this can be improved.
MARRIAGE AND CIVIL	• In 2017-20, the relative poverty rate after housing costs was highest for single adults (27%, 260,000 adults each year) and divorced (or separated) adults (27%, 100,000). Married adults were the least likely to be in poverty (13%, 260,000), and widowed and cohabiting	Poverty and Income Inequality in Scotland 2017-20 (data.gov.scot)	Skills data for this group is not available.

PARTNERSHIP	adults were in the middle (19% and 19%; 60,000 and 120,000).	
3		

³ The Scottish Government does not require assessment against this protected characteristic unless the policy or practice relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details.

Stage 3: Assessing the impacts and identifying opportunities to promote equality

Do you think that the policy impacts on people because of their age?

Age	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	X			The majority of NSET skills projects remain either in development or to be developed and implemented. However, where discrimination is identified in the process of development, then actions will be built in to address this positively. For example, targeting upskilling support towards older workers.
Advancing equality of opportunity	X			See above.
Promoting good relations among and between different age groups	X			If successfully developed and implemented, more workplaces will have a broad age range among their workforce. Increasing the age range of workforces to ensure young people and older workers can participate in the labour market could enable good relations between these groups.

Do you think that the policy impacts disabled people?

Disability	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	X			NSET Skilled Workforce programme makes a specific commitment to target support towards those who need it most. Disabled people often have lower levels of skills than non-disabled people and even when they do, are underemployed in their roles. As the policies across the three NSET projects are developed and implemented, the needs of disabled people in terms of accessing additional support have to be taken into account to ensure this element of the duty is achieved.
Advancing equality of opportunity	X			See above

Promoting good relations among and between disabled and non-disabled people	X	If successfully developed and implemented, more disabled people should be able to participate in the labour market and at a level appropriate to their skills levels. Increasing the proportion of disabled people in the labour market could enable good relations between disabled and no-
		disabled workers.

Do you think that the policy impacts on men and women in different ways?

Sex	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	Increasing skills levels among women and the sectors/roles they are able to participate in is unlikely in itself to help eliminate the discrimination we know they can face, particularly in relation to pregnancy/maternity/caring responsibilities.
Advancing equality of opportunity	X			It is critical that the NSET projects supporting a skilled workforce recognise the challenges of low pay faced by many women working in sectors where this is prevalent such as catering, care and cleaning. Tackling occupational segregation through targeting provision to help women move into higher paid sectors will be essential to achieving this, with provision and support, including high quality careers advice that is accessible for them.
Promoting good relations between men and women	X			Increasing the number of women in more male dominated and higher paid roles/sectors is a clear aim of NSET with skills projects having a specific focus on advancing equality of opportunity.

Do you think that the policy impacts on women because of pregnancy and maternity?

Pregnancy and Maternity	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	Increasing skills levels among women and the sectors/roles they are able to participate in is unlikely in

		itself to help eliminate the discrimination we know they can face, particularly in relation to pregnancy/maternity/caring responsibilities. Significant work will be required by employers, particularly in male dominated sectors, to address this – a clear ambition of the Fair Work element of NSET.
Advancing equality of opportunity	X	It is critical that the NSET projects supporting a skilled workforce recognise the challenges of low pay faced by many women working in sectors where this is prevalent such as catering, care and cleaning. Tackling occupational segregation through targeting provision to help women move into higher paid sectors will be essential to achieving this, with provision and support, including high quality careers advice that is accessible for them.
Promoting good relations	X	Promoting good relations in the workplace, particularly where more women move to traditionally male dominated sectors will be key to efforts to tackle occupational segregation. Significant work will be require by and with employers to achieve a positive outcome in this respect.

Do you think your policy impacts on people proposing to undergo, undergoing, or who have undergone a process for the purpose of reassigning their sex? (NB: the Equality Act 2010 uses the term 'transsexual people' but 'trans people' is more commonly used)

Gender reassignment	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	While Skilled Workforce NSET projects will clearly set out our ambitions in respect of equality and the elimination of discrimination, insufficient data is available to be clear on whether skills projects can have a direct impact.
Advancing equality of opportunity			X	See above
Promoting good relations			X	See above

Do you think that the policy impacts on people because of their sexual orientation?

Sexual orientation	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	While Skilled Workforce NSET projects will clearly set out our ambitions in respect of equality and the elimination of discrimination, insufficient data is available to be clear on whether skills projects can have a direct impact.
Advancing equality of opportunity			X	See above
Promoting good relations			Х	See above

Do you think the policy impacts on people on the grounds of their race?

Race	Positive	Negative	None	Reasons for your decision
Eliminating unlawful	X			More work is required to identify the different groups within
discrimination				the BME population who are impacted by discrimination in
				relation to accessing skills provision and related work
				outcomes, but there is evidence that discrimination exists
				and it is inherent on all NSET projects to tackle this.
Advancing equality of	Х			Skills levels across the Minority ethnic population in
opportunity				Scotland varies significantly. Support will be targeted
				towards those most in need and this will include those
				individuals in the ME population to whom this applies.
Promoting good race	X			NSET projects supporting those from minority ethnic
relations				groups to increase skills levels should enable more diverse
				workplaces. Work will be required with and by employers
				to ensure a positive outcome in this respect.

Religion or belief	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination	X			NSET projects will not discriminate based on religion. However, as evidence exists that Muslim people can face barriers to the labour market, successful action to address inequality on the grounds of race should positively impact outcomes for this group.
Advancing equality of opportunity	X			Evidence points to a disparity in employment outcomes by religion. Data on skills and religion is not robust but it will be important that the individual Skilled Workforce NSET projects consider how they can progress this duty.
Promoting good relations	X			See above

Do you think the policy impacts on people because of their marriage or civil partnership?

Marriage and Civil Partnership⁴	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination			X	There is insufficient skills data for this group to be clear on positive or negative outcomes.

⁴ In respect of this protected characteristic, a body subject to the Public Sector Equality Duty (which includes Scottish Government) only needs to comply with the first need of the duty (to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010) and only in relation to work. This is because the parts of the Act covering services and public functions, premises, education etc. do not apply to that protected characteristic. Equality impact assessment within the Scottish Government does not require assessment against the protected characteristic of Marriage and Civil Partnership unless the policy or practice relates to work, for example HR policies and practices.

Stage 4: Decision making and monitoring

Have positive or negative impacts been identified for any of the equality groups?	Yes
Is the policy directly or indirectly discriminatory under the Equality Act 2010 ⁵ ?	No
If the policy is indirectly discriminatory, how is it justified under the relevant legislation?	N/A
If not justified, what mitigating action will be undertaken?	N/A

Identifying and establishing any required mitigating action

Describing how Equality Impact analysis has shaped the policy making process

The development of this programme level EQIA has confirmed the existence of barriers faced by individuals in accessing appropriate skills opportunities. This reaffirms the importance of the completion of EQIAs and other relevant impact assessments for policies and interventions being delivered or developed as part of the Programme over the course of the 10 year strategy. The two existing lower level EQIAs set out a range of actions supporting the three elements of the Public Sector Equality Duty and those still be completed will also address this in the policy development process.

The evidence gathered to date at a high level shows us the impact on some equality groups, while there is a lack of clear data and evidence of others.

Age

Unemployed young people can access a wide range of employment and training support through the range of interventions that form the Young Person's Guarantee, which has a particular focus on those not in education employment or training.⁶

Young people aged 16-24 make up the largest proportion of Higher education undergraduates (78%) and college enrolments (58.9%).⁷

⁵ See EQIA – Setting the Scene for further information on the legislation.

⁶ Home | Young Persons guarantee

⁷ www.equalityevidence.scot

Older workers are less likely to enter non-work-related training or education.⁸ Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group.⁹

Disability

The proportion of Equality Act Disabled people aged 16-64 with low or no qualifications (17.4%) is over twice as high as those who are not disabled (6.4%).¹⁰

They are less likely than non-disabled people to have qualifications at degree level or above. Even with a degree or higher qualification, people with disabilities are still less likely to be employed than non-disabled people without one.¹¹

The proportion of Equality Act disabled people in employment who received jobrelating training in the past 3 months (24.4%) is higher than the proportion for not Equality Act disabled people (23.3%).¹²

The proportion of Equality Act disabled people in employment aged 16 to 64 who received job-relating training in the past 3 months (24.4%) is higher than the proportion for not Equality Act disabled people (23.3%). The proportion in employment who received job-related training for both disabled and non-disabled people have seen a decrease since 2019, although by slightly larger decrease for disabled people (-0.4 percentage points against -0.2 percentage points for non-disabled people.¹³

Disabled people feel that often training is not accessible to them and that the adjustments they need to be able to undertake skills development are not available.

However, enrolments by disabled people for both further (26.6%) and higher education (12%) have increased in recent years.¹⁴

Sex

Although more men report low or no qualifications and less work related training, we know women experience negative impacts of occupational segregation in the labour market which often reduces their earning capability and in the case of lone parents

⁸ <u>Understanding older workers: Analysis and recommendations to support longer and more fulfilling</u> <u>working lives (cipd.co.uk)</u>

⁹ <u>Scotland's National Strategy for Economic Transformation: Equality Position Statement</u> (www.gov.scot)

¹⁰ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> <u>from the Annual Population Survey 2021 - gov.scot (www.gov.scot)</u>

¹¹ <u>A Fairer Scotland for Disabled People: Employment Action Plan: Year 2 – Progress Report</u> (www.gov.scot)

¹² <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

¹³ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

¹⁴ www.equalityevidence.scot

can see them at risk of or living in poverty. Women predominate in lower paid sectors such as care cleaning and catering.¹⁵

Close the Gap note the gendered impacts of the labour market and feel much more can be done within the skills system to help address these.¹⁶

Race

In 2021 in Scotland the proportion with low or no qualifications is higher amongst the minority ethnic group aged 16-64 (11.7%) compared with the white group aged 16-64 (8.9%).¹⁷

A higher proportion of minority ethnic people in employment aged 16-64 have received job-related training in the last 3 months (24.9%) compared with 23.4% of those who identify as white.¹⁸

However, while minority ethnic school leavers tend to outperform other pupils, this doesn't translate into better work outcomes. They can face discrimination when applying for a new job or promotions, and women may face additional barriers in accessing and navigating quality employment. May be more likely to work irregular hours so accessing suitable childcare can be a challenge and tend to be paid less per hour, and are more likely to be underemployed.¹⁹

Internationally qualified workers are more likely to be underemployed.²⁰

Other Groups with Protected Characteristics

There is a lack of robust skills data for the remaining groups, with volumes often low and individuals choosing not to complete these elements of the equality data gathering process during their registration for training.

However, there is some quantitative evidence available which points in some cases to a need for positive change. For example, we know Trans students report experiencing harassment and discrimination at higher education institutions and for some this has a significant negative impact on their studies, future plans and skills.²¹

¹⁵ Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot) and Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf (www.gov.scot)

¹⁶ Close the Gap | Working on women and work

¹⁷ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

¹⁸Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

¹⁹ <u>First year Progress Report 2018-19 : Annex C (www.gov.scot)</u> and <u>Gender Pay Gap Action Plan:</u> <u>Analytical Annex (www.gov.scot)</u>

²⁰ <u>Migrants in the UK Labour Market: An Overview - Migration Observatory - The Migration</u> <u>Observatory (ox.ac.uk)</u>

²¹ lgbt_in_britain_-_trans_report_final.pdf (stonewall.org.uk)

As the equality impact assessments for these groups are developed, further evidence gathering will be required to identify how the policies and interventions being designed can address any barriers faced by these groups in fulfilling their skills potential.

Intersectionality

There is insufficient data across the range of intersectionality to offer a clear picture of skills for groups with intersectional characteristics. However, we do know that some groups do experience additional challenges, for example disabled women from a ME background.²²

As the equality impact assessments for these groups are developed, further evidence gathering will be required to identify how the policies and interventions being designed can address any barriers faced by these groups in fulfilling their skills potential.

How this will inform policy development

As each project of the NSET Skilled Workforce Programme is developed and implemented, the evidence above will shape and inform our work. We will work with equalities groups' representative bodies and conduct more detailed research to better understand how we can take action to address the barriers individuals and groups face in developing the skills they need to enter good sustainable work aligned to their abilities.

For example, the Adult Learning Strategy which has already been published recognises the barriers faced and notes:

• Adult learners face a number of barriers in accessing learning and then progressing into employment. Difficulties in accessing learning are often made more challenging for those living in poverty or experiencing exclusion. The Adult Learning Strategy will remove barriers to learning in collaboration with adult learners and equality groups to remove barriers to learning. Our first key step in achieving this is to work alongside adult learners across Scotland to further explore what these barriers are.

Gaps in Evidence

Some gaps in evidence or knowledge around what actions work in addressing inequality exist and this must be taken forward in the more detailed, policy specific EQIAs to be developed.

To help address these gaps, the Programme will have an impact assessment network to work together to identify how we can address data gaps, for example, in relation to intersectionality and skills. The group will also wish to consider how future data capture by skills providers such as colleges, universities and private training bodies can be adapted to ensure we have accurate and robust information in the

²² A Fairer Scotland for Women: Gender Pay Gap Action Plan (www.gov.scot)

future to enable us to monitor progress for equality groups. In addition, the NSET Skilled Workforce Programme Board's remit will include scrutiny of our approach to assessing and addressing impacts.

Cost/resourcing implications

There may be cost implications to ensuring equality of opportunity in the accessing of skills provision.

For example, legislation sets a requirement for reasonable adjustments to be made in the case of disabled people to ensure they are able to access services/employment. These adjustments can attract additional costs and any policy revisions leading to new skills provision must take account of potential additional costs through ensuring accessibility (for example, BSL translation services). Similarly, those with caring responsibilities, such one parent families, need to be able to learn at a time and in a manner which works for them. Flexibility in delivery of skills provision to meet this groups needs may result in additional costs.

All of these should be considered by those undertaking EQIAs at Project level or below.

Monitoring and Review

NSET is a 10-year strategy. When project level or below EQIAs have been completed, regular monitoring of all the Skilled Workforce EQIAs will be built into the governance and monitoring arrangements for the overall programme.

Stage 5 - Authorisation of EQIA

Please confirm that:

This Equality Impact Assessment has informed the development of this policy:

Yes	\boxtimes	No	
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- Opportunities to promote equality in respect of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation have been considered, i.e.:
 - o Eliminating unlawful discrimination, harassment, victimisation;
 - o Removing or minimising any barriers and/or disadvantages;
 - Taking steps which assist with promoting equality and meeting people's different needs;
 - Encouraging participation (e.g. in public life)
 - Fostering good relations, tackling prejudice and promoting understanding.

Yes	\square	No 🗌
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 If the Marriage and Civil Partnership protected characteristic applies to this policy, the Equality Impact Assessment has also assessed against the duty to eliminate unlawful discrimination, harassment and victimisation in respect of this protected characteristic:

Yes 🗌	No 🗌	Not applicable	\square
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Declaration

I am satisfied with the equality impact assessment that has been undertaken for Scotland's National Strategy for Economic Transformation - Programme 4: Skilled Workforce Programme and give my authorisation for the results of this assessment to be published on the Scottish Government's website.

Name: Adam Reid Position: Deputy Director, Skills Authorisation date: 10 October 2022

EQUALITY IMPACT ASSESSMENT - RESULTS

Title of Policy	Scotland's National Strategy for
	Economic Transformation - Programme
	4: Skilled Workforce
Summary of aims and desired	The aim of the Skilled Workforce
outcomes of Policy	Programme is to ensure that our people
	have the skills they need at every stage
	of life to have rewarding careers that
	meet the demands of an ever changing
	economy and society.
	The outcomes we are seeking to
	achieve are:
	an agile and responsive education
	and skills system that meets the
	needs of individuals and employers;
	 a sustainable and skilled working
	population; and
	• an increase in Scotland's talent pool.
Directorate	Fair Work, Employability and Skills
	Directorate

Executive summary

The Public Sector Equality Duty requires the Scottish Government to pay due regard to the need to meet its obligations under the Equality Act 2010 by assessing the impact of applying a proposed new or revised policy or practice upon equality.

Therefore, the Scottish Government has undertaken an Equality Impact Assessment (EQIA) as part of the process to develop the Skilled Workforce Programme within the National Strategy for Economic Transformation.

In developing this programme the Scottish Government is mindful of the three needs of the Public Sector Equality Duty (PSED) - eliminate unlawful discrimination, harassment and victimisation, advance equality of opportunity between people who share a protected characteristic and those who do not, and foster good relations between people who share a protected characteristic and those who do not. Where any negative impacts have been identified, we have sought to mitigate/eliminate these. We are also mindful that the equality duty is not just about negating or mitigating negative impacts, as we also have a positive duty to promote equality.

The Scottish Government aims to support the delivery of a fairer Scotland through addressing existing social and economic inequalities and preventing those who are most vulnerable from being further disadvantaged by facilitating and funding effective transitions into the labour market. Accessible skills provision which is relevant to the needs of the labour market now and in the future is key to the success of this aim. Scotland's Labour Market plays a vital role in helping to create a wellbeing economy that thrives across economic, social and environmental dimensions. Published in spring 2022, the NSET sets out our vision for an economy that is more productive and suffers from fewer structural inequalities.

The Skilled Workforce Programme has the potential to positively impact on increasing equality across the labour market. For example, the breadth of the programme, covering the education and skills system, provides an opportunity to address challenges that may stem from early years and continue into education and work. Additionally, the focus on reform provides the opportunity to address systemic inequalities.

The following section highlights some of the key objectives we are seeking to achieve across each of the three projects within the programme.

Project 11 seeks to adapt the education and skills system so that it is more agile and responsive to our economic needs and ambitions. The commitment to deliver the National Strategy on Adult Learning will ensure that community learning is more consistent and comprehensive. The EQIA has been produced for the Strategy²³.

A lifelong education, research and skills ecosystem that delivers for all people is critical to the future success of society and the economy. This is vital to ensure that everyone has the right skills, knowledge, values and attitudes to achieve their potential and to lead fulfilling lives, contributing to the wellbeing of their communities and the planet. As well as being central to the success of our economy, our education and skills ecosystem also plays a role in addressing key challenges facing our society such as poverty and climate change. We must ensure its purpose and principles are aligned to tackling these challenges and support us in making the right choices.

Project 11 also includes actions to implement the next phase of the Green Jobs Workforce Academy and to launch a new skills guarantee for workers in carbon intensive industries, providing career guidance and training opportunities, enabling people to seek employment in other sectors. This provides an opportunity to contribute to a Just Transition and to help disadvantaged groups enter into and progress in good, green jobs.

Project 12 is focused on supporting and incentivising people, and their employers, to invest in skills and training throughout their working lives. We have committed to developing and implementing a lifetime upskilling and retraining offer that is more straightforward to access for people and business. Crucially, the lifetime skills offer should target more skills investment and support to working age people living in or at risk of moving into poverty. The development of the lifetime skills offer will include working with learners and delivery partners to understand the steps to take to improve training provision, ensuring that access to training for more marginalised groups is made as easy as possible. This could include increasing the provision of training at times that suit people with caring responsibilities, with additional support needs or that fit around current jobs.

²³ <u>4. Key Findings - Adult learning strategy: equality impact assessment - gov.scot (www.gov.scot)</u>

Scotland's population size and composition has a clear impact on Scotland's economy. We need to grow our working age population to ensure we have people of working age to deliver our public services and work across our economy while also providing the tax base. The potential for inward migration to counter natural population decline is impacted by the UK's exit from the European Union (Brexit). Employer demand for workers has increased while the supply of permanent and temporary workers has fallen, bringing new challenges for industries and employers. Businesses across Scotland, acutely in some rural areas, are experiencing a shortage of workers with commonly cited difficulties including a lack of both applicants and qualified candidates. Project 13 therefore recognises that Scotland is facing significant demographic challenges and that more needs to be done to attract and retain working age people and their families from outside Scotland.

Headline Findings and Learning

Background

The evidence for this EQIA was taken from a range of sources including data published by the National Records of Scotland and the Annual Population Survey, Additionally, the NSET's Evidence Paper and Equalities Position Statement were used as reference, however, data has in some cases been updated to reflect changes since the documents were published. Internal and external stakeholders have been and will continue to be consulted on the equality impacts of our programme.

The Scope of the EQIA

The EQIA has been informed by analysis of existing evidence and data (both qualitative and quantitative) in order to draw out the potential impacts of the policy for individuals and equality groups. It does not exclude any protected characteristics.

While this EQIA is for the overarching Skilled Workforce Programme, it is intended that much more detailed assessments are undertaken for projects and/ or actions given their distinct nature and potentially different impacts. At the time of publication, EQIAs have already been undertaken for the Adult Learning Strategy and for the Green Jobs Workforce Academy. The project/action EQIAs will build on the evidence gathered for this EQIA. Additionally, we will work with businesses and skills providers to capture equalities information to better understand the diversity of the workforce.

Key Findings

This section considers specific post-school skills issues for those groups protected under the Equality Act 2010. With the exception of the Adult Learning Strategy and the Green Jobs Workforce Academy, the policies and therefore EQIAs for all the Skilled Workforce projects are still to be developed. As part of this work, we will consider existing evidence and work with stakeholders to ensure the evidence we have is taken into account and that where required and feasible, new evidence is gathered.

Age

Unemployed young people can access a wide range of employment and training support through the range of interventions that form the Young Person's Guarantee, which has a particular focus on those not in education employment or training.²⁴

Young people aged 16-24 make up the largest proportion of higher education undergraduates (78%) and further education enrolments (58.9%).²⁵

Older workers are less likely to enter non-work-related training or education.²⁶ Ageism, exclusion and lack of willingness to recognise the skills and experience of the older workforce also present employment barriers for this group.²⁷

Impact and opportunity through this policy to promote equality

Although in very early stages of policy development, this programme may particularly affect people of different ages. The evidence highlights different levels of skills among younger and older workers and that they face different barriers in the labour market in relation to the acquisition of skills. If developed in a way which takes account of this evidence, there is an opportunity to have a positive impact on equality and eliminating discrimination, e.g. targeting additional upskilling opportunities at older workers. Increasing the age range of workforces to ensure young people and older workers can equally participate in the labour market could enable good relations between these groups.

Disability

The proportion of Equality Act Disabled people aged 16-64 with low or no qualifications (17.4%) is over twice as high as those who are not disabled (6.4%).²⁸

They are less likely than non-disabled people to have qualifications at degree level or above. Even with a degree or higher qualification, people with disabilities are still less likely to be employed than non-disabled people without one.²⁹

The proportion of Equality Act disabled people in employment who received jobrelating training in the past 3 months (24.4%) is higher than the proportion for not Equality Act disabled people (23.3%).³⁰

The proportion of Equality Act disabled people in employment aged 16 to 64 who received job-relating training in the past 3 months (24.4%) is higher than the

²⁴ <u>Home | Young Persons guarantee</u>

²⁵ www.equalityevidence.scot

²⁶ <u>Understanding older workers: Analysis and recommendations to support longer and more fulfilling</u> working lives (cipd.co.uk)

²⁷ <u>Scotland's National Strategy for Economic Transformation: Equality Position Statement</u> (www.gov.scot)

²⁸ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

²⁹ <u>A Fairer Scotland for Disabled People: Employment Action Plan: Year 2 – Progress Report</u> (www.gov.scot)

³⁰ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

proportion for not Equality Act disabled people (23.3%). The proportion in employment who received job-related training for both disabled and non-disabled people have seen a decrease since 2019, although by slightly larger decrease for disabled people (-0.4 percentage points against -0.2 percentage points for non-disabled people.³¹

Disabled people feel that often training is not accessible to them and that the adjustments they need to be able to undertake skills development are not available.

However, enrolments by disabled people for both further (26.6%) and higher education (12%) have increased in recent years.³²

Impact and opportunity through this policy to promote equality

Although in very early stages of policy development, this programme may particularly affect disabled people. The evidence highlights the inequality in the skills system and labour market faced by disabled people. With lower levels of skills and being at greater risk of poverty, policy developed under the Skilled Workforce programme projects can help advance equality of opportunity to increasing accessibility of training for disabled people. It may also have a positive effect in fostering good relations by increasing the number of disabled people able to access employment at a level appropriate to their skills.

Sex

Although more men report low or no qualifications and less work related training, we know women experience negative impacts of occupational segregation in the labour market which often reduces their earning capability and in the case of lone parents can see them at risk of or living in poverty. Women predominate in lower paid sectors such as care, cleaning and catering.³³

Close the Gap note the gendered impacts of the labour market and feel much more can be done within the skills system to help address these.³⁴

Impact and opportunity through this policy to promote equality

Although some gaps exist in intersectional data, robust evidence points to the need for action to address the inequality women face in the labour market and the Skilled Workforce programme can make a positive contribution to this. Although at early stages of development, the programme may positively affect women and help advance equality of opportunity by upskilling more women to enter work in more highly paid sectors, including in new opportunities arising as we transition to net zero. It may also have a positive effect in fostering good relations in the longer term by increasing the number of women in more male dominated and higher paid roles/sectors.

³¹ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

³² www.equalityevidence.scot

³³ Every Child, Every Chance: The Tackling Child Poverty Delivery Plan 2018-22: Annex 3 – Equality Impact Assessment (www.gov.scot) and Covid+and+Inequalities+Final+Report+For+Publication+-+PDF.pdf (www.gov.scot)

³⁴ Close the Gap | Working on women and work

Race

In 2021 in Scotland the proportion with low or no qualifications is higher amongst the minority ethnic group aged 16-64 (11.7%) compared with the white group aged 16-64 ((8.9%)).³⁵

A higher proportion of minority ethnic people in employment aged 16-64 have received job-related training in the last 3 months (24.9%) compared with 23.4% of those who identify as white.³⁶

However, while minority ethnic school leavers tend to outperform other pupils, this doesn't translate into better work outcomes. They can face discrimination when applying for a new job or promotions, and women may face additional barriers in accessing and navigating quality employment. May be more likely to work irregular hours so accessing suitable childcare can be a challenge and tend to be paid less per hour, and are more likely to be underemployed.³⁷ Internationally qualified workers are more likely to be underemployed.³⁸

Impact and opportunity through this policy to promote equality

Although at early stages of development, there is evidence that some minority ethnic people face discrimination in the labour market and have low levels of skills. The Skilled Workforce programme may advance equality of opportunity by offering specific upskilling support to meet their needs and enable them to enter more highly skilled employment. As with the other groups noted above, the existence of more diverse workforces can, in the longer term, have a positive effect in fostering good relations.

Other groups with Protected Characteristics

There is a lack of robust skills data for the remaining groups, with volumes often low and individuals choosing not to complete these elements of the equality data gathering process during their registration for training.

However, there is some quantitative evidence available which points in some cases to a need for positive change. For example we know trans students report experiencing harassment and discrimination at higher education institutions and for some this has a significant negative impact on their studies, future plans and skills.³⁹

As the equality impact assessments for these groups are developed, further evidence gathering will be required to identify how the policies and interventions being designed can address any barriers faced by these groups in fulfilling their skills potential.

³⁵ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

³⁶ <u>Age - Scotland's Labour Market: People, Places and Regions – Protected Characteristics. Statistics</u> from the Annual Population Survey 2021 - gov.scot (www.gov.scot)

³⁷ <u>First year Progress Report 2018-19 : Annex C (www.gov.scot)</u> and <u>Gender Pay Gap Action Plan:</u> <u>Analytical Annex (www.gov.scot)</u>

³⁸ <u>Migrants in the UK Labour Market: An Overview - Migration Observatory - The Migration</u> <u>Observatory (ox.ac.uk)</u>

³⁹ lgbt_in_britain_-_trans_report_final.pdf (stonewall.org.uk)

Impact and opportunity through this policy to promote equality

The projects of the Skilled Workforce programme, if developed in line with evidence already available and gathered in the course of policy development, should have a positive impact where that evidence points to discrimination, inequality of opportunity and a need to foster good relations. Effectively targeted skills programmes tailored to individuals', communities' and employers' needs can improve outcomes for these groups and work to foster good relations by ensuring people have the skills they need to fulfil their potential.

Intersectionality

There is insufficient data across the range of intersectionality to offer a clear picture of skills for groups with intersectional characteristics. However, we do note that some groups do experience additional challenges, for example disabled women from a ME background.⁴⁰

As the equality impact assessments for these groups are developed, further evidence gathering will be required to identify how the policies and interventions being designed can address any barriers faced by these groups in fulfilling their skills potential.

Impact and opportunity through this policy to promote equality

Despite the lack of robust intersectional data across some equality groups, we are clear that the Skilled Workforce programme projects, if developed in line with evidence already available and gathered in the course of policy development, should have a positive impact where that evidence points to discrimination, inequality of opportunity and a need for more good relations. Effectively targeted skills programmes tailored to individuals', communities' and employers' needs can improve outcomes for these groups and work to foster good relations by ensuring people have the skills they need to fulfil their potential.

However, the evidence gathering work to date to a lack of robust data and addressing this is a clear priority to enable effective policy development and implementation.

Relevance of Skilled Workforce projects to the groups listed in key findings above

All three Skilled Workforce projects are relevant to improving outcomes for the groups above facing barriers to ensuring they have the skills needed now and in the future to succeed in Scotland's labour market. These are:-

- Project 11: Adapt the education and skills system so that it is more agile and responsive to our economic needs and ambitions;
- Project 12: Support and incentivise people, and their employers, to invest in skills and training throughout their working lives; and

⁴⁰ A Fairer Scotland for Women: Gender Pay Gap Action Plan (www.gov.scot)

• Project 13: Expanding Scotland's available talent pool at all levels, to give employers the skills pipeline they need to take advantage of opportunities.

Recommendations and Conclusion

- The Programme EQIAs will be kept under review and periodically updated throughout the duration of the NSET Strategy, with new data and evidence analysed as we improve data collection.
- As policy interventions are developed to support the aims of the Programme, these policies will require their own EQIAs to ensure that the specific barriers for each protected characteristic are fully considered.
- The Skilled Workforce Programme Board Secretariat will establish an equalities reference group to provide support, expertise and challenge on our approach to equalities.
- The Skilled Workforce Programme Board will review and scrutinise the Programme's impact on equalities.
- That the Programme considers the requirement for Fairer Scotland Duty, Island Communities Impact Assessment and Business Regulatory Impact Assessments.



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This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government St Andrew's House Edinburgh EH1 3DG

ISBN: 978-1-80525-141-5 (web only)

Published by The Scottish Government, October 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA PPDAS1182942 (10/22)

www.gov.scot