

No One Left Behind - Equality Impact Assessment Update Summary

October 2022



Scottish Government
Riaghaltas na h-Alba
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No One Left Behind - Equality Impact Assessment UPDATE Summary

Title of Policy

No One Left Behind

Summary of aims and desired outcomes of Policy

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.

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 [National Strategy for Economic Transformation \(NSET\)](#) sets out our vision for an economy that is more productive and suffers from fewer structural inequalities.

Scotland's labour market is a key component in driving economic growth, inclusivity and equality. Through the actions we are taking we will deliver a labour market that is inclusive and offers equality of opportunity for all to access and to progress in work and to ensure everyone can reach their full potential, and has high economic participation, including from those furthest from the labour market, to improve outcomes for individuals and drive national economic performance through higher rates of employment.

Our No One Left Behind approach offers an all age, flexible, joined up and user centred model to deliver employability support across Scotland. This support will be straightforward to navigate and is integrated and aligned with other services, particularly health, justice and housing provision. This approach has changed the way Scottish Government funds employability support delivery and in the longer term is intended to result in efficiencies and service improvements being achieved.

The aim of No One Left Behind is to integrate investment currently supporting national employability programmes into a new co-funding arrangement managed collaboratively between Scottish Government and Local Government. Local Authorities, acting as a lead accountable body, will provide local leadership and ensure a partnership approach in the planning, procurement and delivery of services for their local communities. The key local partners include other public sector e.g. NHS, DWP, Skills Development Scotland, Further Education institutions, Third Sector representation and potentially local employers representative organisations.

The implementation of No One Left Behind will result in a transformational change in the delivery of employability services and support. The user voice will inform the design and development of inputs and ensure key and priority groups are included. The services will be based around the role of the Key Worker who works with individuals to identify, prioritise and access the necessary actions and inputs required to assist progression into Fair Work.

No One Left Behind is entirely voluntary and ensures people progress towards work. The delivery is designed to ensure dignity, respect and fairness.

Directorate: Division Team

Fair Work Employability & Skills: Employability Division

Executive Summary

Introduction

Scottish Ministers remain committed to addressing social and economic inequalities, supporting people towards and into fair and sustainable work following the unprecedented impacts of the COVID-19 pandemic. The situation in Ukraine together with the cost of living crisis means that the economic outlook is increasingly uncertain and economies need to build resilience. Scotland's economy has continued to recover from the pandemic.

Our National Strategy for Economic Transformation (NSET) seeks to ensure our economy is more resilient to shocks, and commits to establishing a new measure of the resilience, monitoring, assessing and identifying actions to future-proof Scotland's economy over the long term.

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.

Our No One Left Behind approach offers an all age, flexible, joined up and user centred model to deliver employability support across Scotland. This support will be straightforward to navigate and is integrated and aligned with other services, particularly health, justice and housing provision. This approach has changed the way Scottish Government funds employability support delivery and in the longer term is intended to result in efficiencies and service improvements being achieved.

Background

Implementation of No One Left Behind is taking place on a phased basis, with national programmes ceasing and being replaced by a local allocation of No One Left Behind investment across the 32 local authority areas.

Phase 1 was implemented in April 2019 when 'Activity Agreements' and 'Scotland's Employer Recruitment Incentive' ceased. Phase 2 went live in April 2022 incorporating funding previously allocated to Community Jobs Scotland and the Employability Fund.

In addition to the phases set out above, No One Left Behind has been supplemented by the Parental Employability Support Fund and the local element of the Young Person's Guarantee.

It is also the vehicle through which we will deliver the offer to parents seeking to increase their income from earnings as set out in Best Start Bright Futures (March 2022), demonstrating the benefit of a flexible and responsive local employability model in responding quickly to emerging priorities.

The impacts of COVID-19 pandemic have been different across certain groups and geographies. For example, evidence suggests that the pandemic disproportionately impacted young people in the labour market. The unemployment rate of 16-24 year olds worsened to a much greater extent than other age groups between 2019 and

2020, rising by around 5 percentage points to 13.2% over the year. More recently, between 2020 and 2021, the 16-24 unemployment rate has fallen, suggesting some recovery, but it remains elevated when compared to pre-COVID estimates.

A Young Person's Guarantee was launched to mitigate the impact of the pandemic, learning from previous economic downturns. Specific priority is being given to those who are considered to be most at risk and have multiple barriers to employment, to help support their engagement, participation and progression. The ambition of the Guarantee is that every person aged between 16 and 24 will have the opportunity to study; take up an apprenticeship, job or work experience or participate in formal volunteering.

There are around 33,000 people in Scotland who have been unemployed for at least 12 months (ONS, Annual Population Survey, Jan-Dec 2021) and disabled people are over-represented, who face further barriers to employment. Many equality groups are already underrepresented in the labour market and are now some are at risk of being left further behind as the economy recovers, and suffering long term economic scarring effects as a result.

To mitigate the worst effects of turbulence in the economy we have made significant and targeted investments to ensure that we not only 'build back better' but also more fairly.

Employability has a pivotal role in addressing existing social and economic inequalities, preventing those who are most vulnerable from being further disadvantaged by the economic shocks. We recognise the vital role of organisations across the employability landscape, and are committed to protecting a diverse range of provision to ensure the right support is available for those who need it most, creating advantage for those who are experiencing disadvantaged.

The Scope of the EQIA

The EQIA has been informed by detailed analysis of existing evidence and data (both qualitative and quantitative) in order to draw out the potential impacts of the policy for the following protected characteristics:

- Sex
- Trans Status
- Age
- Disability / long term health condition
- Ethnic group
- Religion
- Sexual orientation

Methodology

The evidence for this EQIA was taken from a range of sources including data published by the Office for National Statistics (ONS).

The Scottish Government has also utilised both formal and informal stakeholder feedback to inform policy. For example, we held a number of stakeholder engagement sessions in the spring and summer of 2018 with a range of stakeholders from the public, private and third sectors, recording details of best practice and noting suggestions for change. In addition, many stakeholders sent us in their written feedback for consideration. We also commissioned Messrs Blake Stevenson to gather feedback from service users and provide us with a written report.

Key Findings

Age

Labour market data shows that the unemployment rate of 16-24 year olds is much higher than other age groups and that the COVID-19 pandemic has disproportionately impacted young people in our labour market. Young adults are also more likely to be in poverty than older adults.

Long-term unemployment (1+ year) is a particular challenge for older workers (50+) with that age group estimated to make up almost half of all long-term unemployment in 2021. Long-term unemployment increased for those aged 50+ over the latest year whereas it fell for other age groups.

Children living in households with a young mother (<25) are much more likely to be in poverty than those living with a mother aged 25+.

Disabled People

Despite some progress in recent years, Scotland has a persistent disability employment rate gap (the difference in the employment rates of disabled and non-disabled people) with the employment rate of disabled people consistently lower than the employment rate of non-disabled people.

Prior to the COVID-19 pandemic, the disability employment gap (DEG) was narrowing – falling from 37.4 percentage points in 2016 to 32.6 percentage points in 2019. However, in 2020, the gap widened by 1.1 percentage point – from 32.6 percentage points in 2019 to 33.7 percentage points - suggesting that disabled people had been disproportionately impacted in the labour market as a result of COVID-19.

Race

Scotland has a persistent minority ethnic employment rate gap with the employment rate of Scotland's minority ethnic population consistently lower than the employment rate of the white population.

In 2021, the employment rate of the minority ethnic population was estimated to be 62.1% compared to 73.8% for the white population – a gap of 11.7 percentage points. There has been no sustained progress in reducing the ethnicity employment rate gap over recent years.

Employment outcomes are particularly poor for minority ethnic women with an employment rate of just 49.0% in 2021 compared to 76.9% for minority ethnic men.

Sex

Women have worse employment outcomes in the labour market than men and are paid less on average. Women are also more likely than men to be economically inactive. However, men are more likely than women to be unemployed or long-term unemployed.

The employment rate of women has consistently been lower than the employment rate of men, but the gap in these rates has narrowed over time as female labour market participation has risen. In 2021, the employment rate of women was estimated to be 70.7% compared to a rate of 75.7% for men.

The Equality Impact Analysis has shaped and informed the Scottish Government's policy development by:

- Developing a Policy Statement for all future programmes allowing colleagues to structure and adapt the EQIA on an ongoing basis;
- Has helped to address the negative impact sanctions can have on vulnerable people in society. Scottish Ministers have agreed that all customers participating in Scotland's employability service should do so on a voluntary basis.
- Presenting an opportunity to design and deliver effective and targeted employment support services in Scotland that better meet the needs of unemployed Scots, those employing community and services that reflect national and local labour markets and which helps to build on existing service delivery in Scotland.
- An opportunity to better align, not just mainstream, employability support, creating the opportunity to deliver more effective, targeted and joined up public services and seek broader progress and potential shared outcomes (and investment) in devolved services.

Recommendation and Conclusion:

The equality impact analysis has shaped and informed the Scottish Government's policy development by:

- Adapting the EQIA on an ongoing basis, it has allowed colleagues to structure and develop the policy statement for the development of the approach and its future phases;

- Providing a baseline on the negative impact sanctions can have on vulnerable people in society allowing Scottish Ministers to agree that all customers participating in Scotland's employability service should do so on a voluntary basis;
- Presenting a significant opportunity to design and deliver effective and targeted employment support in Scotland that better meets the needs of unemployed Scots, those of the employing community, and services that reflect national and local labour markets, building on existing service delivery in Scotland;
- And providing an opportunity to better align not just mainstream employability support in Scotland, but also disability employment services with other Scottish Government and public sector support for unemployed Scots, such as Welfare, Health and Social Care, creating the opportunity to deliver more effective, targeted and joined up public services and seek broader progress and potential shared outcomes (and investment) in devolved services.

Recommended actions:

- Engage with a variety of individuals, with a focus on those with protected characteristics, during the design stages of deciding how to allocate funding based on local need;
- Target eligibility criteria for funding to support those the greatest barriers to employment to enable them to obtain, sustain and progress in employment.
- Ensure that all communications are accessible (including use of British Sign Language).
- Engage with Scottish Government colleagues to ensure activity aligns with the refreshed Fair Work Action plan and forthcoming actions (including disability employment, gender pay gap, and new ethnicity pay gap strategy) and The Promise delivery plan.
- Support employers to adopt and embed fair and inclusive workplace practices;
- Continue to support the adoption of the Fair Work Framework to address gender inequality across all dimensions of work – opportunity, security, fulfilment (including skills acquisition and deployment), respect and voice.
- Help to support delivery partners' knowledge and skills around intersectional gender analysis and gender sensitive service development.
- Support employers to provide flexible working, which is particularly crucial for young people with caring responsibilities (which is more prevalent for women).
- Local partnership support should be person-centred and consider the issues faced by women, people of colour, lone parents, LGBTQI+ in the labour market with support tailored to meet the individual needs.

- Provide particular support for young pregnant women and mothers at a local partnership level.
- Support employers to in turn support employees, with opportunities to make use of resources from expert organisations including those representing disabled people, women, people of colour, lone parent families, care experienced and LGBTQI+.



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