

Integrated Equality and Fairer Scotland Duty Impact Assessment

1. Details of the proposal

Title of proposal/policy/project/plan to be assessed	Net Zero Accelerator Fund
Is this a new or revised proposal/policy/project/plan?	New
Service area:	Net Zero
Department:	Net Zero, Nature and Entrepreneurship Directorate
Lead officer: (Name and job title)	Blair Miller, Net Zero Ventures Lead
Other officers/partners involved: (List names, job titles and organisations)	Martin Valenti, Director NZNE
Date(s) Equality Impact Assessment completed:	03.08.23



2. Cumulative Impact

Will there be any cumulative impacts as a result of the relationship between this proposal and other proposals/policies/projects/plans?

If yes, please state here:

The promotion of the 'Just' Transition to NZ also ties into the Scottish Government's Fair Work agenda, the promotion and adoption of which is a core element of both NSET and SOSE's Action plan.

3. Scoping, data and evidence gathering

Why are you introducing a new proposal/policy/project/plan, or why are you revising an existing one?

As outlined in the SOSE Act, our Action, and Operating Plans, delivering the Just Transition to Net Zero is a priority for both SOSE and the Scottish Government who have committed to the legally binding target by 2045. The current rate of change is, however, too slow to allow us to reach this target and realise the opportunities which it presents.

The Net Zero Accelerator Fund 23-24 (NZAF) has been established to complement SOSE's existing funding resources and advisory services to ensure that during constrained periods, promising opportunities to accelerate the Just Transition to Net Zero can still be delivered.

Accordingly, the fund is reserved for those project opportunities which can meet the following distinguishing criteria focussed on project output and impact towards the net zero agenda.



What is the purpose of the proposal/policy/project/plan?	To accelerate and promote the Just Transition to net Zero and ensure
	Scotland, and South of Scotland Enterprise, can deliver (and hopefully
	exceed) their commitments.
Who will the proposal/policy/project/plan effect?	Companies and projects that wish to apply for the funding available,
Is it location specific & if so, is it located in an area of socio-economic disadvantage?	those which have a project which deliver a positive and substantive
	impact on the Just Transition to net Zero in the South of Scotland and
	everyone living and working in the SoS.
Who will benefit from the proposal/policy/project/plan? (eg employees,	Companies and projects that wish to apply for the funding available,
service users, equality groups, other stakeholders)	those which have a project which deliver a positive and substantive
	impact on the Just Transition to net Zero in the South of Scotland.
	The entire SoS will benefit from the promotion and acceleration of the
	JT to NZ.
What is the intended outcome(s) and impact of the	Grant funding awarded to eligible and deserving projects.
proposal/policy/project/plan?	An acceleration of the JTNZ in the SoS.
(Set out a clear understanding of the purpose of the proposal being developed or reviewed	An increase in exposure and interest in the JTNZ in the SoS.
including the aims, objectives, intended outcomes and the context within which it will operate)	A more efficient route established for awarding grant funding.
What quantitative and/or qualitative evidence have you considered	The SOSE Act 2019
when deciding to develop a new proposal/policy/project/plan or revise	The SOSE Action Plan 2023
a current one?	The SOSE Operating Plan 2023
Information can include, for example, surveys, focus groups, databases, interviews, pilot	Climate Change (Scotland) Act 2009
projects, reviews of complaints made, user feedback, academic publications, and so on.	Climate Change (Emissions Reduction Targets) (Scotland) Act 2019
	The SOSE Communities Ambition Fund 23-24
	SOSE Business Panel Surveys
	SOSE community engagement tours
	SOSE-commissioned focus groups
	303L-commissioned rocus groups



	Research conducted via Sleeping Giants, the community-
	focused capacity building social enterprise
Who did you consult with?	The concept of the NZAF was devised by Martin Valenti and the required
Examples include equality groups, civil servants, service users, and so on	· · · · · · · · · · · · · · · · · · ·
Examples include equality groups, civil servants, service users, and so on	budget line was approved by the SOSE Board. The formal approval of the
	new awards process was signed off by the SLT on 3 rd August.
	The need for the NZAF is demonstrated through a variety of statistical
	evidence, both quantitative and qualitative.
	evidence, both quantitative and quantative.
	Firstly, the The Climate Change Act 2019 specified a target emissions
	reduction of 51.1% by 2021 in Scotland, however a reduction of only
	49.9% was recorded, demonstrating clearly that the rate of progress
	toward our legally binding target of achieving net zero by 2045 is
	insufficient.
	insumcient.
	Secondly, the SOSE Business Panel Surveys record the market
	sentiment amongst local businesses. The 2 most recent surveys clearly
	demonstrate that businesses in the South of Scotland are facing
	financial pressures which are limiting their ability to mitigate the risks
	imposed by their exposure to energy and raw material prices, and ability
	to adapt to the transition to net zero.
	to adapt to the transition to het zero.
	Wave 5 conducted between October-November 2022 demonstrated:
	86% businesses had at least 1 financial concern
	 48% of businesses were currently using or planning to use some
	form of finance
	The most impactful cost increases were raw materials (61%) and
	•
	electricity and gas (50%)

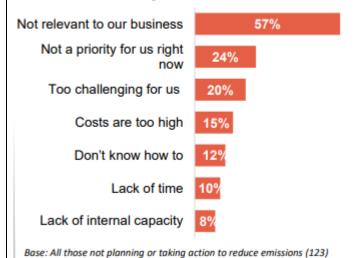


- 70% of businesses had delayed or postponed plans because of cost increases.
- 56% of businesses were making energy efficiency improvements as a result

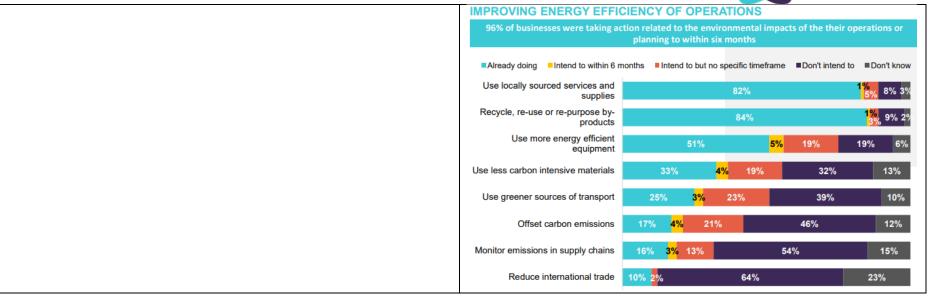
Wave 6 conducted between February-March 2023 demonstrated:

BARRIERS TO REDUCING EMISSIONS

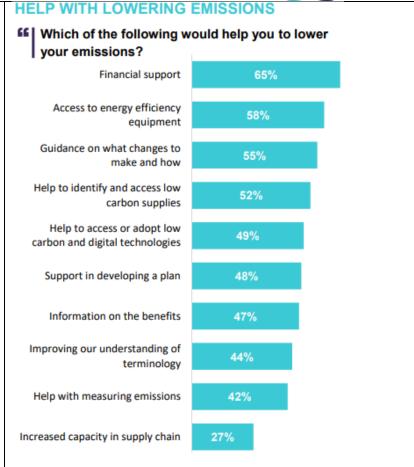
Reasons for not reducing carbon missions











Additionally, CMS have been consulted around the possibility of creating a bespoke subsidy route for the fund. The Communities Team preceded the development of the NZAF with their Communities Ambition Fund so consulted with their team.



What did you learn?	The Communities team have been pioneering in discovering what isn't
	and is understood, and managed, by SOSE in terms of our own
	governance and processes for grant award.
	governance and processes for grant award.
	A lot of the development of this fund was based on the collection of
	evidence and understanding of economic development and fair and
	practical governance.
	practical governance.
	What was apparent from the consultation was the need from businesses
	on the support and funding required to enable them to make a transition
	to net zero, which will align with our own legally binding targets.
	to her zero, which will aligh with our own legally binding targets.
	The process of how the fund is established, and funding awarded and
	governed is based on the existing process which the P&E Directorate
	has used and refined since the organisation's conception. This has been
	refined and adapted slightly to better fit the needs and goals of the
	NZAF, following what the Communities team implemented and how. It
	demonstrated what the SLT are comfortable with and want to know
	about the awards process.
How did the consultation shape the proposal/policy/project/plan?	It clearly demonstrated the need for the NZAF to be established, as
	Scotland is behind with its legally binding targets and local businesses
	are facing the negative impacts of the transition to net zero and don't
	have adequate resources to make the necessary changes.
	It additionally made clear that businesses require substantial amounts
	of funding support, and at time advisory on how to make the transition
	within their businesses.



The increasing cost or raw materials and energy / fuel costs has removed contingency or funding reserves which could have been used to contribute toward projects that could enable the transition. This has demonstrated that companies require substantial levels of intervention to enable some projects in some instances.

The feedback from colleagues within P&E and businesses was that the process for appraisal and award took too long and was detrimental. As such the process has been designed to refine the existing P&E process and remove the areas that aren't relevant and duplicate existing areas of the appraisal form and process, while introducing a pre-screening eligibility checker.

Describe any gaps in the available evidence

Does the activity exclude certain groups? Are there conditions applied to the activity which may indirectly lead to certain groups being excluded? It is not always possible to get information about all protected groups – lack of information does not mean that there will be no impact, however

There are no obvious gaps in available evidence – it is clear from nation-wide statistics and from SOSEs own research that Scotland has fallen behind on its target to reach Net Zero by 2045. The purpose of this fund is to enhance and accelerate the SoS's transition to Net Zero. The fund is thematically and output focused. It is open to all types of projects and organisations which will have a positive impact upon the JT to NZ.

Eligibility will be determined by the level of impact on the JT to NZ in the SoS.

4. Legislative requirements

4.1 Relevance to the Public Sector Equality Duty



Do you believe your proposal has any relevance under the Equality Act	Yes
2010?	
(If you believe that your proposal may have some relevance, however small, please indicate	
'yes'. If there is no effect, please enter 'no' and go to section 4.2)	
Equality Duty	
Elimination of discrimination (both direct and indirect), victimisation and	Unlikely to have much impact on the elimination of discrimination at
harassment	this stage. However, when the fund gets to the end of the trial period
Will the proposal discriminate? Or help eliminate discrimination?	and can be advertised on the open market, steps will be taken to
	ensure the advertising and the application process are accessible for
	all.
Promotion of equality of opportunity between those who share a protected	Neither
characteristic and those who do not	
Will your proposal help or hinder SOSE with this?	
Foster good relations between those who share a protected characteristic	Neither
and those who do not	
Will your proposal help or hinder SOSE's relationships with those have equality	
characteristics?	
Does your proposal/policy/project/plan ensure Human Rights articles	Compliant ⊠ Breach □
compliance?	
Please indicate which articles your proposal/policy/project/plan relates	
to:	
Article 1 – Free and equal ⊠	
Article 2 – Right to life □	
Article 3 - Prohibition of torture □	
Article 4 – Prohibition of slavery and forced labour \square	
Article 5 − Right to liberty and security □	



Article 6 - Right to a fair trial (e.g., disciplinary procedures) □	
Article 7 – No punishment without the law (e.g., disciplinary procedures) \Box	
Article 8 − Right to respect for private and family life □	
Article 9 – Freedom of thought, conscience and religion ⊠	
Article 10 – Freedom of expression ⊠	
Article 11 – Freedom of assembly & association (e.g., trade union recognition) \Box	
Article 12 − Right to marry □	
(N.B.) Article 13 has been removed	
Article 14 – Prohibition of discrimination (e.g., protected characteristic groups) \Box	
Protocol 1 Article 1 − Protection of property □	
Protocol 1 Article 2 − Right to education □	
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4.2 Which groups of people do you think will be or potentially could be impacted by the implementation of this proposal? Consider employees, clients, service users, and any other relevant groups Please tick below as appropriate, outlining any potential impacts on the equality groups this proposal may have **Impact** Please explain the potential impacts No Positive Negative impact impact impact AGE There is no impact, as the fund has been designed to fund projects that support A person belonging to a particular age a 'Just' Transition to NZ. As such no funding application will be approved, if it is \times or a specific age group (children, considered unjust for anyone with a protected characteristic. young people, elderly) As part of the appraisal process, each project will be assessed to ensure that it does not have a negative impact on anyone of any age.



DISABILITY A person has a disability if they have a physical or mental impairment which has a substantial adverse effect on their ability to carry out normal day-to-day activities. This can include visible and non-visible disabilities		Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality. There is no impact, as the fund has been designed to fund projects that support a 'Just' Transition to NZ. As such no funding application will be approved, if it is considered unjust for anyone with a protected characteristic. As part of the appraisal process, each project will be assessed to ensure that it does not have a negative impact on anyone with a disability. Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.
GENDER REASSIGNMENT / TRANS/TRANSGENDER IDENTITY This includes anyone who has proposed, started or completed a process to change their gender from the one assigned to them at birth		There is no impact, as the fund has been designed to fund projects that support a 'Just' Transition to NZ. As such no funding application will be approved, if it is considered unjust for anyone with a protected characteristic. As part of the appraisal process, each project will be assessed to ensure that it does not have a negative impact on anyone who is transgender or who has undertaken gender reassignment.



		Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.
MARRIAGE OR CIVIL PARTNERSHIP Marriage is a union between two people, while civil partnership is a form of legal recognition for a relationship		There is a positive impact, as the fund has been designed to fund projects that support a 'Just' Transition to NZ. As such no funding application will be approved, if it is considered unjust for anyone with a protected characteristic. As part of the appraisal process, each project will be assessed to ensure that it does not have a negative impact on anyone, of any marriage or civil partnership status. Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.



		ENTER RIOE
PREGNANCY AND MATERNITY This refers to the period during and after the birth and is linked to maternity leave in the employment context or protection against maternity discrimination for 26 weeks after giving birth		There is a positive impact, as the fund has been designed to fund projects that support a 'Just' Transition to NZ. As such no funding application will be approved, if it is considered unjust for anyone with a protected characteristic. As part of the appraisal process, each project will be assessed to ensure that it does not have a negative impact on anyone who is pregnant or on maternity leave. Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.
RACE Including ethnic origins, nationality, colour, and minorities such as gypsy/travellers, refugees, migrants and asylum seekers		There is a positive impact, as the fund has been designed to fund projects that support a 'Just' Transition to NZ. As such no funding application will be approved, if it is considered unjust for anyone with a protected characteristic. As part of the appraisal process, each project will be assessed to ensure that it does not have a negative impact on anyone, of any race. Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice. All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.



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RELIGION OR BELIEF				There is a positive impost to the final back been designed to final preints that
				There is a positive impact, as the fund has been designed to fund projects that
Refers to any religion, belief, or philosophical belief, including a lack of religion or belief	\boxtimes			support a 'Just' Transition to NZ. As such no funding application will be approved, if it is considered unjust for anyone with a protected characteristic.
				As part of the appraisal process, each project will be assessed to ensure that it
				does not have a negative impact on anyone, of any religion or belief.
				does not have a negative impact on anyone, or any religion of belief.
				Should the project require recruitment of additional members to the workforce,
				grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice.
				All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.
SEX - GENDER IDENTITY				There is a positive impact, as the fund has been designed to fund projects that
Men and women, boys and girls, and those who self-identify their gender,	\boxtimes			support a 'Just' Transition to NZ. As such no funding application will be
including non-binary people	_			approved, if it is considered unjust for anyone with a protected characteristic.
				As part of the appraisal process, each project will be assessed to ensure that it
				does not have a negative impact on anyone, of any sex or gender identity.
				a does not have a negative impact on any one, or any sex or gender identity.



			Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice.
			All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.
SEXUAL ORIENTATION A person's identity in relation to the gender or genders to which they are, or are not, sexually attracted to	\boxtimes		There is a positive impact, as the fund has been designed to fund projects that support a 'Just' Transition to NZ. As such no funding application will be approved, if it is considered unjust for anyone with a protected characteristic.
			As part of the appraisal process, each project will be assessed to ensure that it does not have a negative impact on anyone, of any sexual orientation.
			Should the project require recruitment of additional members to the workforce, grant recipients will be expected to conduct inclusive and unbiased recruitment and selection processes in line with recognised recruitment best practice.
			All those sitting on funding panels are trained on equality issues and unconscious bias to ensure equality.

4.3 Fairer Scotland Duty

This duty places a legal responsibility on organisations to actively consider how we can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions

Is the proposal strategic?



If not, go to section 4.4				Yes
-	otential in	npact on the (undernoted	groups this proposal may have
, , , , , , , , , , , , , , , , , , , ,		 Impact		
	No	Positive	Negative	Please explain the potential impacts
	impact	impact	impact	
LOW AND/OR NO WEALTH This includes having enough				The fund has been designed to fund projects that support a 'Just' Transition to NZ.
money to meet basic living costs and pay bills, but not having any		\boxtimes		The project could require job creation in the local market.
savings to deal with any unexpected outgoings and little to no provision for the future				As part of SOSEs contracted conditions for receiving grant funding, all members of staff would need to be recruited under fair working conditions and paid at least at or above the real Living Wage.
MATERIAL DEPRIVATION This includes being unable to				The fund has been designed to fund projects that support a 'Just' Transition to NZ.
access basic goods and services such as financial products like life insurance, electrical goods,		\boxtimes		The project could require job creation in the local market.
leisure and hobby activities,				As part of SOSEs contracted conditions for receiving grant funding, all members
heating, and so on				of staff would need to be recruited under fair working conditions and paid at least at or above the real Living Wage.
AREA DEPRIVATION				The fund has been designed to fund projects that support a 'Just' Transition to NZ.
Where someone lives (e.g., rural areas), and where someone works (e.g., accessibility of		\boxtimes		The project could require job creation in the local market.
transport)				As part of SOSEs contracted conditions for receiving grant funding, all members of staff would need to be recruited under fair working conditions and paid at least at or above the real Living Wage.



SOCIO-ECONOMIC			The fund has been designed to fund projects that support a 'Just' Transition to NZ.
BACKGROUND Social class, including parents' education, employment and income	\boxtimes		There is no evidence of a differential impact identified at this time
LOOKED AFTER and CARE EXPERIENCED PEOPLE	\boxtimes		The fund has been designed to fund projects that support a 'Just' Transition to NZ.
			There is no evidence of a differential impact identified at this time
CARERS Paid and unpaid, including family		\bowtie	The fund has been designed to fund projects that support a 'Just' Transition to NZ.
members			The project could require job creation in the local market.
			As part of SOSEs contracted conditions for receiving grant funding, all members of staff would need to be recruited under fair working conditions (which encourage flexible and family friendly working practices) and paid at least at or above the real Living Wage.
HOMELESSNESS	\boxtimes		The fund has been designed to fund projects that support a 'Just' Transition to NZ.
			There is no evidence of a differential impact identified at this time
ADDICTIONS and SUBSTANCE ABUSE	\boxtimes		The fund has been designed to fund projects that support a 'Just' Transition to NZ.
			There is no evidence of a differential impact identified at this time
THOSE INVOLVED WITHIN THE CRIMINAL JUSTICE	\boxtimes		The fund has been designed to fund projects that support a 'Just' Transition to NZ.
SYSTEM			There is no evidence of a differential impact identified at this time



4.4 Environmental sustainability, climate change and energy management				
How will the proposal/policy/pro	oject/plan af	fect the enviror	nment and cal	rbon usage?
Impact			Please explain the potential impacts	
	No	Positive	Negative	
	impact	impact	impact	
THE ENVIRONMENT				The entire fund is designed to have a positive impact upon sustainability,
e.g., carbon usage, pollution etc.		\boxtimes		climate change and/or energy management in order to progress the JT to NZ.

5. Mitigating actions and recommendations

Consider:

- Could you modify the proposal to eliminate discrimination or reduce any identified negative impacts? If necessary, consider other ways in which you could meet the aims and objectives of the proposal
- Could you modify the proposal to increase equality and, if relevant, reduce poverty and socio-economic disadvantage?
- Describe any modifications which you can make without further delay (e.g., easy, few resource implications such as information in different formats and languages etc.)

Considering alternatives and mitigation				
Are you able to reduce any potential negative impacts identified above?				
No modifications can be made at this time, however, should anything relevant be identified during the trial period of the NZ Accelerator fund, then modifications will be made in real time.				
EQUALITY CHARACTERISTIC /	MITIGATION	RESOURCE IMPLICATIONS	APPROVED?	
SOCIO-ECONOMIC FACTOR		Financial, people, health, property, etc.	Yes / No	

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AII	All SOSE staff are trained on all	n/a – as part of BAU	
	elements of Equality, Diversity and		
	Inclusion, as well as unconscious		
	bias.		

6. Conclusions and planned action

Is further work required?	Yes
What action is to be taken?	The fund is being introduced as a pilot, with a soft launch to ensure that
	over time it is robust, well governed and non-exclusive.
	This will also provide us with a reference group/baseline with which to consult and benchmark.
	We see the EqIA process as one of continual learning and development and seek to adapt it as the fund is rolled out and trialled.
	Phase 2 development – when/if this becomes an open fund work will be undertaken to ensure the promotion and application processes are fair
	and inclusive, taking account of those with individual protected
	characteristics.
Who will undertake it?	NZ Ventures Lead
When will it be done?	As required throughout the process



How will it be monitored, by whom and when/how often?	Via consultation with businesses, lead officers and equality
(e.g., through service plans)	ambassadors.
	NZ Ventures Lead
	c. Biannually

7. Recommendations and reasoning

Select which applies:

| Implement proposal with no amendments (as a positive impact is explicitly intended and very likely)
| Implement proposal taking account of mitigating actions (as outlined above)
| A negative impact is probable or certain for some groups, but the policy can nevertheless be justified as a proportionate means of achieving a legitimate aim
| Reject proposal due to disproportionate impact on equality, poverty, health and/or socio-economic disadvantage

| Reason for recommendation:
| The project is designed to drive and accelerate the SoS's Just Transition to NZ



8. Ongoing Monitoring

How often will this proposal/policy/project/plan be monitored and	Biannually
reviewed, with Equality in mind?	
What stages of monitoring will be implemented?	Review of the implementation and impact of the fund and actions taken
Eg: collecting and analysing information, identifying inequalities,	based on findings
investigating the causes of these and removing any discrimination or	
barriers to economic progression.	
How will you monitor?	Continually
How and how often will you analyse the results?	Annually

9. Approval and Publishing

Signed by Project/Policy Lead:	Blair Miller
Role:	Net Zero Ventures Lead
Date:	07 September 2023
Signed by Fair Work and Equalities Lead:	Shown.
Date:	07.09.23
Publishing Date:	